



LOTUS ROOFINGS LIMITED

Our Company was incorporated as "Lotus Roofings Private Limited" under the provisions of The Companies Act, 1956 vide Certificate of Incorporation dated April 26, 1984 issued by the Registrar of Companies, Puducherry bearing Registration Number 259 of 1984. The name of our Company was subsequently changed to "Lotus Roofings Limited" pursuant to special resolution passed by the Shareholders at its Extra Ordinary General Meeting held on September 03, 2018 and a fresh certificate of incorporation consequent upon conversion from Private Company to Public Company was issued by the Registrar of Companies, Puducherry dated September 27, 2018 bearing Corporate Identity Number U25209PY1984PLC000259. For further details please refer to chapter titled "General Information" and "History and Certain Corporate Matters" beginning on pages 56 and 154 respectively.

Corporate Identification Number: U25209PY1984PLC000259

Registered Office: Sedurapetauro Ville [Via] Pondicherry-605101, India

Corporate Office: New No. 338 (Old No. 165), 2nd Floor, Thambu Chetty Street, Chennai – 600001, India

Contact Person: Mr S P Venkanchalam, Chief Financial Officer; **Tel:** +91-44-40505231

Website: www.lotusroofings.com, **E-mail:** senthil@lotusroofings.com/ kalai@lotusroofings.com

PROMOTERS OF OUR COMPANY: MR. VASANADU GOVIND AND POLYTOUGH TUBES LIMITED

THE ISSUE

INITIAL PUBLIC ISSUE OF 45,60,000 EQUITY SHARES OF FACE VALUE OF RS.10/- EACH (THE "EQUITY SHARES") OF LOTUS ROOFINGS LIMITED ("OUR COMPANY" OR "LRL" OR "THE ISSUER") FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS. [●] PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING TO RS. [●] LAKHS ("THE ISSUE") OF WHICH [●] EQUITY SHARES AGGREGATING TO RS. [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. [●] EQUITY SHARES OF FACE VALUE OF RS.10 EACH AT AN ISSUE PRICE OF RS. [●] PER EQUITY SHARE AGGREGATING TO RS. [●] LAKHS IS HEREIN AFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●]% AND [●]%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER CHAPTER TITLED "TERMS OF THE ISSUE" BEGINNING ON PAGE 302.

THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER IX OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 (THE "SEBI (ICDR) REGULATIONS"), AS AMENDED. IN TERMS OF RULE 19(2)(b)(i) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED, THIS IS AN ISSUE FOR AT LEAST 25% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. THIS ISSUE IS A FIXED PRICE ISSUE AND ALLOCATION IN THE NET ISSUE TO THE PUBLIC WILL BE MADE IN TERMS OF REGULATION 25(2) OF SEBI (ICDR) REGULATIONS, AS AMENDED. FOR FURTHER DETAILS, PLEASE REFER CHAPTER TITLED "ISSUE PROCEDURE" BEGINNING ON PAGE 311.

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 and Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138, all potential investors shall participate in the Issue only through an Application Supported by Blocked Amount ("ASBA") process including through UPI mode (as applicable) by providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to the chapter titled "Issue Procedure" beginning on page 311. A copy will be delivered for registration to the Registrar of Companies as required under Section 26 of the Companies Act, 2013.

ELIGIBLE INVESTORS

For details in relation to Eligible Investors, please refer to section titled "Issue Procedure" beginning on page 311.

RISKS IN RELATION TO FIRST ISSUE

This being the first public issue of the Issuer, there has been no formal market for the securities of our Company. The face value of the Equity Shares of our Company is Rs.10 and the Issue price of Rs. [●] per Equity Share. The Issue Price (determined and justified by our Company in consultation with the Lead Manager, as stated under chapter titled "Basis for Issue Price" beginning on page 96) 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 or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and this Issue, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page 26.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and this Issue, which is material in the context of this 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, 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 offered through this Draft Prospectus are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited ("NSE") in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2019 as amended from time to time. Our Company has received an approval letter dated [●] from NSE for using its name in the Offer Document for listing of our shares on the Emerge Platform of NSE. For the purpose of this Issue, the Designated Stock Exchange will be the National Stock Exchange of India Limited.

LEAD MANAGER TO THE ISSUE

REGISTRAR TO THE ISSUE



Hem Securities Ltd.

HEM SECURITIES LIMITED

904, A Wing, 9th Floor Naman Midtown,
Senapati Bapat Marg, Elphinstone Road
Mumbai-400013, India.
Tel : +91 22 4906 0000

Email: ib@hemsecurities.com

Investor Grievance Email: redressal@hemsecurities.com

Website: www.hemsecurities.com

Contact Person: Anil Bhargava

SEBI registration number: INM000010981



KARVY FINTECH PRIVATE LIMITED

Karvy Selenyum Tower B, Plot 31-32, Gachibowli, Financial District,
Nanakramguda, Serilingampally, Hyderabad – 500032,
Telangana, India.

Tel No: +91 40 6716 2222

Email: lotusroofings.ipo@karvy.com

Investor Grievance Email: einward.ris@karvy.com

Website: www.karisma.karvy.com

Contact Person: Mr. M Murali Krishna

SEBI Registration Number: INR000000221

ISSUE PROGRAMME

ISSUE OPENS ON:

[●]

ISSUE CLOSES ON:

[●]

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rule, guideline or policy shall be to such legislation, act, regulation, rule, guideline or policy, as amended, supplemented or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Draft Prospectus but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder.

Notwithstanding the foregoing, terms used in of the sections “Statement of Tax Benefits”, “Financial Information of the Company” and “Main Provisions of the Articles of Association” beginning on pages 99, 255 and 337 respectively, shall have the meaning ascribed to such terms in such sections.

General Terms

Terms	Description
“LRL”, “the Company”, “our Company”, “Lotus Roofings Limited” “we”, “us”, “our”	Lotus Roofings Limited, a Company incorporated in India under the Companies Act, 1956 having its registered office at Sedurapetauro Ville [Via], Pondicherry-605111, India
“you”, “your” or “yours”	Prospective investors in this Issue

Company related terms

Terms	Description
AOA / Articles / Articles of Association	Articles of Association of Lotus Roofings Limited as amended from time to time.
Auditors/ Statutory Auditors	The Statutory Auditors of Lotus Roofings Limited being M/s. P. Ramanujam & Co. (Firm Registration No.: 002950S) having office at No.132, Thambu Chetty Street, Chennai – 600001.
Audit Committee	The Committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosures Requirement) Regulation, 2015. For further details, please refer chapter titled “Our Management” beginning on page 159.
Bankers to the Company	DBS Bank India Limited, Yes Bank Limited and Axis Bank Limited.
Board of Directors / the Board / our Board	The Board of Directors of our Company, including all duly constituted Committees thereof. For further details of our Directors, please refer to chapter titled “Our Management” beginning on page 159.

Chief Financial Officer/ CFO	The Chief Financial Officer of our Company being Mr. Subbiah Venkatachalam.
Companies Act / Act	The Companies Act, 2013 and amendments thereto. The Companies Act, 1956, to the extent of such of the provisions that are in force.
Company Secretary and Compliance Officer	The Company Secretary & Compliance Officer of our Company being Mr. Seshadri Raghavan.
Corporate Office	New No. 338 (Old No. 165), 2nd Floor, Thambu Chetty Street, Chennai – 600001, India
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depositories	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
Director(s) / our Directors	The Director(s) of our Company, unless otherwise specified.
Equity Shares	The Equity Shares of our Company of face value of Rs. 10/- each unless otherwise specified in the context thereof.
Equity Shareholders/ Shareholders	Persons/ Entities holding Equity Shares of our Company.
Executive Director(s)	An Executive Director of our Company.
Fugitive Economic Offender	Shall mean an individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018)
Group Companies	The word “Group Companies”, wherever it occurs, shall include such Companies as (other than promoter(s)) with whom there are related party transactions, during the period for which financial information is disclosed, as covered under the applicable accounting standards, and also other companies as considered material and are included in the chapter titled “ <i>Our Group Companies</i> ” promoted by the Promoters beginning on page 286.
Independent Director	An Independent Director as defined under Section 2(47) of the Companies Act, 2013 and as defined under the Listing Regulations.
IT Act	The Income Tax Act, 1961 as amended till date
Indian GAAP	Generally Accepted Accounting Principles in India.
Key Managerial Personnel/ KMP	Key Managerial Personnel of our Company in terms of the SEBI Regulations and the Companies Act, 2013. For details, see section entitled “ <i>Our Management</i> ” beginning on page 115.
MD or Managing Director	The Managing Director of our Company, Mr. Vasnadu Govind
Materiality Policy	The policy on identification of Group companies, material creditors and material litigation, adopted by our Board on October 29, 2018, in accordance with the requirements of the SEBI (ICDR) Regulations, 2018.
MOA / Memorandum / Memorandum of Association	Memorandum of Association of Lotus Roofings Limited as amended from time to time.
Non-Executive Director	A Director not being an Executive Director.
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board constituted in accordance with section 178 of Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosures Requirement) Regulation, 2015. For further details, please refer chapter titled “ <i>Our Management</i> ” beginning on page 159.
NRIs / Non-Resident Indians	A person resident outside India, as defined under Foreign Exchange Management Act, 1999 and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by

	a Person Resident Outside India) Regulations, 2000.
Promoters or our Promoters	Shall mean promoters of our Company i.e. Mr. Vasanadu Govind and Poly Tough Tubes Limited. For further details, please refer to section titled " <i>Our Promoters & Promoter Group</i> " beginning on page 176.
Promoter Group	Includes such Persons and companies constituting our promoter group covered under Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, 2018 as enlisted in the section " <i>Our Promoters and Promoters Group</i> " beginning on page 176.
RBI Act	The Reserve Bank of India Act, 1934 as amended from time to time.
Registered Office of our Company	Sedurapet, Auroville (via), Pondicherry - 605111, India
Restated Financial Statements	The restated standalone financial statements of our Company for the period ended September 30, 2018 and as at March 31, 2018, 2017 and 2016 comprising of statement of assets and liabilities, statement of profit and loss and statement of cash flows prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the revised guidance note on reports in Company Prospectuses (Revised) issued by the ICAI, together with the schedules, notes and annexure thereto.
Restated Consolidated Financial Statement	The restated consolidated financial statements of our Company for the financial year ended March 31, 2017 and 2016 comprising of statement of assets and liabilities, statement of profit and loss and statement of cash flows prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the revised guidance note on reports in Company Prospectuses (Revised) issued by the ICAI, together with the schedules, notes and annexure thereto.
Reserve Bank of India / RBI	Reserve Bank of India constituted under the RBI Act.
RoC/ Registrar of Companies	Registrar of Companies, Puducherry
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI (ICDR) Regulations /SEBI ICDR Regulations/ ICDR Regulations/ Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Takeover Regulations or SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Listing Regulations, 2015/SEBI Listing Regulations/Listing Regulations/SEBI (LODR)	The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
Sub- Account	Sub- accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.

Subscribers to MOA	Initial Subscribers to MOA & AOA being Mr. V. Mohan Rao and Ms. Vasanadu Nirmala
Stakeholder's Relationship Committee	Stakeholder's Relationship Committee of our Company constituted in accordance with Section 178 of Companies Act, 2013 and Regulation 20 of the SEBI (LODR) Regulations, 2015. For further details, please refer chapter titled " <i>Our Management</i> " beginning on page 159.
Stock Exchange	Unless the context requires otherwise, refers to, National Stock Exchange of India Limited

Issue Related Terms

Terms	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application.
Allocation/ Allocation of Equity Shares	The Allocation of Equity Shares of our Company pursuant to Fresh Issue of Equity Shares to the retail individual investors and other than retail individual investors category.
Allotment/Allot/Allotted	Issue and allotment of Equity Shares of our Company pursuant to Fresh Issue of the Equity Shares to the successful Applicants.
Allotment Advice	Note or advice or intimation of allotment sent to the applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee (s)	Successful Applicants to whom Equity Shares are being/have been allotted.
Applicant	Any prospective investor who makes an application for Equity Shares of our Company in terms of this Draft Prospectus.
Application Amount	The amount at which the Applicant makes an application for Equity Shares of our Company in terms of this Draft Prospectus.
Application Form	The Form in terms of which the prospective investors shall apply for our Equity Shares in the Issue.
Application Supported by Block Amount (ASBA)	The application (whether physical or electronic) used by an ASBA Applicant to make an Application authorizing an SCSB to block the Application Amount in the specified bank account maintained with such SCSB including the bank account linked with UPI ID.
ASBA Account	A bank account linked with or without UPI ID, Account maintained with an SCSB and specified in the Application Form which will be blocked by such SCSB to the extent of the appropriate Application Amount in relation to an Application by an Applicant.
ASBA Investor/ ASBA Applicant	Any prospective investor(s)/applicants(s) in this Issue who apply (ies) through the ASBA process in terms of this Draft Prospectus.
Bankers to the Issue/ Sponsor Bank/ Public Issue Bank/Refund Bank	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public Issue Account will be opened and in this case being [●].
Banker to the Issue Agreement	Agreement to be entered into amongst the Company, LM, the Registrar and the Banker of the Issue.
Basis of Allotment	The basis on which the Equity Shares will be Allotted, described in " <i>Issue Procedure – Basis of Allotment</i> " beginning on page 311.
Broker Centers	Broker Centers notified by the Stock Exchange, where the Applicants can submit the Application Forms to a Registered Broker. The details of such

	Broker Centre's, along with the name and contact details of the Registered Brokers, are available on the website of the NSE on the following link www.nseindia.com
Broker to the Issue	All recognized members of the Stock Exchange would be eligible to act as the Broker to the Issue.
CAN or Confirmation of Allocation Note	The note or advice or intimation of Allotment, sent to each successful Applicant who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange.
Client Id	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participants or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate applications under this Issue by the ASBA Applicants with the Lead Manager, Registrar to the Issue and the Stock Exchange and a list of which is available at www.sebi.gov.in , or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The demographic details of the Applicants such as their address, PAN, occupation and bank account details.
Depository / Depositories	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time, being NSDL and CDSL.
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996.
Designated SCSB Branches	Such branches of the SCSBs which collected the ASBA Application Form from the applicants and a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time.
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the website of the Stock Exchange i.e. www.nseindia.com
Designated RTA Locations	Such locations of the RTA where Applicants can submit the Application Forms to RTA. The details of such Designated RTA Locations, along with names and contact details of the RTA eligible to accept Application Forms are available on the website of the Stock Exchange i.e. www.nseindia.com
Designated Date	On the Designated Date, the amounts blocked by SCSBs are transferred from the ASBA Accounts to the Public Issue Account and/ or unblocked in terms of the Prospectus.
Designated Intermediaries/Collecting Agent	An SCSB with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Registered Broker, Designated CDP Locations for CDP, a registrar to an issue and Share Transfer Agent (RTA) (whose names is mentioned on website of the Stock Exchange as eligible for this activity)
Designated Stock Exchange	National Stock Exchange of India Limited (NSE) (Emerge Platform)

DP ID	Depository Participant's Identity number
Draft Prospectus	Draft Prospectus dated March 29, 2019 issued in accordance with the SEBI ICDR Regulations.
Eligible NRI	A Non Resident Indian in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Prospectus constituted an invitation to subscribe for the Equity Shares.
Equity Shares	Equity Shares of our Company of face value Rs. 10/- each
Electronic Transfer of Funds	Refunds through NACH, NEFT, Direct Credit or RTGS as applicable.
Eligible QFIs	Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Share Issued thereby and who have opened demat accounts with SEBI registered qualified depository participants.
First / Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form.
FII/ Foreign Institutional Investor	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable law in India.
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
FPI / Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered pursuant to Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended
General Corporate Purposes	Include such identified purposes for which no specific amount is allocated or any amount so specified towards general corporate purpose or any such purpose by whatever name called, in the offer document. Provided that any issue related expenses shall not be considered as a part of general corporate purpose merely because no specific amount has been allocated for such expenses in the offer document.
General Information Document (GID)	The General Information Document for investing in public issues prepared and issued in accordance with the circulars (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 notified by the SEBI and (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018.
HSL	Hem Securities Limited.
IPO	Initial Public Offering.
Issue Agreement	The Agreement dated March 19, 2019 between our Company and Lead Manager.

Issue/Public Issue/Initial Public Offer/Initial Offering/ IPO	The Public Issue of 45,60,000 Equity shares of Rs. 10/- each at issue price of Rs. [●] per Equity share including share premium of Rs. [●] per Equity share aggregating to Rs. [●] Lakhs.
Issue Opening Date	The date on which Issue opens for subscription. In this case being, [●].
Issue Closing Date	The date on which Issue closes for subscription. In this case being, [●].
Issue Price	The price at which the Equity Shares are being issued by our Company under the Draft Prospectus being Rs. [●] per Equity Share of face value of Rs.10 each fully paid up.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both the days during which prospective Investors may submit their application.
Issue Proceeds	Proceeds from the fresh Issue that will be available to our Company, for further details please refer chapter titled “ <i>Objects of the Issue</i> ” beginning on page 89.
Listing Agreement/ Equity Listing Agreement	The Listing Agreement to be signed between our Company and National Stock Exchange of India Limited (NSE).
Market Maker	Member Brokers of NSE who are specifically registered as Market Makers with NSE Emerge Platform. In our case [●] is the Market Maker.
Market Making Agreement	The Market Making Agreement dated [●] between our Company, LM and Market Maker.
Market Maker Reservation Portion	The reserved portion of [●] Equity Shares of face value of Rs. 10 each at an Issue Price of Rs. [●] each aggregating to Rs. [●] Lakhs subscribed by Market Maker in this Issue.
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of [●] Equity Shares of face value of Rs. 10 each at a price of Rs. [●] per Equity Share (the “Issue Price”) aggregating to Rs. [●] Lakhs.
Net Proceeds	The Issue Proceeds received from the fresh Issue excluding Issue related expenses. For further information on the use of Issue Proceeds and Issue expenses, please refer to the section titled “ <i>Objects of the Issue</i> ” beginning on page 89.
Non-Institutional Investors	All Applicants that are not Qualified Institutional Buyers or Retail Individual Investors and who have Applied for Equity Shares for an amount more than Rs. 2,00,000.
NSE	National Stock Exchange of India Limited
NSE Emerge	The SME platform of National Stock Exchange of India Limited, approved by SEBI as an SME Exchange for listing of equity shares Issued under Chapter IX of the SEBI ICDR Regulations, 2018.
Other Investor/bidders/ Other than Retail Individual Investors	Investors other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Overseas Corporate Body/ OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management

	(Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Issue.
Prospectus	The Prospectus to be filed with RoC containing, inter-alia, the issue opening and closing dates and other information in accordance with Section 26 of the Companies Act, 2013
Public Issue Account	Account to be opened with the Banker to the Issue/Public Issue Bank to receive monies from the SCSBs from the bank account of the Bidders, on the Designated Date.
Qualified Institutional Buyers/ QIBs	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, 2018.
Registrar/ Registrar to the Issue/ RTA/ RTI	Registrar to the Issue being Karvy Fintech Private Limited
Registrar Agreement	The Agreement dated March 28, 2019 entered into between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion.
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI ICDR Regulations, 2018
Retail Individual Investor	Individual Applicants, or minors applying through their natural guardians, including HUFs (applying through their Karta) and ASBA Applicants, who apply for an amount less than or equal to Rs. 2,00,000.
Registered Broker	Individuals or companies registered with SEBI as "Trading Members" (except Syndicate/Sub-Syndicate Members) who hold valid membership of National Stock Exchange of India having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on www.nseindia.com .
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares in any of their Application Forms or any previous Revision Form(s).
Registrar and Share Transfers Agent or RTA	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Location in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 Issued by SEBI
Self-Certified Syndicate Bank(s) / SCSB(s)	Shall mean a Banker to an Issue registered under Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Bids/Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time.
SEBI(PFUTP) Regulations/PFUTP Regulations	SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003
Transaction Registration Slip/ TRS	The slip or document issued by the member(s) of the Syndicate to the Applicant as proof of registration of the Application.
Underwriter	Underwriter in this case being [●]

Underwriting Agreement	The Agreement dated [●] entered into between the Underwriter, the Lead Manager and our Company.
UPI	Unified Payments Interface as a payment mechanism through National Payments Corporation of India with Application Supported by Block Amount for applications in public issues by retail individual investors through SCSBs.
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India (NPCI).
UPI Mandate Request / Mandate Request	A request (intimating the RII by way of a notification on the UPI application and by way of a SMS directing the RII to such UPI application) to the RII initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Application Amount and subsequent debit of funds in case of Allotment.
UPI PIN	Password to authenticate UPI transaction
U.S. Securities Act	U.S. Securities Act of 1933, as amended from time to time
Working Day	In accordance with Regulation 2(1)(mmm) of SEBI (ICDR) Regulations, 2018, working days means, all days on which commercial banks in Mumbai are open for business. However, in respect of– (a) announcement of Price Band; and (b) Issue period, working days shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; (c) the time period between the Issue Closing Date and the listing of the Equity Shares on the Stock Exchange, working day shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI.

Technical and Industry Related Terms

Term	Description
ABS	Acrylonitrile Butadiene Styrene
ANSI	American National Standards Institute
C&F	C&F Carry & Forward
CFPI	Consumer Food Price Index
CPI	Consumer Price Index
CPVC	Chlorinated Polyvinyl Chloride
DIY	Do-it-Yourself
FIFO	First in, First out
EPDM	Ethylene Propylene-diene Monomer
HDPE	High Density Poly Ethylene
FRP	Fiber Reinforced Plastic
GDP	Gross Domestic Product
GI	Galvanized Iron
GVA	Gross Value Added
ISO	International Organization for Standardization
KW	Kilowatt

LDPE	Low-density Polyethylene
LPH	Liters Per Hour
NSF	National Sanitation Foundation
MM	Millimeter
MMPA	Million Metric Tonne Per Annum
MSE	Micro and Small Enterprises
PETP	Polyethylene Terephthalate Plastics
PIPDIC	Pondicherry Industrial Promotion Development and Investment Corporation Ltd
PMMA	Polymethyl Methacrylate
PMSSY	Pradhan Mantri Swasthya Suraksha Yojana
PP	Pre Painted
PPAL	Pre Painted Aluminium
PPGI	Pre Painted Galvanized Iron
PPGL	Pre Painted Galvalume
PS	Polystyrene
PVC	Poly Vinyl Chloride
RMP	Red Mud Plastic
SDT	Self-Drilling cum Tapping Screws
Sq ft./ Sq feet	Square feet
Sq Mtrs.	Square Metres
TCT	Total Coated Thickness
U.V.	Ultra Violet
WEG	Wind Energy Generator

Abbreviations

Abbreviations	Full Form
₹ / Rs./ Rupees/ INR	Indian Rupees
AS / Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
AIF	Alternative Investment Funds registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
AMT	Amount
AOA	Articles of Association
Approx	Approximately
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
B.A	Bachelor of Arts
B.Com	Bachelor of Commerce
BG/LC	Bank Guarantee / Letter of Credit
BIFR	Board for Industrial and Financial Reconstruction
Bn	Billion
CAGR	Compounded Annual Growth Rate
CAN	Confirmation of Allocation Note

CA	Chartered Accountant
CB	Controlling Branch
CC	Cash Credit
CDSL	Central Depository Services (India) Limited
CENVAT	Central Value Added Tax
CFO	Chief Financial Officer
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made thereunder
Companies Act	Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, along with the relevant rules, regulations, clarifications, circulars and notifications issued thereunder
CS	Company Secretary
CS & CO	Company Secretary & Compliance Officer
CSR	Corporate Social Responsibility
CST	Central Sales Tax
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India
DP	Depository Participant
DP ID	Depository Participant's Identification Number
EBITDA	Earnings Before Interest, Taxes, Depreciation & Amortization
ECS	Electronic Clearing System
EGM /EOGM	Extra-Ordinary General Meeting
EMI	Equated Monthly Installment
EPFA	Employee's Provident Funds and Miscellaneous Provisions Act, 1952
EPS	Earnings Per Share
ESIC	Employee's State Insurance Corporation
ESOP	Employee Stock Option Plan
EXIM/ EXIM Policy	Export – Import Policy
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 as amended from time to time, and the regulations framed there under.
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017.
FIPB	Foreign Investment Promotion Board
FIs	Financial Institutions
FIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FPIs	“Foreign Portfolio Investor” means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of Securities And Exchange Board of India (Foreign Portfolio Investors)

	Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act, 1992.
FTA	Foreign Trade Agreement.
FVCI	Foreign Venture Capital Investors registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
FV	Face Value
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
GDP	Gross Domestic Product
Gol/Government	Government of India
GST	Goods and Services Tax
HUF	Hindu Undivided Family
HNI	High Net Worth Individual
IBC	The Insolvency and Bankruptcy Code, 2016
ICAI	The Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
IIP	Index of Industrial Production
Indian GAAP	Generally Accepted Accounting Principles in India
Ind AS	Indian Accounting Standards as referred to in and notified by the Ind AS Rules
Ind AS Rules	The Companies (Indian Accounting Standard) Rules, 2015
IPO	Initial Public Offer
IRDAI	Insurance Regulatory and Development Authority of India
ISIN	International Securities Identification Number
ISO	International Organization for Standardization
IST	Indian Standard Time
I.T. Act	Income Tax Act, 1961, as amended from time to time
IT Authorities	Income Tax Authorities
IT Rules	Income Tax Rules, 1962, as amended, except as stated otherwise
KMP	Key Managerial Personnel
LLP	Limited Liability Partnership
LM	Lead Manager
Ltd.	Limited
M.Com	Master of Commerce
MAT	Minimum Alternate Tax
MAPIN	Market Participants Identification Number
M. B. A	Master of Business Administration
M.C.A	Master of Computer Applications
MCA	Ministry of Corporate Affairs, Government of India
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MoF	Ministry of Finance, Government of India
MoU	Memorandum of Understanding
Mn	Million
MSME	Micro, Small and Medium Enterprises
NA	Not Applicable

NAV	Net Asset Value
NACH	National Automated Clearing House
NCLT	National Company Law Tribunal
Net worth	The aggregate of paid up Share Capital and Share Premium account and Reserves and Surplus(Excluding revaluation reserves) as reduced by aggregate of Miscellaneous Expenditure(to the extent not written off) and debit balance of Profit & Loss Account
NEFT	National Electronic Funds Transfer
NOC	No Objection Certificate
NPV	Net Present Value
NRI	Non Resident Indians
NRE Account	Non Resident External Account
NRO Account	Non Resident Ordinary Account
NSE	National Stock Exchange of India Limited
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
OEM	Original Equipment Manufacturer
P.A.	Per Annum
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
P/E Ratio	Price/Earnings Ratio
PF	Provident Fund
PG	Post Graduate
P.O.	Purchase Order
POA	Power of Attorney
PSU	Public Sector Undertaking(s)
Pvt.	Private
Q.C.	Quality Control
RBI	The Reserve Bank of India
Registration Act	Registration Act, 1908
RoC	Registrar of Companies
ROE	Return on Equity
R&D	Research & Development
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SCSB	Self-Certified syndicate Banks
SEBI	Securities and Exchange Board of India
Sec.	Section
SICA	Sick Industrial Companies Act (SICA)
SME	Small and Medium Enterprises
STT	Securities Transaction Tax
TAN	Tax Deduction Account Number
TIN	Taxpayers Identification Number

TRS	Transaction Registration Slip
UIN	Unique Identification Number
US/United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the United States of America
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value Added Tax
VCF / Venture Capital Fund	Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
WDV	Written Down Value
w.e.f.	With effect from
Wilful Defaulter(s)	Wilful defaulter as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations, 2018.
-, ()	Represent Outflow

The words and expressions used but not defined in this Draft Prospectus will have the same meaning as assigned to such terms under the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 (the “SEBI Act”), the SCRA, the Depositories Act and the rules and regulations made there under.

Notwithstanding the foregoing, terms in **“Main Provisions of the Articles of Association”, “Statement of Tax Benefits”, “Industry Overview”, “Key Regulations and Policies in India”, “Financial Information of the Company”, “Outstanding Litigation and Material Developments”** and **“Issue Procedure”**, will have the meaning ascribed to such terms in these respective sections.

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION & MARKET DATA & CURRENCY OF FINANCIAL PRESENTATION

Certain Conventions

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

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

Use of Financial Data

Unless stated otherwise, throughout this Draft Prospectus, all figures have been expressed in Rupees and Lakhs. Unless stated otherwise, the Financial data in this Draft Prospectus is derived from our financial statements prepared and restated on standalone basis for the period ended September 30, 2018 and financial year ended March 2018, 2017 and 2016 and restated on consolidated for the financial year ended March 2017 and March 2016 in accordance with Indian GAAP, the Companies Act and SEBI (ICDR) Regulations, included under Section titled “*Financial Information of the Company*” beginning on page 185. Our fiscal year commences on April 1 of every year and ends on March 31st of every next year.

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

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and elsewhere in this Draft Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI ICDR Regulations, as stated in the report of our Statutory Auditor, set out in section titled “*Financial Information of the Company*” beginning on page 185.

For additional definitions used in this Draft Prospectus, see the section “*Definitions and Abbreviations*” beginning on page 2. In the section titled “*Main Provisions of Articles of Association*”, beginning on page 337, defined terms have the meaning given to such terms in the Articles of Association of our Company.

Use of Industry & Market Data

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

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

In accordance with the SEBI (ICDR) Regulations, the section titled "*Basis for Issue Price*" beginning on page 96 includes information relating to our peer group company. Such information has been derived from publicly available sources, and neither we, nor the LM, have independently verified such information.

Currency of Financial Presentation

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

Any percentage amounts, as set forth in "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Conditions and Results of Operation*" beginning on page 26, 115 and 257, respectively unless otherwise indicated, have been calculated based on our restated respectively financial statement prepared in accordance with Indian GAAP.

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

FORWARD LOOKING STATEMENTS

This Draft Prospectus includes certain “forward-looking statements”. We have included statements in this Draft Prospectus which contain words or phrases such as “will”, “aim”, “is likely to result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward-looking statements”. Also, statements which describe our strategies, objectives, plans or goals are also forward looking statements.

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

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

1. Company’s ability to successfully implement our strategy, our growth and expansion, technological changes;
2. The business or financial condition of our customers or the economy generally, or any developments in the our industry in macro- economic factors, which may affect the rate of growth and the demand for our products;
3. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
4. Inability to successfully obtain registrations in a timely manner or at all;
5. General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
6. Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
7. Changes in laws and regulations relating to the industries in which we operate;
8. Effect of lack of infrastructure facilities on our business;
9. Occurrence of Environmental Problems & Uninsured Losses;
10. Intensified competition in industries/sector in which we operate;
11. Our ability to attract, retain and manage qualified personnel;
12. Failure to adapt to the changing technology in our industry of operation may adversely affect our business and financial condition;
13. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;

14. Conflicts of interest with affiliated companies, the promoter group and other related parties;
15. Any adverse outcome in the legal proceedings in which we are involved;
16. Our ability to expand our geographical area of operation;
17. Concentration of ownership among our Promoters.

For further discussion of factors that could cause our actual results to differ, see the Section titled "*Risk Factors*"; "*Our Business*"& and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 26, 115 and 257 respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

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

SECTION II

SUMMARY OF DRAFT PROSPECTUS

PRIMARY BUSINESS OF THE COMPANY

Our Company is engaged in the business of manufacturing and dealing in products based on Polyvinyl Chloride (PVC) which *inter alia* include Roofing sheets, pipes, self drilling screws and roofing solutions. Apart from these products the Company also trades and manufactures Polycarbonate roofing sheets. Our company markets its products through its dealer network spread out across Southern India. The manufacturing facility of the Company is situated at Pondicherry. We have godowns situated at various locations where the finished goods are kept and dispatched to the customer as per the delivery schedule. For details of our factory and godowns refer section titled "Properties" under this chapter. Our Company has its presence across South India, i.e. Tamil Nadu, Andhra Pradesh, Telangana, Karnataka, Kerala. We also have some distribution arrangements in Western India. Most of the trade is through trade channels.

SUMMARY OF INDUSTRY IN WHICH THE COMPANY IS OPERATING

PVC, a major plastics material which finds widespread use in building, transport, packaging, electrical/electronic and healthcare applications. Polyvinyl chloride (PVC) is the most commonly produced synthetic plastic polymer. It is a thermoplastic made of chlorine from industrial grade salt and carbon predominantly from oil / gas via ethylene. In terms of end uses, pipes and fittings is the bedrock of demand for PVC resins, accounting for more than 40% of all PVC usage globally. This category is forecast to see an average annual growth of 3.9% per year to 2025, which is the highest growth sector. As a consequence, pipes and fittings are expected to account for 45% of global consumption by 2025. Rigid PVC end uses, such as pipes & fittings and profiles, are durable items mainly used for the construction sector.

NAME OF PROMOTERS

The Promoters of our Company are Mr. Vasanadu Govind and Poly Tough Tubes Limited.

SIZE OF THE ISSUE

The Issue comprises of Initial Public Issue of 45,60,000 equity shares of face value of Rs.10 each (the "Equity Shares") for cash at a price of Rs. [●] per Equity Shares (including a premium of Rs. [●] per Equity Share) aggregating to Rs. [●] Lakhs (the "Issue") by our Company of which [●] Equity Shares of Rs. 10 each aggregating to Rs. [●] Lakhs will be reserved for subscription by Market Maker ("Market Maker Reservation Portion") and a Net Issue to public of [●] Equity Shares of Rs.10 each aggregating to Rs. [●] Lakhs. The Issue and the Net Issue will constitute [●] % and [●]% respectively of the post issue paid up Equity Share Capital of the Company.

OBJECTS OF THE ISSUE

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

Sr. No.	Particulars	Amt (Rs. in Lakhs)
1.	To meet working capital requirement	[●]
2.	Repayment of a portion of loans	400
3.	General Corporate Purposes	[●]
4.	To meet the Issue Expenses	[●]
	Total	[●]

PRE-ISSUE SHAREHOLDING OF PROMOTER AND PROMOTER GROUP

The aggregate pre-issue shareholding of the Promoter and Promoter Group as a percentage of the paid-up capital of the Issuer is as below-

Name	No. of Equity Shares	% of Pre Issue paid up Equity Shares
Promoters		
Vasanadu Govind	46,31,335	38.59
Poly Tough Tubes Limited	42,64,180	35.53
Total (A)	88,95,515	74.13
Promoter Group		
Shalini Gupta	90,000	0.75
Mycol Distributors Pvt Ltd	60,000	0.50
Nirmala Vasanadu	27,52,495	22.94
V. Nagaprasanna	2,01,960	1.68
Total (B)	31,04,455	25.87
Grand Total(A+B)	1,19,99,970	100.00

SUMMARY OF FINANCIAL INFORMATION

Following are details as per the restated standalone financial statements for past 3 years and stub period in tabular format:

Sr. No.	Particulars	For the period ended on September 30, 2018	Year ended		
			2018	2017	2016
1.	Paid up Share Capital	1,200.00	400.00	400.00	379.64
2.	Net worth	2,094.01	1,917.30	1,504.91	1,268.13
3.	Total Revenue	7,216.66	10,276.90	8,434.44	6,780.04
4.	Profit After Tax	176.72	412.39	206.25	77.35
5.	Earnings Per Share – Basic & Diluted	1.47	3.44	1.72	0.70
6.	NAV per Equity Shares	17.45	15.98	12.58	11.51
7.	Total Borrowings (As per Restated Balance Sheet)	3847.84	3383.21	2173.26	1228.83

AUDITORS QUALIFICATIONS WHICH HAVE NOT BEEN GIVEN EFFECT TO IN THE RESTATED FINANCIAL STATEMENTS

The Restated Financial Statements do not contain any qualification requiring adjustments by the Auditors.

SUMMARY OF OUTSTANDING LITIGATIONS

A summary of outstanding litigation proceedings involving our Company, our Promoters, our Directors and our Group Companies as on the date of this Draft Prospectus is provided below:

Sr. No.	Nature of proceedings	Number of outstanding cases	Amount involved approx. (Rs. in Lakhs)
Cases filed against our Company			
1.	Criminal	1	Not ascertainable
2.	Tax Liabilities	-	-
	Direct Tax Liabilities	-	-
	Indirect Tax Liabilities	2	7.66
Cases filed by our Company			
1.	Criminal	1	3.00
Cases filed against our Promoters			
1.	Criminal	1	Not ascertainable
2.	Tax Liabilities	-	-
	Direct Tax Liabilities	1	Not ascertainable
	Indirect Tax Liabilities	3	37.01
Cases filed by our Promoters			
1.	Criminal	4	32.38
Cases involving our Directors other than Promoters			
1.	Other Pending Litigation	1	Not ascertainable

For further details of the outstanding litigation proceedings, please refer chapter titled "Outstanding Litigation and Material Developments" beginning on page 267.

RISK FACTORS

For details relating to risk factors, please refer chapter titled "Risk Factors" beginning on page 26.

SUMMARY OF CONTINGENT LIABILITIES OF THE COMPANY

Following is the summary of the Contingent Liabilities of the Company for the period ended on September 30, 2018 and financial years ended on March 31, 2018, 2017 and 2016 as per restated standalone financial statement:-

Particulars	For the period ended September 30, 2018	(Rs. in Lakhs) For the Year Ended March 31		
		2018	2017	2016
Letter of Credit by Bank	1025.74	818.29	557.46	471.25
Cases filed with Statutory Authority	16.30	16.42	-	-
Total	1042.04	834.71	557.46	471.25

For detailed information on the Contingent Liabilities on our Company, please refer "Annexure – XXXII" appearing under chapter titled "Restated Financial Information" beginning on page 255.

SUMMARY OF RELATED PARTY TRANSACTIONS

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

Sr.No.	Name of the Person / Entity	Relation
1	Mr. Vasanadu Govind	Director
2	Ms. Vasanadu Nirmala	Director
3	Ms. V Nagaprasanna	Relative of Director
4	Ms. Shalini Gupta	Shareholder / Relative
5	Poly Tough Tubes Limited	Entity owned & significantly influenced by directors
6	Mycol Distributors Private Limited	Entity owned & significantly influenced by directors/ relatives of Director
7	Ten Square Reality Properties Private Limited	Entity owned & significantly influenced by directors/ relatives of Director
8	Tamara Hospitality Private Limited	Entity owned & significantly influenced by directors/ relatives of Director
9	Precision Product	Entity owned & significantly influenced by directors/ relatives of Director
10	V Govind HUF	Entity owned & significantly influenced by directors

b) Transactions with Companies / Entities owned / significantly influenced by directors or relatives of directors

(Rs. In Lakhs)

Sr. No	Nature of Transactions	For the period Ended			
		For the period ended September 30, 2018	31-03-18	31-03-17	31-03-16
A	Transaction During the Year				
	Sales of Services (net off discount)	117.67	936.50	431.26	176.80
	Energy Wheeling Income	30.69	59.81	56.16	24.37
	Purchase of Fixed Assets	19.85	38.02	-	199.54
	Purchases	978.71	1051.38	824.41	758.77
	Loan & Advances Received	169.87	329.83	283.90	773.38
	Interest Paid	15.70	11.55	2.55	9.83
	Loan & Advances Paid	55.89	213.08	234.53	327.10
	Share Capital & Premium	-	-	30.53	-
	Rent	0.54	1.08	0.27	-
	Interest Received		2.51	1.25	-

B	Closing Balance Dr/(Cr)				
	Trade Payables	13.34	588.54	9.88	64.50
	Trade Receivables	133.60	449.27	601.99	249.36
	Loans & Advances Given	9.52	3.75	4.20	61.09
	Loans & Advances Received	288.31	168.27	40.37	51.40

c) Transactions with key management personnel / Share Holders and their relatives
(Rs. In Lakhs)

Sr. No	Nature of Transactions	For the Period Ended			
		For the period ended September 30, 2018	31-03-18	31-03-17	31-03-16
A	Transaction During the Year				
	Director Remuneration	1.50	3.00	3.00	3.00
	Incentive	-	10.00	-	10.00
	Rent	3.52	0.04	5.96	0.96
	Share Application money	-	-	-	142.37
	Sales	-	13.00	0.05	0.08
	Interest Paid	16.30	49.42	39.93	43.58
	Loan & Advances paid	552.87	571.18	427.55	297.63
	Loan & Advances received	521.75	503.63	464.63	214.40
	Professional Charges	-	-	6.30	-
	Purchases	-	0.96	-	-

For detailed information on the related party transactions executed by our Company, please refer “Annexure – XXXV” appearing under chapter titled “Restated Financial Information” beginning on page 255.

FINANCING ARRANGEMENTS

There have been no financing arrangements whereby our Promoters, members of our Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company during the period of six months immediately preceding the date of this Draft Prospectus.

WEIGHTED AVERAGE PRICE AT WHICH THE EQUITY SHARES WERE ACQUIRED BY EACH OF OUR PROMOTERS IN THE ONE YEAR PRECEDING THE DATE OF THIS DRAFT PROSPECTUS

Weighted average price at which the Equity Shares were acquired by our Promoters in last one year**:

Sr. No.	Name of Promoters	Total no. of Equity Shares	Weighted Average Price* (in Rs. per equity share)
1.	Vasanadu Govind	32,80,000 [#]	Nil
2.	Poly Tough Tubes Limited	32,10,620	9.34

*The Weighted Average Price for Equity Shares acquired during last one year has been calculated by taking into account the amount paid by the Promoter to acquire, by way of fresh issuance or transfer, the Equity Shares and the net cost of acquisition has been divided by total number of shares acquired during last one year.

[#] acquired by the way of Bonus shares

**As certified by our Statutory Auditor vide their certificate dated March 25, 2019

AVERAGE COST OF ACQUISITIONS OF SHARES FOR PROMOTERS

Weighted average price at which the Equity Shares were acquired by our Promoters **::

Sr. No.	Name of Promoters	Total no. of Equity Shares	Average Cost of Acquisition per equity share (in Rs.)*
1.	Vasanadu Govind	46,31,335	2.22
2.	Poly Tough Tubes Limited	42,64,180	10.82

**The average cost of acquisition of 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 less amount received by them for the sale of Equity Shares through transfer, if any and the net cost of acquisition has been divided by total number of shares held as on date.*

***As certified by our Statutory Auditor vide their certificate dated March 25, 2019*

DETAILS OF PRE-ISSUE PLACEMENT

Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Draft Prospectus till the listing of the Equity Shares.

ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR

Except as set out below, we have not issued Equity Shares for consideration other than cash in the preceding one year:

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Reasons for Allotment	Benefits Accrued to our Company
September 19, 2018	80,00,000	10	Nil	Bonus in the ratio of 2:1 i.e. 2 Equity Shares for every 1 Equity Share held	Capitalization of Reserves & Surplus

SPLIT / CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR

Our Company has not undertaken a split or consolidation of the Equity Shares in the one year preceding the date of this Draft Prospectus.

SECTION II

RISK FACTORS

An investment in Equity Shares involves a high degree of risk. prospective investors should carefully consider all the information in this Draft Prospectus, particularly the “Financial Information of the Company” and the related notes, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 185,115and 257 respectively and the risks and uncertainties described below, before making a decision to invest in our Equity Shares.

The risk factors set forth below are not exhaustive and do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, individually or together, could adversely affect our business, financial condition, results of operations or prospects, which could result in a decline in the value of our Equity Shares and the loss of all or part of your investment in our Equity Shares. While we have described the risks and uncertainties that our management believes are material, these risks and uncertainties may not be the only risks and uncertainties we face. Additional risks and uncertainties, including those we currently are not aware of or deem immaterial, may also have an adverse effect on our business, results of operations, financial condition and prospects.

This Draft Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Prospectus. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors below. However, there are risk factors the potential effects of which are not quantifiable and therefore no quantification has been provided with respect to such risk factors. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including the merits and the risks involved.

Materiality

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

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

Note:

The risk factors as envisaged by the management along with the proposals to address the risk if any. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks described in this section.

In this Draft Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in “Risk Factors” beginning on page 26 and “Management Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 257 unless otherwise indicated, has been calculated on the basis of the amount disclosed in the "Audited Financial Statements, as restated" prepared in accordance with the Indian Accounting Standards.

- 1. We do not follow the practice of entering into specific contracts with our distributors although we are heavily dependent on the success of our distribution network and dealerships.***

We sell our products through our network of dealers. We presently have 700 dealers. Furthermore, our business growth depends on our ability to attract additional dealerships to our distribution network. We do not enter into specific contracts with our distributors/ dealers. While we believe that we have good relations with our dealers, there is no assurance that our current dealers will continue to do business with us or that we can continue to attract additional dealers to our network. If we do not succeed in maintaining the stability of our dealership network, our market share may decline, materially affecting our results of operations and financial condition. We may find it difficult to find any alternative dealers and might occur significant time and expense to find a new dealer, on terms acceptable to us, due to which our business and result of operations could be adversely affected.

- 2. Quality of product is very important in our industry and the success of our company is dependent on the quality of our product and any failure to maintain the quality of our products may have an adverse affect on our reputation and business.***

We believe that our success is dependent on quality of our products. We are also required to follow the proper quality control during our material acquisition process, making, packaging and dispatch. We believe that we have built strong relationships with our customers due to the quality of our products which has translated into operational growth. In the event we are unable to maintain our quality, for any reason whatsoever, our business, reputation and results of operations would be adversely affected. Dealers have in the past identified issues including breakage issues and improper color shades due to which they have returned the products. While we have provided replies that we believe are adequate, and which addresses the issues identified, we cannot assure you that such response is adequate and, or, that no action will be taken, or that products will not be rejected, and, or, returned. We have also rejected the quality of raw materials purchased due to improper weight and quality of raw material. We cannot assure you that we will be able maintain low rates of rejections. Failure to meet quality and standards of our products and processes can have serious consequences including rejection of the product and loss of customer which could have adverse effect on our reputation, business and our financial condition.

- 3. Any fluctuations in cost of products due to fluctuating prices of raw materials could adversely impact our business.***

Our business is dependent mainly on acquisition of various raw materials and packaging materials for the manufacturing of our products. The pricing of the raw material and packaging material are subject to change due to factor which may be beyond our control. Any upward fluctuation in the price of raw materials and packaging materials will adversely affect cost of production; consequently our procurement cost will also be adversely affected. If, for any reason, primary suppliers of raw materials should curtail or discontinue their delivery of such materials or products to us in the quantities we need, or on commercially acceptable terms, production schedules could be disrupted, and our business and results of operations could be adversely affected. Further we have not entered into any supply agreement with the vendors which may restrict the price fluctuation. There has been an increase in cost of raw materials consumed from 29.42% and 30.86% in Financial Year 2018 and 2017 respectively as per restated standalone financial statements. In case we are not able to pass on any such increase to the customers because of competition or otherwise, it may affect the profitability of our Company. Any changes in government policies or regulatory sanctions could adversely increase the cost of raw materials or such raw materials may not be available at commercially viable terms, or at all. If we are unable to off-set the increase in cost of raw materials to the prices of our products, then it may impact our financial condition and results of operations.

4. We are dependent on various Suppliers for the supply of raw material.

For the period ended September 30, 2018 we depend on our top ten suppliers for the supply of our raw materials, for further details refer to section titled "Our business" beginning on page 115. Our business is significantly affected by the availability, cost and quality of materials and bought out items, which we need to procure and provide for our products. The prices and supply of raw material and bought out items depend on factors not under our control, including domestic and international general economic conditions, competition, availability of quality suppliers, production levels, transportation costs and import duties. Further, we depend on various suppliers who cater to a significant part of our business needs. If any of our key suppliers for a particular project is unable to continue providing the material and bought out items we need, at prices and on terms and conditions we consider acceptable, we will be required to obtain these items from other suppliers and our results of operations and business could suffer as a result.

5. Introduction of alternative technology in manufacturing by our competitors may reduce demand for our existing products and may adversely affect our profitability and business prospects.

Our competitors may decide to seek alternative technology coupled with the development of more alternatives, which may adversely affect our business and profitability if we are not able to respond to these changes. Our ability to anticipate changes in technology, to develop & introduce new and enhanced products successfully on a timely basis will be a significant factor in our ability to grow and remain competitive. We cannot assure you that we will be able to achieve the technological advances that may be necessary for us to remain competitive or that certain of our products will not become obsolete. We are also subject to the risks generally associated with new product introductions and applications, including lack of market acceptance and delays in product development. Any failure on our part to forecast and / or meet the changing demands will have an adverse effect on our business, profitability and growth prospects.

6. There are outstanding legal proceedings involving our Company, our Promoters and our Directors which may adversely affect our business, financial condition and results of operations.

There are outstanding legal proceedings involving our Company, our Promoters and our Directors. These proceedings are pending at different levels of adjudication before various courts, enquiry officers and appellate forums. Such proceedings could divert management time and our Promoter time and attention and consume financial resources in their defence. Further, an adverse judgment in some of these proceedings could have an adverse impact on our business, financial condition and results of operations. A summary of the outstanding proceedings against our Company, our Promoters and our Directors as disclosed in this Draft Prospectus, to the extent quantifiable, have been set out below:

Sr. No.	Nature of proceedings	Number of outstanding cases	Amount involved approx. (Rs. in Lakhs)
Cases filed against our Company			
1.	Criminal	1	Not ascertainable
2.	Actions by Statutory/Regulatory Authorities	-	-
3.	Tax Liabilities	-	-
	Direct Tax Liabilities	-	-
	Indirect Tax Liabilities	2	7.66
4.	Other Pending Litigation	-	-

Cases filed by our Company			
2.	Criminal	1	3.00
3.	Actions by Statutory/Regulatory Authorities	-	-
4.	Tax Liabilities	-	-
	Direct Tax Liabilities	-	-
	Indirect Tax Liabilities	-	-
5.	Other Pending Litigation	-	-
Cases filed against our Promoters			
3.	Criminal	1	Not ascertainable
4.	Actions by Statutory/Regulatory Authorities	-	-
5.	Tax Liabilities	-	-
	Direct Tax Liabilities	1	Not ascertainable
	Indirect Tax Liabilities	3	37.01
6.	Disciplinary action including penalty imposed by SEBI/ Stock exchanges against the promoters in the last five financial years including any outstanding action	-	-
5.	Other Pending Litigation	-	-
Cases filed by our Promoters			
2.	Criminal	4	32.38
3.	Actions by Statutory/Regulatory Authorities	-	-
4.	Tax Liabilities	-	-
	Direct Tax Liabilities	-	-
	Indirect Tax Liabilities	-	-
5.	Other Pending Litigation	-	-
Cases involving our Directors other than Promoters			
2.	Criminal	-	-
3.	Actions by Statutory/Regulatory Authorities	-	-
4.	Tax Liabilities	-	-
	Direct Tax Liabilities	-	-
	Indirect Tax Liabilities	-	-
5.	Other Pending Litigation	1	Not ascertainable

Decisions in such proceedings adverse to our interests may affect our reputation and standing and may have a material adverse effect on our business, results of operations and financial condition. For further details, please refer to section titled "Outstanding Litigation and Material Developments" beginning on page 267.

7. Our Company operates under several statutory and regulatory permits, licenses and approvals. Our inability to obtain, renew or maintain the statutory and regulatory licenses, permits and approvals required to operate our business may have a material adverse effect on our business & operations.

We require various statutory and regulatory licenses, permits and approvals to operate our business. We need to make compliance and applications at appropriate stages of our business to continue our operations. There can be no assurance that the relevant authorities will issue these approvals or licenses, or renewals thereof in a timely manner, or at all. Further any default by our Company in complying with the same may result in the cancellation of such licenses, approvals or registrations which may adversely affect our operations and financial strength.

Our Company has changed the name from Lotus Roofings Private Ltd to Lotus Roofings Limited w.e.f September 27, 2018 and we are in process of getting our name changed with various government approvals and registrations. We have already received certain registration with updated name as stated in "*Government and other Approvals*" beginning on page 275.

Further, certain licenses and registrations obtained by our Company contain certain terms and conditions, which are required to be complied by us. Any default by our Company in complying with the same, may result in inter alia the cancellation of such licenses or registrations, which may adversely affect our operations. Failure to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business.

We believe that we have complied considerably with such laws and regulations, as are applicable to us however, statutory/regulatory authorities may allege non-compliance and we cannot assure you that we will not be subjected to any such regulatory action in the future, including penalties, and other civil or criminal proceedings.

For further details, please refer to section titled "*Government and Other Approvals*" beginning on page 275.

8. Our company has not complied with some statutory provisions of the Companies Act. Such non-compliance may attract penalties against our Company which could impact the financial position of us to that extent.

- Certain documents pertaining to corporate, accounting, financial, legal documents and other statutory records since incorporation were not available, misplaced, destroyed or otherwise not traceable.
- Our Company failed to maintain Secretarial records such as Minutes, Notices, Declaration, Transfer Deeds etc. as per the applicable provisions of the Companies Act, 2013 and erstwhile Companies Act, 1956 and Secretarial Standards issued by Institute of Company Secretaries of India.
- Certain RoC Filings filed prior to 2006 and Form 23ACA for the period prior to 2014 are not available with Company.
- Company had amended the Memorandum Association of the Company on 15 July, 2010 to incorporate sub clause 4 under Clause III. However, the Company has been utilizing the older copy of Memorandum which has not been updated
- AOA of the Company states the Directors other than permanent Director and the Director whose terms are not fixed were liable to retire by rotation. However, the Company has failed to adhere with mentioned clause.
- Our Company had appointed the Statutory Auditor for the financial year 2005-06, however, failed to intimate him the same within the stipulated time period as required under the provisions of the Companies Act, 1956.
- There have been instances of discrepancies/non-compliance by our Company in relation to certain filings and disclosures made to the RoC such as incorrect/ incomplete attachments to the forms,

clerical errors such as names of shareholders mentioned in Schedule V, applicability of CARO, tenure of appointment of the Statutory Auditor, dates of Board Meeting and amount of borrowings mentioned in the annual return, consent letter of the Managing Director etc.

- Our Company has failed to file various e-forms under the provisions of Companies Act, 2013. For instance –
 - E-form MGT-14 under Section 117 read with Section 179 of Companies Act, 2013 for the approval, borrowing of monies, investing funds of the Company, granting loans, etc
 - E-form 8/CHG-1 and Form 17/CHG-4 for creation of Charge and Satisfaction of Charge respectively on the secured loan availed under Companies Act, 2013 and erstwhile Companies Act, 1956
- Our Company had accepted unsecured loan to the extent of Rs. 50.31 Lakhs from a firm, in contravention of Section 58A of the erstwhile Companies Act, 1956. However, the Company had repaid the same on June 30, 2014
- The Auditors report of the Company for the Financial Year 2017-18 does not contain report on internal financial control, however the same is applicable to the Company as per the provisions of the Companies Act, 2013.
- Our Company had given loan facilities to various entities in which our Director was interest. Such activity has resulted into non-compliance of the provision of Section 185 of the Companies Act, 2013.

While, we have not received any show cause notice from the concerned authorities for the same, we cannot assure that no penalty will be imposed on the Company for the said lapse in future.

9. We have not entered into any long-term contracts with all of our customers and typically operate on the basis of purchase orders, which could adversely impact our revenues and profitability.

We generally do not enter into any long-term contracts with all of our customers, in case there is any change in the buying pattern of the customers could adversely affect the business of our Company. A majority of the work received by us from our customers are based on the purchase orders. In case we are not able to supply the product of the desired quality or in a time and cost effective measure or the same product are available at more competitive pricing the clients may refuse to honour the purchase order or may cancel the order which may have a negative impact on our business operation, revenues and customer image. Although we believe that we maintain satisfactory business relations with our customers and have received continued business from them in the past, there is no certainty that the same will continue in the years to come and may affect our profitability.

10. Our Director has a directorship in a Company which was delisted from the stock exchange

Except Mr. Vasanadu Govind who was a director on the board of directors of The Devashola Nilgiri Tea Estates Company Limited (“**Devashola**”), which was delisted from Madras Stock Exchange (“**MSE**”) as MSE was de-recognized by SEBI and moved to dissemination of NSE, which was subsequently removed from dissemination board *vide* NSE circular dated October 18, 2017. As Devashola provided an exit opportunity to its shareholders, none of our Directors are/ were directors of any entity whose shares were delisted from any Stock Exchange(s). For further details refer to section titled “*Our management*” beginning on page 159.

11. A proportion of the Net proceeds will be utilized to pay certain secured and unsecured loans availed by Our Company.

We propose to utilize Net Proceeds of Rs. 400.00 Lakhs for the payment of certain secured and unsecured loans availed by our Company. These loans were taken by us for meeting working capital requirement and other business purpose. The details of the loan identified to be repaid have been disclosed in the section titled "Objects of the Issue" beginning on page 89.

12. We have substantial working capital requirements and may require additional financing to meet working capital requirements in the future. A failure in obtaining such additional financing at all or on terms favorable to us could have an adverse effect on our results of operations and financial condition.

Our business requires significant amount of working capital and major portion of our working capital is utilized towards inventories and trade receivables. Our growing scale and expansion, if any, may result in increase in the quantum of current assets. Our inability to maintain sufficient cash flow, credit facility and other sourcing of funding, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations. Further, we have high outstanding amount due from our debtors which may result in a high risk in case of non-payment by these debtors. In case of any such defaults from our debtors, may affect our business operations and financials.

For further details regarding working capital requirement, please refer to the section "Objects of the Issue" beginning on page 89.

13. We may be unable to enforce our rights under some of our agreements with counterparties on account of insufficient stamping and non-registration or other reasons.

We enter into agreements with third parties, in relation to leave and license / leasing of our offices and godowns from where we operate our business. The terms, tenure and the nature of the agreements may vary depending on, amongst other things, the subject matter of the agreement and the third party involved. Some of the agreements executed by us may be not registered, sufficiently stamped or may not otherwise be enforceable. Inadequately stamped documents may be impounded by the appropriate authority. Such inadequately stamped or not registered documents may not be admissible in evidence in a court of law until the applicable stamp duty, with penalty, has been paid and registered, which could, therefore, impact our ability to enforce our rights under the agreements in a timely manner or at all. We cannot assure you that we would be able to enforce our rights under such agreements or in respect of such immovable properties, and any inability to do so, could impair our operations and affect our financial condition, cash flows and results of operation.

14. Our Company in the past has entered into Related Party Transactions and may continue to do so in future also, which may affect our competitive edge and better bargaining power if entered with non-related parties resulting into relatively more favourable terms and conditions and better margins.

Our Company has entered into various transactions with our Directors, Promoters, Promoter Group and Group Companies significantly influenced by the Directors of our Company. These transactions, inter-alia include issue of shares, rent payments, loans and advances, etc. Our Company has entered into such transactions due to easy proximity and quick execution. However, there is no assurance that we could not have obtained better and more favourable terms than from transaction with related parties. Additionally, while it is our belief that all our related party transactions have been conducted on an arm's length basis, we cannot provide assurance that we could have achieved more favourable terms had such transactions been entered with third parties. Our Company may enter into such transactions in future also and we cannot assure that in such events there would be no adverse affect on results of our operations, although going forward, all related party transactions that we may

enter will be subject to board or shareholder approval, as under the Companies Act, 2013 and the Listing Regulations. For details of transactions, please refer to “Annexure XXXV” on “Related Party Transactions” of the Chapter titled “Financial Information of our Company” and Chapter titled “Capital Structure” beginning on pages 185 and 66 respectively.

15. Delays or defaults in client payments could affect our operations.

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

16. Our Company has failed to comply with the Provisions of Section 188 of the Companies Act, 2013. Such non-compliance may attract penalties against our Company which could impact the financial position of us to that extent.

Our Company had entered into various transactions with the related parties as mentioned under Section 188 Companies Act, 2013. However, they failed to comply with the provisions of Act such as disclosing about the transaction under the Accounting Standard -18 Schedule filed with Registrar of Companies.

As on date, no action has been initiated against the Company, however, we cannot assure about any future action taken by the concerned authorities.

17. One of our Group Company M/s. Tamara Hospitality Ventures Private Limited has incurred loss in past and any operating losses or negative cash flows in the future could adversely affect the results of operations and financial conditions of our group company.

The details of profit and loss of our Group Company M/s. Tamara Hospitality Ventures Private Limited in past years are as follows:

(Rs. in Lakhs)			
	For the year ended March		
Particulars	2018	2017	2016
Profit/ (Loss) after tax	(0.95)	(0.25)	(1.53)

Our Group Company has not generated minimal revenues since its incorporation. Any operating losses or negative cashflows could adversely affect the overall operations of the group and financial conditions. For more information, regarding our group Company, please refer chapter titled “Our Group Company” beginning on page 286.

18. We do not own the premises at which our regional office, head office and godowns are situated, from which we carry out our business activities. Any dispute in relation to use of such premises would have a material adverse effect on our business and results of operations.

We do not own the premises at which our regional office, head office and godowns are situated, from which we carry out our business activities. As per the lease deeds, any breach of the terms / non-renewal of the lease deeds may require us to vacate the said premises which may cause serious disruption in our operations, corporate affairs and business and impede our effective operations and thus adversely affect our business and profitability. For further details regarding the immovable properties, please refer to chapter titled “Our Business” beginning on page 115.

19. Our Statutory Auditors have provided qualification in the annexure to the audit report for the year ended March 31, 2013 March 31, 2014 and March 31, 2016.

- Our Statutory Auditors M/s P. Ramanujam & Co, Chartered Accountants, have provided qualification in the annexure to the audit report (Companies (Auditor's Report) Order) on our financial statements for the year ended March 31, 2013 and March 31, 2014 as mentioned below:
 - “Our Company failed to have an internal audit system commensurate with the size and nature of its business, especially with regard to monitoring the cost and utilisation of materials for various projects that are under execution.” However, the. The financial impact of the said qualifications is not quantifiable.
 - “In our opinion the company had not accounted expenses related to generation of windmill which was passed on to the recipient company M/s Poly Tough Tubes Limited, in which the director had substantial interest in that company in past.”
- Our Statutory Auditors have provided qualification in the notes to Financial Statement for the year ended March 31, 2016 which is as followed:

“Our Company had charged the fees paid for increasing the Authorised Share Capital of the Company as preliminary expenses and written off over period of 5 years in the year 2015-16 in contradiction of the provisions of the Companies Act, 2013”

No Action has been initiated against our Company by the concerned authorities, however, we cannot assure that no penalty will be imposed on the Company for the said lapse in future.

20. Our Company has taken unsecured loans that may be recalled by the lenders at any time and our Company may not have adequate working capital to make timely payments or at all.

Our Company has availed unsecured loans which may be recalled by its lenders at any time. As per restated standalone statement for period ended September 30, 2018, such loans amounted to Rs. 586.14 lakhs. In the event that any lender seeks a repayment of any such loan, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. As a result, any such demand may materially and affect our business, cash flows, financial condition and results of operations. For further details, please see the section entitled “Financial Information of the Company” on page 185.

21. The Practicing Company Secretary have provided qualification in their Compliance Certificate issued pursuant to Section 383A of the Companies Act, 1956 year ended March 31, 2014:

- M/s R. Sridharan & Associates, Practicing Company Secretary, have provided following qualification in their Compliance Certificate as mentioned below:
 - The Company has entered into contract falling within the purview of Section 297 of the Companies Act, 1956. However, the Company has not obtained Central Government’s approval for contracts covered under Section 297 of the Act.
 - As per the information and explanation given to us, the Company has not constituted a separate provident fund trust for its employees or class of its employees as contemplated under Section 418 of the Companies Act, 1956.

Although no show cause notices in respect of the above have been received by the Company till date, any penalty imposed for such non-compliance in future by any regulatory authority could affect our financial conditions to that extent. Such delay/noncompliance may in the future render us liable to statutory penalties and disallowing the resolutions, which may have consequence of violation of statutory provisions concerned.

22. Non-availability of detail case paper against our Independent Director, Mr. Piyush Bhandari may have impact on our Company.

As on the date of this Draft prospectus our Independent Director, Mr. Piyush Bhandari has not disclosed the details for the litigation filed by him in the High Court of Madras due to confidentiality of the Case. In case, any litigation arises against him then it could attract penalties and may divert their attention towards defending or paying of the litigation.

23. Any query/litigation/action may arise on our Corporate Promoter, Promoter Group or Group Companies in future which would have material impact on our Company.

Since our Corporate Promoter, Promoter Group and Group Companies are registered under various statutes and our companies has related party transaction with this entities thus, any risk arising into action taken by the concerned authorities may impact on the business of the those entities which directly or indirectly would have financial or otherwise material impact on the operation of the Company.

24. We are heavily dependent on machinery for our operations. Any break-down of our machinery will have a significant impact on our business, financial results and growth prospects.

Our manufacturing facility is heavily dependent on plant and machinery. Any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs and cause delays in our operations. Further, while we believe that we maintain necessary supplies of spare parts and maintenance related equipment, if we are unable to procure the necessary spare parts in a timely manner or if we are unable to carry out the necessary repair of the malfunctioning machinery promptly, our manufacturing operations may be hampered which could have an adverse impact on our results of operations and financial condition. Further, we do not purchase insurance against the break-down of our machinery and any such cost will be to our account and may have an adverse impact on our financial condition and result of operations.

25. We have had a decline in Investment in the past years which may have an impact on the asset base of our Company

We have had a decline in our Investment in the past years which may have an impact on our asset base of our Company. For further details on non-current investments made by our Company refer to section titled "Financial information of the Company" beginning on page 185.

26. Our business depends on our manufacturing facility and the loss of or shutdown of operations of the manufacturing facility on any grounds could adversely affect our business or results of operations.

Our manufacturing facility are subject to operating risks, such as breakdown or failure of equipment, interruption in power supply or processes, shortage of raw materials, performance below expected levels of output or efficiency, natural disasters, obsolescence, labour disputes, strikes, lockouts, severe weather, industrial accidents, our inability to respond to technological advances, emerging industry standards & practices in the industry and the need to comply with the directives of relevant government authorities. The occurrence of any of these risks could significantly affect our operating results, and the loss or shutdown of operations at our manufacturing facility will have a material adverse affect on our business, financial condition and results of operations.

27. The average cost of acquisition of Equity Shares by our Promoters, is lower than the face value of Equity Share.

The average cost of acquisition of Equity Shares by our Promoters is lower than the face value of Equity Shares i.e. Rs. 10/-. For further details regarding the average cost of acquisition of Equity Shares by our Promoters in our Company and buildup of Equity Shares of our Promoters in our Company, please see section titled "*Risk Factor*", and "*Capital Structure*" beginning on pages 26 and 66 respectively

28. We have incurred significant indebtedness which exposes us to various risks which may have an adverse effect on our business and results of operations.

Our ability to borrow and the terms of our borrowings will depend on our financial condition, the stability of our cash flows, general market conditions, economic and political conditions in the markets where we operate and our capacity to service debt. As on September 30, 2018, our total outstanding indebtedness (including bank guarantee) was Rs. 80.66 Lakhs.

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

- increasing our vulnerability to general adverse economic, industry and competitive conditions;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry;
- affecting our credit rating;
- limiting our ability to borrow more money both now and in the future; and
- increasing our interest expenditure and adversely affecting our profitability.

If the loans are recalled on a short notice, we may be required to arrange for funds to fulfil the necessary requirements. The occurrence of these events may have an adverse effect on our cash flow and financial conditions of the company. For further details regarding our indebtedness, see "*Statement of Financial Indebtedness*" in the chapter titled "*Financial Information of our Company*" beginning on page 185.

29. Our Contingent Liability and Commitments could affect our financial position.

As on period ended September 30, 2018 and financial year ended March 31, 2018, we had Contingent Liability of Rs. 1042.04 Lakhs and Rs. 834.71 Lakhs based on Restated Standalone Financial Statements which could affect our financial position. For further details on the same please refer to "*Annexure XXXII*" under section "*Financial Information of the Company*" and "*Outstanding Litigations and Material Developments*" beginning on pages 185 and 267 respectively.

30. Reliance has been placed on affidavit and signed CV furnished by our Directors and KMPs of our Company for details of their profiles included in this Draft Prospectus.

For profiles of our Directors and KMPs, reliance has been placed on affidavit and signed CV furnished. We have not been able to independently verify these details, therefore, we cannot assure you that all information relating to the work experience and education qualification included in the sections "*Our Promoters, Promoter Group*" and "*Our Management*" beginning on pages 176 and 159 respectively, as may be applicable, are complete, true and accurate.

31. Our Company has taken loans from banks and financial institution wherein our Promoters and relatives of Promoters are co-applicant and such loans are secured against the immovable properties held in the name of Directors and their Relatives. Further, our Promoters have given personal guarantees in relation to loan facilities provided to our Company.

Our Company has taken secured loan amount outstanding to Rs. 1077.31Lakhs as on period ended September 30, 2018 from banks wherein our Promoters and relatives of Promoters are co-applicant. Our Promoters may have given personal guarantees in relation to said facilities provided to our Company by banks. In event of default on the debt obligations, the personal guarantees may be invoked thereby adversely affecting our Promoters ability to manage the affairs of our Company and consequently may impact our business, prospects, financial condition and results of operations.

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

Our cash flow from our Operating activities have been negative in the past. Following are the details of our cash flow position during the last three financial years based on restated financial statements are:-

Particulars	For the period ended September 30, 2018	For the financial year ended (Rs. in Lakhs)		
		31.03.2018	31.03.2017	31.03.2016
Net cash flow from/ (used in) Operating activities	(532.37)	606.56	(650.70)	312.68

For details, please see the chapter titled “Financial Information of our Company” beginning on page 185. Any negative cash flows in the future could adversely affect our results of operations and consequently our revenues, profitability and growth plans.

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

Our company has obtained insurance coverage in respect of certain risks which consists of, Group Personal Accident Insurance Policy, machinery insurance and vehicle insurance. If any uncertainty arises including losses arising on account of third party claims or if claim made by us in respect of an insurance, is not accepted or any loss occurred by us is in excess of the insurance coverage, the same may adversely affect our operation, results and financials. If our arrangements for insurance or indemnification are not adequate to cover claims, we may be required to make substantial payments and our results of operations and financial condition may be affected. For further information, see the section titled “Our Business” beginning on page 115.

34. Our Promoters, Directors and Key Management Personnel have interest in our Company, other than reimbursement of expenses incurred or remuneration.

Our Promoters, Directors and Key Management Personnel can be (if any) to be interested to the extent of the Equity Shares held by them, or their relatives, dividend entitlement, or loans advanced, business transaction, lease rent for properties given on rent by them to our Company and personal guarantee, provided by them for our Company, and benefits deriving from the directorship in our Company. For further information, please refer to the chapters/section titled “Our Business”, “Our Promoters and Promoter Group” and “Related Party Transactions” under “financial information of our company”, beginning on pages 115, 176 and 185 respectively.

35. *Our Company may be subject to risk resulting from foreign exchange rate fluctuations, which could adversely affect our results of operations.*

Any unfavorable change in currency exchange rates can influence our Company's results of operations. In addition, depreciation of the Indian Rupee against the other foreign currencies may adversely affect our results of operations by increasing the cost of financing. Thus, any adverse fluctuations in the value of the Indian Rupee against the relevant foreign currencies could affect our result of operation and financials.

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

One of our Group Company as mentioned in the chapter titled "Our Group Companies" beginning on page 286, is engaged in the business, which to an extent, can be considered as common pursuits & conflict of interest amongst our Company and such company. We have not entered into any non-compete agreement with our Group Company. We cannot assure that our Promoters who have common interest in said company will not favour the interest of the said company. As a result, conflicts of interests may arise in allocating business opportunities between our Company and our Group Company in circumstances where our respective interests diverge. In cases of conflict, our Promoters may favour other company in which our Promoters have interests. There can be no assurance that our Promoters or our Promoter Group Company 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 which may adversely affect our profitability and results of operations. For further details, please refer to Chapter titled "Our Group Companies" beginning on page 286.

37. *Failure to effectively manage staff / labours or failure to ensure availability of sufficient staff / labours could affect the business operations of our Company.*

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

38. *We operate in a highly competitive industry. Any inability to compete effectively may lead to a lower market share or reduced operating margins.*

We operate in a highly competitive industry with a number of other manufacturers that produce competing products, both in India and internationally. As a result, to remain competitive in the market we must continuously strive to reduce our production and distribution costs and improve our operating efficiencies and innovate our products offering. If we fail to do so, it may have an adverse effect on our market share and results of operations. In relation to our products segment, we may incur significant expense in preparing to meet anticipated customer requirements which may not be recovered. For example, if a customer is preparing to launch a new product, we may need to incur substantial capital investments for transition of our manufacturing facilities and resources, which may adversely impact production rates or other operational efficiency measures at our facility. There can also be no assurance that we will remain competitive with

respect to technology, design and quality to our customers reasonable satisfaction. Moreover, the competitive nature of the manufacturing industry may result in lower prices for our products and decreased profit margins, which may materially adversely affect our revenue and profitability.

39. Loans availed by Our Company have been secured on personal guarantees of our Directors. Our business, financial condition, results of operations, cash flows and prospects may be adversely affected in case of invocation of any personal guarantees provided by our Directors.

Our Directors have provided guarantees to secure a significant portion of our existing borrowings taken from and in case of our Company and may continue to provide such guarantees and other security post listing. In case of a default under our loan agreements, any of the personal guarantees provided by our Directors may be invoked which could negatively impact the reputation and net worth of our Directors. Also, we may face certain impediments in taking decisions in relation to our Company, which in turn would result in a material adverse effect on our financial condition, business, results of operations and prospects and would negatively impact our reputation. We may also not be successful in procuring alternate guarantees/ alternate security satisfactory to the lenders, as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows. For further details regarding loans availed by our Company, please refer to the chapter titled “*Outstanding Litigations and Material Developments*” and “*Financial Information of our Company*” beginning on page 267 and 185.

40. We are heavily dependent on our Promoters and Key Managerial Personnel for the continued success of our business through their continuing services and strategic guidance and support.

Our success heavily depends upon the continued services of our Key Managerial Personnel, along with support of our Promoters. We also depend significantly on our Key Managerial Personnel for executing our day to day activities. The loss of any of our Promoters and Key Management Personnel, or failure to recruit suitable or comparable replacements, could have an adverse effect on us. The loss of service of the Promoters and other senior management could seriously impair the ability to continue to manage and expand the business efficiently. If we are unable to retain qualified employees at a reasonable cost, we may be unable to execute our growth strategy. For further details of our Directors and Key Managerial Personnel, please refer to chapter “*Our Management*” beginning on page 159.

41. We are heavily dependent on the concentration of in the Southern region for the continued success of our business.

Our success heavily depends upon the continued services spread across Southern region namely Tamil Nadu, Andhra Pradesh, Telangana, Karnataka, Kerala. Although we have started expanding our operations by distribution in western India we cannot assure that we may expand our reach in future. If are unable to expand our current reach this may affect growth strategy. For further details regarding the area of operation refer to the section titled “*Our Business*” beginning on page 115.

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

The proposed fund requirement for our expansion plan, as detailed in the section titled “*Objects of the Issue*” is to be 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 our future plans/strategy within the given timeframe. For details, please refer to the Chapter titled “*Objects of the Issue*”

beginning on page 89.

43. We are subject to the restrictive covenants of banks in respect of the Loans/ Credit Limits and other banking facilities availed from them and we have not yet received “No Objection Certificate” from few of our lenders to undertake the Issue.

Our financing arrangements contain restrictive covenants whereby we are required to obtain approval from our lender, regarding, among other things such as major changes in share capital, changes in fixed assets, creation of any other charge, undertake any guarantee obligation etc. There can be no assurance that such consents will be granted or that we will be able to comply with the financial covenants under our financing arrangements. In the event we breach any financial or other covenants contained in any of our financing arrangements, we may be required under the terms of such financing arrangements to immediately repay our borrowings either in whole or in part, together with any related costs. This may adversely impact our results of operations and cash flows. Further, our Company has not yet received “No Objection Certificate” from few of our lenders to undertake the Issue. For further details on the Term Loans, Cash Credit Limits and other banking facilities, please see “Statement of Financial Indebtedness” in the Chapter titled “Financial Information of our Company” beginning on page 185.

44. We may not be able to sustain effective implementation of our business and growth strategy.

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

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

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

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

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our Dividend history refer to the chapter “Dividend Policy” beginning on page 184.

47. There is no monitoring agency appointed by our Company to monitor the utilization of the Issue proceeds.

As per SEBI (ICDR) Regulations, 2018, as amended, appointment of monitoring agency is required only for Issue size above Rs.10,000 Lakhs. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the stock exchange and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

48. Our Promoters and the Promoter Group will jointly continue to retain majority shareholding in our Company after the issue, which will allow them to determine the outcome of the matters requiring the approval of shareholders.

Our Promoters along with the promoter group will continue to hold collectively almost [●] % of the Post Issue Equity Share Capital of our Company. As a result of the same, they will be able to exercise significant influence over the control of the outcome of the matter that requires approval of the majority shareholders vote. Such a concentration of the ownership may also have the effect of delaying, preventing or deterring any change in the control of our company. In addition to the above, our promoters will continue to have the ability to take actions that are not in, or may conflict with our interest or the interest of some or all of our minority shareholders, and there is no assurance that such action will not have any adverse effect on our future financials or results of operations.

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

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

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

issue Equity Shares or that such shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

50. *Certain data mentioned in this Draft Prospectus has not been independently verified.*

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

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

Under current Indian tax laws and regulations, capital gains arising from the sale of Equity Shares in an Indian Company are generally taxable in India. Any gain realized on the sale of listed Equity Shares on a stock exchange held for more than 12 months shall be subject to capital gains tax in India at 10% of such capital gain exceeding Rs. 1 lakh if Securities Transaction Tax (STT) has been paid on both acquisition and transfer of such shares. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realised on the sale of Equity Shares held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. However, 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. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to short term capital gains tax at a relatively higher rate as compared to the transaction where STT has been paid in India. For more details, please refer to chapter titled "Financial Information of our Company" beginning on page 185.

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

Prior to this Issue, there has been no public market for our Equity Shares. [●] is acting as Market Maker for the Equity Shares of our Company. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could materially affect the price of our Equity Shares. Any instance of disinvestments of equity shares by our Promoters or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

There can be no assurance that an active trading market for our Equity Shares will develop or be sustained after this Issue, or that the price at which our Equity Shares are initially offered will correspond to the prices at which they will trade in the market subsequent to this Issue. For further details of the obligations and limitations of Market Maker, please refer to the section titled —General Information – Details of the Market Making Arrangement for this Issue beginning on page 56.

EXTERNAL RISK FACTORS***53. Our business is dependent on the Indian economy.***

The performance and growth of our business are necessarily dependent on economic conditions prevalent in India, which may be materially and adversely affected by centre or state political instability or regional conflicts, a general rise in interest rates, inflation, and economic slowdown elsewhere in the world or otherwise. There have been periods of slowdown in the economic growth of India. India's economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports global economic uncertainty and liquidity crisis, volatility in exchange currency rates and annual rainfall which affects agricultural production. Any continued or future slowdown in the Indian economy or a further increase in inflation could have a material adverse effect on the price of our raw materials and demand for our products and, as a result, on our business and financial results. The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the U.S. and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability, including the financial crisis and fluctuations in the stock markets in China and further deterioration of credit conditions in the U.S. or European markets, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business and financial results.

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

Terrorist attacks, civil unrest and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. In addition, the Asian region has from time to time experienced instances of civil unrest and hostilities among neighboring countries. Hostilities and tensions may occur in the future and on a wider scale. Military activity or terrorist attacks in India, may result in investor concern about stability in the region, which may adversely affect the price of our Equity Shares. Events of this nature in the future, as well as social and civil unrest within other countries in the world, could influence the Indian economy and could have an adverse effect on the market for securities of Indian companies, including our Equity Shares.

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

Our business and financial performance could be adversely affected by changes in law or interpretations of existing, or the promulgation of new, laws, rules and regulations in India applicable to us and our business. For further details please refer to the chapter "Government and Other Approvals" beginning on page 275 for details of the laws currently applicable to us. There can be no assurance that the central or the state governments in India may not implement new regulations and policies which will require us to obtain approvals and licenses from the central or the state governments in India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on all our business, financial condition and results of operations. In addition, we may have to incur capital expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. For instance, the

Government has proposed a comprehensive national goods and services tax (“GST”) regime that will combine taxes and levies by the Central and state Governments into a unified rate structure. Given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to the tax regime following implementation of the GST. The implementation of this new structure may be affected by any disagreement between certain state Governments, which could create uncertainty. Any such future amendments may affect our overall tax efficiency, and may result in significant additional taxes becoming payable.

56. Instability in financial markets could materially and adversely affect our results of operations and financial conditions.

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America or Europe, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors’ reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. The global financial turmoil, an outcome of the sub-prime mortgage crisis which originated in the United States of America, led to a loss of investor confidence in worldwide financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil, evident from the sharp decline in benchmark index of stock exchanges i.e. NSE-NIFTY and BSE-SENSEX. Any prolonged financial crisis may have an adverse impact on the Indian economy and us, thereby resulting in a material and adverse effect on our business, operations, financial condition, profitability and price of our Equity Shares.

57. Natural calamities could have a negative impact on the Indian economy and cause our Company’s business to suffer.

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

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

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

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

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

60. Our performance is linked to the stability of policies and the political situation in India.

The Government of India has traditionally exercised, and continues to exercise, a significant influence over many aspects of the economy. Our business, and the market price and liquidity of our Equity Shares, may be affected by interest rates, changes in government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Since 1991, successive Indian governments have pursued policies of economic liberalization and financial sector reforms. The current Government has announced its general intention to continue India's current economic and financial sector liberalization and deregulation policies. However there can be no assurance that such policies will be continued and a significant change in the government's policies in the future could affect business and economic conditions in India and could also adversely affect our business, prospects, financial condition and results of operations.

Any political instability in India may adversely affect the Indian securities markets in general, which could also adversely affect the trading price of our Equity Shares. Any political instability could delay the reform of the Indian economy and could have a material adverse effect on the market for our Equity Shares. There can be no assurance to the investors that these liberalization policies will continue under the newly elected government. Protests against privatization could slow down the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting companies in the industrial equipment manufacturing sectors, foreign investment, currency exchange rates and other matters affecting investment in our securities could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect our business.

SECTION IV: INTRODUCTION

THE ISSUE

The following table summarizes the Issue details:

Equity Shares Offered	
Public Issue of Equity Shares by our Company ⁽¹⁾⁽²⁾	Issue of 45,60,000* Equity Shares of face value of Rs. 10/- each for cash at a price of Rs. [●] per equity share aggregating to Rs. [●] Lakhs
of which	
Market Maker Reservation Portion	[●] Equity Shares of face value of Rs. 10/- each for cash at a price of Rs. [●] per equity share aggregating to Rs. [●] Lakhs
Net Issue to Public	[●] Equity Shares of face value of Rs. 10/- each for cash at a price of Rs. [●] per equity share aggregating to Rs. [●] Lakhs
of which	
A. Retail Portion ⁽³⁾	[●] Equity Shares of face value of Rs. 10 each fully paid-up for cash at price of Rs. [●] per Equity Share aggregating to Rs. [●] Lakhs i.e. 50% of the Net Issue shall be available for allocation Retail Individual Investors ^(a)
B. Non-Retail Portion ⁽³⁾	[●] Equity Shares of face value of Rs. 10 each fully paid-up for cash at price of Rs. [●] per Equity Share aggregating to Rs. [●] Lakhs i.e. 50% of the Net Issue shall be available for allocation for Investors other than Retail Individual Investors ^(b)
Pre and Post Issue Equity Shares	
Equity Shares outstanding prior to the Issue	12,000,000 Equity Shares
Equity Shares outstanding after the Issue	[●] Equity Shares
Use of Net Proceeds	For details please see the chapter titled "Objects of the Issue" beginning on page 89.

*Number of shares may need to be adjusted for lot size upon determination of the Issue Price.

(1) This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018. For further details, please refer to section titled "Issue Information" beginning on page 302

(2) This Public Issue pursuant to this Draft Prospectus has been authorized by a resolution of our Board of Directors dated September 28, 2018 and by a special resolution of our Shareholders in their EGM dated October 01, 2018.

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

^(a) Retail Individual Investors will be allocated not less than fifty (50) percent

^(b) The balance net issue of shares to the Public shall be made available for allotment 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;

Note: If the retails individual investor category is entitled to more than fifty per cent of the issue size on a proportionate basis, the retail individual investors shall be allocated that higher percentage.

For further details regarding the Issue Structure and Issue Procedure, kindly refer to the chapters titled "Issue Structure" and "Issue Procedure" beginning on pages 308 and 311 respectively.

SUMMARY OF OUR FINANCIALS

ANNEXURE-I
RESTATED STANDALONE STATEMENT OF ASSETS AND LIABILITIES

(Rs. In Lakhs)

Particulars	Annexure	For the period ended on September 30, 2018	For the year ended March 31		
			2018	2017	2016
I. EQUITY AND LIABILITIES					
(1) Shareholder's Funds					
(a) Share Capital	V	1,200.00	400.00	400.00	379.64
(b) Reserves and Surplus	VI	894.01	1,517.30	1,104.91	888.48
(2) Share Application Money Pending Allotment		-	-	-	-
(3) Non-Current Liabilities					
(a) Long-Term Borrowings	VII	1,077.31	1,155.83	302.77	351.87
(b) Other Long Term Liabilities		-	-	-	-
(c) Deferred Tax Liability(Net)	VIII	80.66	113.42	98.75	91.42
(d) Long Term Provisions	IX	85.62	82.34	72.71	61.10
(4) Current Liabilities					
(a) Short-Term Borrowings	X	2,770.53	2,227.38	1,870.49	876.96
(b) Trade Payables	XI	1,424.10	2,209.88	1,223.30	1,354.68
(c) Other Current Liabilities	XII	303.75	328.36	324.06	351.08
(d) Short-Term Provisions	XIII	282.07	132.93	267.38	216.86
TOTAL		8,118.06	8,167.63	5,664.37	4,572.10
II.ASSETS					
(1) Non-Current Assets					
(a) Fixed Assets	XIV				
- Tangible Assets		2,093.73	2,157.42	1,151.01	1,285.47
- Intangible Assets		2.32	3.34	0.35	0.45
- Capital Work in Progress		167.31	139.89	52.02	-
(b) Non-Current Investments	XV	165.30	165.30	386.49	386.49
(c) Deferred Tax Assets (Net)		-	-	-	-
(d) Other non-current assets		-	-	-	-
(e) Long Term Loans & Advances	XVI	9.52	3.75	4.20	64.52
(2) Current Assets					
(a) Current Investments	XVII	-	64.01	51.95	33.94
(b) Inventories	XVIII	2,625.96	2,712.13	1,854.34	1,007.41
(c) Trade receivables	XIX	2,327.30	1,764.66	1,691.76	1,309.53
(d) Cash and Cash Equivalents	XX	235.71	592.42	175.32	188.65
(e) Short-Term Loans And Advances	XXI	473.15	564.41	296.95	295.64
(f) Other Current Assets	XXII	17.75	-	-	-
TOTAL		8,118.06	8,167.63	5,664.37	4,572.10

ANNEXURE - II
RESTATED STANDALONE STATEMENT OF PROFIT AND LOSS AS RESTATED

(Rs. in Lakhs)

Sr. No.	Particulars	Annexure	For the period ended on September 30, 2018	For the year ended March 31		
				2018	2017	2016
A	Revenue:					
	Revenue From Operations	XXIII	7,172.42	10,240.07	8,402.48	6,722.67
	Other Income	XXIV	44.25	36.84	31.96	57.37
	Total Revenue		7,216.66	10,276.90	8,434.44	6,780.04
B	Expenses:					
	Cost of Materials Consumed	XXV	6,610.08	7,283.22	5,627.59	4,300.50
	Direct Operating Expenses	XXVI	321.14	418.70	413.80	330.22
	Changes in Inventories of Finished Goods, Stock-in-process and Stock-in-trade	XXVII	(1,142.25)	(169.32)	32.56	(69.89)
	Employee benefit expenses	XXVIII	322.91	506.66	430.74	419.26
	Finance Cost	XXIX	257.93	263.20	219.27	247.31
	Depreciation and amortization expenses	XXX	207.15	268.41	264.48	265.97
	Others Expenses	XXXI	432.71	1,103.00	1,097.20	1,070.59
	Total Expenses		7,009.69	9,673.88	8,085.64	6,563.97
C	Profit before exceptional ,extraordinary items and tax		206.98	603.02	348.80	216.07
	Less: Exceptional Items		-	-	-	-
	Profit before extraordinary items and tax (A-B)		206.98	603.02	348.80	216.07
	Prior Period Items		-	-	-	-
	Extra ordinary items		-	-	-	-
D	Profit before tax		206.98	603.02	348.80	216.07
	<i>Tax expense :</i>					
	Current tax		62.92	176.06	135.22	66.74
	Deferred Tax		32.66	14.57	7.33	71.98
	Profit/(Loss) for the period		176.72	412.39	206.25	77.35

ANNEXURE – III
RESTATED STANDALONE STATEMENT OF CASH FLOW AS RESTATED

(Rs. in Lakhs)

Particulars	For the period ended on September 30, 2018	For the year ended March 31		
		2018	2017	2016
Cash Flow From Operating Activities:				
Net Profit before tax as per Profit And Loss A/c	206.98	603.02	348.80	216.07
Adjustments for:				
Depreciation & Amortisation Expense	207.15	268.41	264.48	265.97
Interest on FDRs	(2.97)	(15.20)	(10.90)	(34.54)
Dividend Income	(0.02)	(0.33)	(0.21)	(0.53)
Profit on Sale of Investments	(34.06)	(20.15)	(20.28)	(21.29)
Profit on Sale Of fixed Assets	-	-	-	(1.01)
Finance Cost	257.93	263.20	219.27	247.31
Operating Profit Before Working Capital Changes	635.01	1,098.96	801.18	671.98
Adjusted for (Increase)/ Decrease in:				
(a) Trade Payables	(785.78)	986.58	(131.38)	(2.80)
(b) Other Current Liabilities	(24.61)	4.29	(27.02)	261.75
(c) Short-Term Provisions	149.15	(134.46)	50.52	(10.63)
(d) Inventories	86.17	(857.80)	(846.93)	(83.31)
(e) Trade receivables	(562.64)	(72.90)	(382.24)	(454.31)
(f) Short-Term Loans And Advances	91.26	(267.46)	(1.31)	34.95
(g) Other Current Assets	(17.75)	-	-	-
Cash Generated From Operations	(1,064.21)	(341.74)	(1,338.35)	(254.35)
Net Income Tax paid/ refunded	(62.92)	(176.06)	(135.22)	(67.42)
Net Cash Flow from/(used in) Operating Activities: (A)	(492.12)	581.16	(672.40)	350.21
Cash Flow From Investing Activities:				
Net (Purchases)/Sales of Fixed Assets (including capital work in progress)	(169.87)	(1,365.69)	(181.93)	(458.70)
Net (Increase)/Decrease in Long Term Loans & Advances	(5.77)	0.44	60.32	326.90
Net (Increase)/Decrease in Other Non-Current Assets	-	-	-	(0.75)
Interest Income	2.97	15.20	10.90	34.54
Profit on sale of Investments	34.06	20.15	20.28	21.29
Dividend Received	0.02	0.33	0.21	0.53
Purchase OF Investments	64.01	209.13	(18.00)	57.49
Net Cash Flow from/(used in) Investing Activities: (B)	(74.57)	(1,120.44)	(108.23)	(18.70)
Cash Flow from Financing Activities:				
Proceeds From issue of Share Capital	-	-	30.53	142.37
Net Increase/(Decrease) in Long Term Borrowings	(78.52)	853.07	(49.10)	(64.73)

Lotus Roofings Limited

Net Increase/(Decrease) in Short Term Borrowings	543.15	356.89	993.53	(138.72)
Net Increase/(Decrease) in Long Term Provisions	3.28	9.63	11.61	46.69
Interest on Borrowings	(257.93)	(263.20)	(219.27)	(247.31)
Net Cash Flow from/(used in) Financing Activities (C)	209.97	956.38	767.29	(261.70)
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(356.71)	417.10	(13.33)	69.81
Cash & Cash Equivalents As At Beginning of the Year	592.42	175.32	188.65	118.84
Cash & Cash Equivalents As At End of the Year	235.71	592.42	175.32	188.65

ANNEXURE-I
RESTATED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(Rs in Lakhs)

Particulars	Annexure	As at March 31,	
		2017	2016
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	V	400.00	379.64
(b) Reserves and Surplus	VI	1083.80	840.65
(2) Share Application Money Pending Allotment		-	-
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	VII	302.77	351.87
(b) Other Long Term Liabilities		-	-
(c) Defferd Tax Liability(Net)	VIII	98.75	91.42
(d) Long Term Provisions	IX	72.71	61.10
(4) Current Liabilities			
(a) Short-Term Borrowings	X	1,870.49	876.96
(b) Trade Payables	XI	1,223.30	1,354.68
(c) Other Current Liabilities	XII	324.06	351.08
(d) Short-Term Provisions	XIII	267.38	216.86
Total		5643.27	4524.27
II.ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	XIV		
- Tangible Assets		1,151.01	1,285.47
- Intangible Assets		0.35	0.45
- Capital Work in Progress		52.02	-
(b) Non-Current Investments	XV	365.39	338.66
(c) Deferred Tax Assets (Net)	-	-	-
(d) Other non-current assets	-	-	-
(e) Long Term Loans & Advances	XVI	4.20	64.52
(2) Current Assets			
(a) Current Investments	XVII	51.95	33.94
(b) Inventories	XVIII	1,854.34	1,007.41
(c) Trade receivables	XIX	1,691.76	1,309.53
(d) Cash and Cash Equivalents	XX	175.32	188.65
(e) Short-Term Loans And Advances	XXI	296.95	295.64
(f) Other Current Assets		-	-
Total		5643.27	4524.27

ANNEXURE-II

RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(Rs. in Lakhs)

Sr. No.	Particulars	Annex.	For the year ended March 31,	
			2017	2016
A	Revenue:			
	Revenue From Operations (Net of Taxes)	XXII	8,402.48	6,722.67
	Other Income	XXIII	31.96	57.37
	Total Revenue		8,434.44	6,780.04
	Expenses:			
B	Cost of Materials Consumed	XXIV	5,627.59	4,300.50
	Direct Operating Expnses	XXV	413.80	330.22
	Changes in Inventories of Finished Goods, Stock-in-proces and Stock-in-trade	XXVI	32.56	-69.89
	Employee benefit expenses	XXVII	430.74	419.26
	Finance Cost	XXVIII	219.27	247.31
	Depreciation and amortization expenses	XXIX	264.48	265.97
	Others Expenses	XXX	1097.20	1070.59
	Total Expenses		8,085.64	6,563.97
C	Profit before exceptional ,extraordinary items and tax		348.80	216.07
	Less: Exceptional Items		-	-
	Profit before extraordinary items and tax (A-B)		348.80	216.07
	Prior Period Items		-	-
	Extra ordinary items		-	-
D	Profit before tax		329.73	238.02
	<i>Tax expense :</i>			
	Current tax		135.22	66.74
	Deferred Tax		7.33	71.98
	Profit/(Loss) for the period After Tax- PAT		206.25	77.35
	Add: Profit From Associates		26.73	21.63
	Profit Transfer to Reserve		232.98	98.98

ANNEXURE-III
RESTATED CONSOLIDATED CASH FLOW STATEMENT

(Rs. in Lakhs)

Particulars	For the year ended March 31	
	2017	2016
Cash Flow From Operating Activities:		
Net Profit before tax as per Profit And Loss A/c	348.80	216.07
Adjustments for:		
Depreciation & Amortisation Expense	264.48	265.97
Interest on FDRs	(10.90)	(34.54)
Dividend Income	(0.21)	(0.53)
Profit on Sale of Investments	(20.28)	(21.29)
Profit on Sale Of fixed Assets	-	(1.01)
Finance Cost	219.27	247.31
Operating Profit Before Working Capital Changes	801.17	671.98
Adjusted for (Increase)/ Decrease in:		
(a) Trade Payables	(131.38)	(2.80)
(b) Other Current Liabilities	(27.02)	261.75
(c) Short-Term Provisions	50.52	(10.63)
(d) Inventories	(846.93)	(83.31)
(e) Trade receivables	(382.24)	(454.31)
(f) Short-Term Loans And Advances	(1.31)	34.95
(g) Other Current Assets	-	-
Cash Generated From Operations	(1,338.35)	(254.35)
Net Income Tax paid/ refunded	(135.22)	(67.42)
Net Cash Flow from/(used in) Operating Activities: (A)	(672.40)	350.21
Cash Flow From Investing Activities:		
Net (Purchases)/Sales of Fixed Assets (including capital work in progress)	(181.93)	(458.70)
Net (Increase)/Decrease in Long Term Loans & Advances	60.32	326.90
Net (Increase)/Decrease in Other Non-Current Assets	-	(0.75)
Interest Income	10.90	34.54
Profit on sale of Investments	20.28	21.29
Dividend Received	0.21	0.53
Purchase OF Investments	(18.00)	57.49
Net Cash Flow from/(used in) Investing Activities: (B)	(108.23)	(64.73)
Cash Flow from Financing Activities:		
Proceeds From issue of Share Capital	30.53	142.37
Net Increase/(Decrease) in Long Term Borrowings	(49.10)	(64.73)
Net Increase/(Decrease) in Short Term Borrowings	993.53	(138.72)
Net Increase/(Decrease) in Long Term Provisions	11.61	46.69
Interest on Borrowings	(219.27)	(247.31)



Lotus Roofings Limited

Net Cash Flow from/(used in) Financing Activities (C)	767.29	(261.70)
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(13.33)	69.81
Cash & Cash Equivalents As At Beginning of the Year	188.65	118.84
Cash & Cash Equivalents As At End of the Year	175.32	188.65

GENERAL INFORMATION

Our Company was incorporated as Lotus Roofings Private Limited under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated April 26, 1984 issued by the Registrar of Companies, Puducherry bearing Registration Number 259 of 1984. The name of our Company was subsequently changed to Lotus Roofings Limited pursuant to special resolution passed by the Shareholders at its Extra Ordinary General Meeting held on September 03, 2018 and a fresh certificate of incorporation consequent upon conversion from Private Company to Public Company was issued by the Registrar of Companies, Puducherry dated September 27, 2018 bearing Corporate Identity Number U25209PY1984PLC000259.

For further details please refer to chapter titled *"History and Certain Corporate Matters"* beginning on page 154

Registered Office of our Company

Lotus Roofings Limited

Sedurapetauro Ville [Via]

Pondicherry-605111, India

CIN: U25209PY1984PLC000259

Website: www.lotusroofings.com

Email id: senthil@lotusroofings.com/ kalai@lotusroofings.com

Tel. No: 0413-2677347

Corporate Office of our Company

Lotus Roofings Limited

New No. 338 (Old No. 165), 2nd Floor,

Thambu Chetty Street,

George Town,

Chennai – 600001, India

Email id: accounts@lotusroofings.com

Tel. No: (044) 40505200

Address of Registrar of Companies

Registrar of Companies, Puducherry

No. 7, Second Floor, Karuvadikuppam Main Road,

Senthamarai Nagar, Muthialpet,

Puducherry - 605003

Tel. No: (0413)-2234129

Fax No: (0413)-2237274

Email id: roc.pondicherry@mca.gov.in

Website: www.mca.gov.in

Designated Stock Exchange

Our Company proposed to list its Equity Shares on Emerge Platform of National Stock Exchange of India Limited (NSE Emerge).

National Stock Exchange of India Limited (NSE)

Exchange Plaza, Plot no. C/1, G Block,
Bandra- Kurla Complex, Bandra (E), Mumbai – 400051

Board of Directors of our Company

The Board of Directors of our Company consists of:

Name	Designation	DIN	Address
Mr. Vasnadu Govind	Managing Director	00839391	77/6, Gulmohar Avenue, Velacherry Main Road, Guindy Industrial Estate, Chennai - 600032, Tamil Nadu, India.
Mrs. Vasnadu Nirmala	Non-Executive Director	00839466	77/6, Velachery Main Road, Gulmohar Avenue, Guindy Industrial Estate, Chennai - 600032, Tamil Nadu, India.
Mr. Ramachandran Elango	Whole-Time Director	05154443	No. 3070 MIG 2 nd Main Road, 2 nd Cross Street, MMDA Mathur, Chennai-600068, Tamil Nadu, India.
Mr. Piyush Bhandari	Independent Director	00362706	Akshaya 36 Carat, 950/136, Poonamallee High Road, Opposite to Hotel Sudha, Flat no. A-42, Vepery, Chennai-600084, Tamil Nadu, India.
Mr. Raghavendra Rao Srinivasan	Independent Director	08237386	332/424-2, Krishnan Street, Coimbatore-641001, Tamil Nadu, India.

For further details in relation to our Directors, please refer to the chapter titled “*Our Management*” beginning on page 159.

COMPANY SECRETARY AND COMPLIANCE OFFICER

SESHADRI RAGHAVAN

Lotus Roofings Limited

New No. 338 (Old No. 165), 2nd Floor,
Thambu Chetty Street,
Chennai – 600001, India

Tel. No:044-40505200

E-mail: sesharag@gmail.com

CHIEF FINANCIAL OFFICER

S P VENKANTCHALAM

Lotus Roofings Limited

New No. 338 (Old No. 165), 2nd Floor,

Thambu Chetty Street,

Chennai - 600 001.

Tel. No: 044-40505231

E-mail: spv@lotusroofings.com

Note: Investors may contact our Company Secretary and Compliance Officer and / or the Registrar to the Issue and/ or the Lead Manager, in case of any pre-issue or post-issue related problems such as non-receipt of letters of Allotment, credit of allotted Equity Shares in the respective beneficiary account etc.

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, details of UPI IDs, 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.

For all Issue related queries, and for redressal of complaints, applicant may also write to the Lead Manager. All complaints, queries or comments received by Stock Exchange and SEBI shall be forwarded to the Lead Manager, who shall respond to the same.

Details of Key Intermediaries pertaining to this Issue and our Company:

LEAD MANAGER TO THE ISSUE	LEGAL ADVISOR TO THE ISSUE
<p>HEM SECURITIES LIMITED</p> <p>904, A Wing, 9th Floor, Naman Midtown, Senapati Bapat Marg Elphinstone Road, Lower Parel, Mumbai - 400013, India</p> <p>Tel No.: (022) 49060000</p> <p>Fax No.: (022) 49060061</p> <p>Email id: ib@hemsecurities.com</p> <p>Investor Grievance Email: redressal@hemsecurities.com</p> <p>Website: www.hemsecurities.com</p> <p>Contact Person: Mr. Anil Bhargava</p> <p>SEBI Regn. No.: INM000010981</p>	<p>MMJC & Associates LLP</p> <p>Ecstasy, 803/804, 9th Floor, City of Joy, J.S.D Road, Mulund (West), Mumbai- 400 080, Maharashtra, India</p> <p>Tel No.: (022)21678100</p> <p>Email id: makarandjoshi@mmjc.in</p> <p>Website: www.mmjcadvisory.com</p> <p>Contact Person: Mr. Makarand M. Joshi</p>

STATUTORY AUDITOR	
<p>M/s. P. RAMANUJAM & CO.</p> <p>No.132, Thambu Chetty Street, Chennai – 600001</p> <p>Tel. No: +91-9444265398</p> <p>Email id: ramanujamandco@gmail.com</p> <p>Firm Registration No.: 002950S</p> <p>Membership No: 002950S</p> <p>Contact Person: CA K. Sahayaraj</p>	
BANKERS TO THE COMPANY	
<p>YES BANK LIMITED</p> <p>Ground Floor, 143/1, Uthamar Gandhi Salai, Nungambakkam High Road, Chennai – 600034</p> <p>Tel No.: (044) 66765000</p> <p>Email id: deeppak.swaminathan@yesbank.in</p> <p>Website: www.yesbank.in</p> <p>Contact Person: Mr. Deeppak Swaminathan</p>	<p>DBS BANK LIMITED</p> <p>806 Annasalai, Chennai- 600002</p> <p>Tel No.: (044) 66568896</p> <p>Email id: poornagopal@db.com</p> <p>Website: www.dbs.com/in</p> <p>Contact Person: Poorna Gopal</p>
<p>AXIS BANK LIMITED</p> <p>R A Puram Branch, no 40, 2 Main Road, R A Puram, Chennai –600 028</p> <p>Tel No.: 91-44-24622590</p> <p>Email id: rapuram.branchhead@axisbank.com</p> <p>Website: www.axisbank.com</p> <p>Contact Person: Vijay Kumar R</p>	
REGISTRAR TO THE ISSUE	BANKER TO THE ISSUE AND SPONSOR BANK*
<p>KARVY FINTECH PRIVATE LIMITED</p> <p>Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500032, Telangana, India.</p> <p>Tel No.:(040) 6716 2222</p>	<p>[•]</p>

Fax No.: (040) 2343 1551 Email id: einward.ris@karvy.com Investor Grievance Email: lotusroofings.ipo@karvy.com Website: www.karisma.karvy.com Contact Person: Mr. M Murali Krishna SEBI Regn. No.: INR000000221		
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**The Banker to the Issue and Sponsor Bank shall be appointed prior to filing of the Prospectus with the RoC.*

Statement of Inter se allocation of Responsibilities

Since Hem Securities Limited is the sole Lead Manager to this issue and all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by them, hence a statement of inter-se allocation of responsibilities is not required.

Self-Certified Syndicate Banks (“SCSBS”)

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and as updated from time to time. For more information on the Designated Branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, refer to the above-mentioned link or any such other website as may be prescribed by SEBI from time to time.

Registered Brokers

The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail address, is provided on the website of the Stock Exchange at www.nseindia.com, as updated from time to time.

Registrar to the issue and Share Transfer Agents

The list of the RTAs eligible to accept ASBA forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of Stock Exchange at www.nseindia.com, as updated from time to time and on SEBI website at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10>

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange at www.nseindia.com, as updated from time to time.

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) and updated from time to time

Brokers to the Issue

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

Credit Rating

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

IPO Grading

Since the Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 there is no requirement of appointing an IPO Grading agency.

Trustees

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

Monitoring Agency

As per Regulation 262(1) of the SEBI (ICDR) Regulations, 2018 as amended, the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs.10,000 Lakhs and hence, our Company has not appointed a monitoring agency for this issue.

However, as per the Companies Act, 2013 and SEBI Listing Regulations, the Audit Committee of our Company would be monitoring the utilization of the proceeds of the Issue.

Appraising Entity

None of the objects for which the Net Proceeds are proposed to be utilized have been financially appraised by any banks or financial institution.

Filing of this Draft Prospectus

This Draft Prospectus is being filed with the Stock Exchange at:

National Stock Exchange of India Limited (NSE)

Exchange Plaza, Plot no. C/1, G Block,
Bandra- Kurla Complex, Bandra (E), Mumbai - 400051

The Draft Prospectus will not be filed with SEBI, nor will SEBI issued any observation on the Offer Document in terms of Regulation 246 (2) of SEBI ICDR Regulations. However, pursuant to Regulation 246 (5) of the SEBI ICDR Regulations, a copy of Draft Prospectus shall be furnished to SEBI in a soft.

Pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. Pursuant to Section 26 of the Companies Act, 2013, the Prospectus will be filed along with the material contracts and documents referred to in the Prospectus with ROC at:

Registrar of Companies, Puducherry
No. 7, Second Floor, Karuvadikuppam Main Road,
Senthamarai Nagar, Muthialpet,
Puducherry - 605003

Experts

Our Company has received written consent from the Statutory Auditor namely, M/s. P. Ramanujam & Co. Chartered Accountants to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Prospectus and as an "Expert" as defined under Section 2(38) of the Companies Act, 2013, in respect of the reports of the Statutory Auditor on the Restated Consolidated Financial Statements and Statement of Tax Benefits dated March 25, 2019 and March 25, 2019, respectively included in this Draft Prospectus and such consent has not been withdrawn as on the date of this Draft Prospectus.

Underwriting

The Company and the Lead Manager to the Issue hereby confirm that the Issue is 100% Underwritten by [●] in the capacity of Underwriter to the Issue.

Pursuant to the terms of the Underwriting Agreement dated [●], entered into by Company and Underwriter, the obligations of the Underwriter are subject to certain conditions specified therein. The Details of the Underwriting commitments are as under:

Details of the Underwriter	No. of shares underwritten	Amount Underwritten (Rs. in Lakhs)	% of Total Issue Size Underwritten
[●]	[●]	[●]	[●]

**Includes [●] Equity shares of Rs.10.00 each for cash of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in its own account in order to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, 2018.*

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

Change in Auditors during the last three (3) years

There have been no changes in our Company's auditors in the last three (3) years.

Details of the Market Making Arrangement for the Issue

Our Company, the Lead Manager and the Market Maker have entered into Market Making Agreement dated [●], to fulfill the obligations of Market Making for this Issue:

Name	[●]
Correspondence Address:	[●]
Tel No.:	[●]
Fax No.	[●]
E-mail:	[●]
Website:	[●]
Contact Person:	[●]
SEBI Registration No.:	[●]
Market Maker Registration No.	[●]

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

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

- 1) The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
- 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 in that script provided that he sells his entire holding in that script in one lot along with a declaration to the effect to the selling broker.
- 3) The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and SME Platform of NSE from time to time.
- 4) After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our company reaches to 25% of Issue Size (including [●] Equity Shares to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above 25% of Issue Size would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduces to 24% of Issue Size, the Market Maker will resume providing 2 way quotes.
- 5) There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, NSE may intimate the same to SEBI after due verification.
- 6) Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
- 7) 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.
- 8) The shares of the Company will be traded in continuous trading session from the time and day the company gets listed on SME Platform of NSE and Market Maker will remain present as per the guidelines mentioned under NSE and SEBI circulars.
- 9) On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
- 10) The Marker maker may also be present in the opening call auction, but there is no obligation on him to do so.
- 11) 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.
- 12) The Market Maker shall have the right to terminate said arrangement by giving a three months notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker and execute a fresh arrangement.

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the 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 261 of the SEBI (ICDR) Regulations, 2018. 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 5 (five) or as specified by the relevant laws and regulations applicable at that particular point of time.

13) Risk containment measures and monitoring for Market Maker: SME Platform of 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.

14) Punitive Action in case of default by Market Maker: NSE SME Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

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

15) Price Band and Spreads: The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market maker during market making process has been made applicable, based on the Issue size and as follows:

16) Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market maker during market making process has been made applicable, based on the Issue size and as follows:

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

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

17) The SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to Rs. 250 crores, the applicable price bands for the first day shall be:

- i. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
- ii. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.

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

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

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

Our Company's share capital, as of the date of filing this Draft Prospectus, before and after the proposed Issue, is set forth below:

(Rs. in Lakhs except share data)

Sr. No.	Particulars	Aggregate value at face value	Aggregate value at Issue Price
A	Authorised Share Capital		
	1,70,00,000 Equity Shares of face value of Rs. 10 each	1700.00	--
B	Issued, Subscribed and Paid-Up Capital before the Issue*		
	1,20,00,000 Equity Shares of face value of Rs. 10 each	1200.00	--
C	Present Issue in terms of this Draft Prospectus *		
	45,60,000 Equity Shares having face value of Rs. 10 each for cash at a price of Rs. [●] per share at a premium of Rs. [●] per share.	456.00	[●]
	<i>Which Comprises</i>		
D	Reservation for Market Maker portion		
	[●] Equity Shares of face value of Rs. 10 each for cash at a price of Rs. [●] per share at premium of Rs. [●] per share	[●]	[●]
E	Net Issue to the Public		
	[●] Equity Shares of face value of Rs. 10 each for cash at a price of Rs. [●] per share at premium of Rs. [●] per share	[●]	[●]
	<i>of which</i>		
	[●] Equity Shares of face value of Rs. 10 each for cash at a price of Rs. [●] per share will be available for allocation for allotment to Retail Individual Investors of up to Rs. 2.00 Lakhs	[●]	[●]
	[●] Equity Shares of face value of Rs. 10 each for cash at a price of Rs. [●] per share will be available for allocation for allocation to other Investors of above Rs. 2.00 Lakhs	[●]	[●]
F	Issued, Subscribed and Paid-up Capital after the Issue		
	1,65,60,000 Equity Shares of face value of Rs. 10 each	1656.00	--
G	Securities Premium Account		
	Before the Issue	57.63	
	After the Issue	[●]	

*The Present Issue of 45,60,000 Equity Shares in terms of this Draft Prospectus has been authorized pursuant to a resolution of our Board of Directors dated September 28, 2018 and by special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra Ordinary General Meeting of the members held on October 01, 2018.

Classes of Shares

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

NOTES TO THE CAPITAL STRUCTURE

1. Details of changes in Authorized Share Capital of our Company:

Year/Date of Meeting	AGM/EGM	Changes in Authorized Share Capital
Upon Incorporation*		Authorized Share Capital of Rs. 25,00,000 (Rupees Twenty Five Lakhs) divided into 2,50,000 (Two Lakhs Fifty Thousand) Equity Shares of face value of Rs. 10/- each.
2003-04#	-	Increase in Authorized Share Capital from [●] divided into [●] Equity shares of Rs. 10 each to Rs. 30,00,000 (Rupees Thirty Lakhs) divided into 3,00,000 (Three Lakhs) Equity Shares of Rs. 10/- each.
January 11, 2016	EGM	Authorized Share Capital of our Company increased from Rs. 3,00,00,000 (Rupees Three Crores) divided into 30,00,000 (Thirty Lakhs) Equity Shares of face value of Rs. 10/- each to Rs. 4,00,00,000 (Rupees Four Crores) divided into 40,00,000 (Forty Lakhs) Equity shares of Rs. 10/- each.
September 03, 2018	EGM	Authorized Share Capital of our Company increased from Rs. 4,00,00,000 (Rupees Four Crores) divided into 40,00,000 (Forty Lakhs) Equity Shares of face value of Rs. 10/- each to Rs. 17,00,00,000 (Rupees Seventeen Crores) divided into 1,70,00,000 (One Crore Seventy Lakhs) Equity shares of face value of Rs. 10/- each.

* RoC filings related to increase in authorized share capital for the period of April 26, 1984 to March 31, 2004 are not available in the records of our Company. The relevant documents are also not available at the office of the RoC, Puducherry as certified by M/s. R. Sridharan & Associates, Company Secretaries, dated March 21, 2019.

For further information, please refer to the paragraph contained in the chapter titled "History and Certain other Corporate Matters" beginning on page 154 and risk factor no. 21 contained in the section titled "Risk Factors" beginning on page 26.

#Our Company has relied on the limited information available in the annual reports of our Company, for the period from 2003 till 2015, and all details in respect of allotments made during that period have been ascertained from the same.

2. Equity Share Capital History of our Company

The following table sets forth details of the history of the Equity Share capital of our Company:

Date of Allotment	No. of Equity Shares allotted	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Paid-Up Capital (Rs.)
On Incorporation*	2	10	10	Cash	Subscription to MOA ⁽¹⁾	2	20

Date of Allotment	No. of Equity Shares	Face Value	Issue Price (Rs.)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity	Cumulative Paid- Up Capital
2003-04 [#]	#	10	*	*	*	28,47,330	2,84,73,300
28-Jan-16	9,49,110	10	15	Cash	Rights Issue ⁽²⁾	37,96,440	3,79,64,400
3-Jun-16	2,03,560	10	15	Cash	Rights Issue ⁽³⁾	40,00,000	4,00,00,000
19-Sep-18	80,00,000	10	-	Other than Cash	Bonus Issue ⁽⁴⁾	1,20,00,000	12,00,00,000

* Allotment related details for the period of April 26, 1984 to March 31, 2004 are not available in the records of our Company. The relevant documents are also not available at the office of the RoC, Puducherry as certified by M/s. Sridharan & Associates, Company Secretaries, dated March 21, 2019,.For further information, please refer to the paragraph contained in the chapter titled “History and Certain other Corporate Matters” beginning from page 154 and risk factor no. 21 contained in the section titled “Risk Factors” beginning on page 26.

#Our Company has relied on the limited information available in the annual filings of our Company, for the period from 2003 till 2015, and all details in respect of allotments made during that period have been ascertained from the same.

Notes:

⁽¹⁾Initial Subscribers to Memorandum of Association hold 1 Equity Shares each of face value of Rs. 10/- fully paid up as per the details given below:

Sr. No.	Name of Subscribers	No. of Equity Shares Subscribed
1.	V. Mohan Rao	1
2.	Vasanadu Nirmala	1
	Total	2

⁽²⁾ Further Allotment of 9,49,110 Equity Shares of face value of Rs. 10 each for cash at a price of Rs. 15 per share as per the details given below:

Sr. No.	Name of Allottees	No. of Equity Shares Allotted
1.	Vasanadu Nirmala	1,89,110
2.	Vasanadu Govind	7,60,000
	Total	9,49,110

⁽³⁾ Further Allotment of 2,03,560 Equity Shares of face value of Rs. 10 each for cash at a price of Rs. 15 per share as per the details given below:

Sr. No.	Name of Allottees	No. of Equity Shares Allotted
1.	Poly Tough Tubes Limited	2,03,560
	Total	2,03,560

⁽⁴⁾ Bonus Issue of 80,00,000 Equity Shares of face value of Rs. 10 each in the ratio of 2 equity shares for every 1 equity share held as per the details given below:

Sr. No.	Name of Allottees	No. of Equity Shares Allotted
1.	Vasanadu Nirmala	23,78,220
2.	Vasanadu Govind	32,80,000
3.	V. Shalini Gupta	60,000
4.	Mycol Distributors Pvt Ltd	40,000
5.	Poly Tough Tubes Limited	21,07,120
6.	V. Nagaprasanna	1,34,640
7.	P. Yugendran	20
	Total	80,00,000

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

3. Details of Equity Shares issued for consideration other than cash:

Except as set out below we have not issued Equity Shares for consideration other than cash:

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Reason for Allotment	Benefits Accrued to our Company
September 19, 2018	80,00,000	10	-	Bonus in the ratio of 2:1 i.e. 2 Equity Shares for every 1 Equity Share held	Capitalization of Reserves & Surplus

4. No Equity Shares have been allotted pursuant to any scheme of arrangement approved under Section 230-233 of the Companies Act, 2013 or under Sections 391-394 of the Companies Act, 1956.

5. We have not revalued our assets since inception and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.

6. Except as mentioned above, our Company has not issued any Equity Shares at a price lower than the issue price during one year preceding the date of this Draft Prospectus.

7. Details of Allotment made in the last two years preceding the date of this Draft Prospectus

Except as mentioned in note (4) we have not issued Equity Shares in the last two years preceding the date of this Draft Prospectus.

8. Capital Build Up in respect of shareholding of Promoters:

As on the date of this Draft Prospectus, our Promoters Mr. Vasanadu Govind and Poly Tough Tubes Limited hold 46,31,335 Equity Shares and 42,64,180 Equity Shares respectively of our company. None of the Equity Shares held by our Promoters are subject to any pledge.

a) Set forth below is the build-up of the shareholding of our Promoters in our Company since incorporation.

Date of Allotment / Transfer	No. of Equity Shares	Face Value Per Share	Issue/ Acquisition/Transfer Price	Nature of Consideration (Cash/ Other than Cash)	Nature of transaction	% of pre issue equity share capital	% of post issue equity share capital
Mr. Vasanadu Govind							
As on September 30, 2004	7,50,000	10	10*	*	As per 2004 Annual Report	6.25	[●]
March 31, 2006*	5,38,665	10	10*	*	Transfer of Share from V. Mohan Rao	4.49	[●]
March 31, 2007*	1,20,000	10	10*	*	Transfer of Share from Southern Forgings Pvt. Ltd.	1.00	[●]
June 05, 2009*	(4,61,335)	10	10*	*	Transfer to Poly tough tubes Ltd	3.84	[●]
March 31, 2010**	4,61,335	10	10	*	Transfer from Poly tough tubes Ltd	3.84	[●]
January 27, 2015	(4,61,335)	10	16	Cash	Transfer to Poly tough tubes Ltd	3.84	[●]
January 28, 2016	7,60,000	10	15	Cash	Allotted through rights issue	6.33	[●]
September 01, 2018	(67,320)	10	-	Gift	Transfer to V. Nagaprasanna through Gift Deed	0.56	[●]
September 01, 2018	(10)	10	50	Cash	Transfer to P. Yugendran	Negligible	[●]
September 19, 2018	32,80,000	10	-	Other	Bonus Issue	27.33	[●]
January 28, 2019	(2,88,665)	10	27.18	[Cash]	Transfer to Poly Tough Tubes Limited	(2.41)	[●]
Total	46,31,335					38.59	[●]

Poly Tough Tubes Limited								
June 05, 2009	7,50,000	10	10*	*	Transfer from Ms. Vasanadu Nirmala and Mr. Vasanadu Govind	6.25	[●]	
March 31, 2010**	(7,50,000)	10	10*	*	Transfer to Ms. Vasanadu Nirmala and Mr. Vasanadu Govind	6.25	[●]	
January 27, 2015	7,50,000	10	16	Cash	Transfer from Ms. Vasanadu Nirmala and Mr. Vasanadu Govind	6.25	[●]	
May 10, 2016	1,00,000	10	11	Cash	Transfer from Mycol Distributors Pvt. Ltd.	0.83	[●]	
June 03, 2016	2, 03,560	10	15	Cash	Allotted through rights issue	1.70	[●]	
September 19, 2018	21,07,120	10	-	Other than Cash	Bonus Issue	17.56	[●]	
January 28, 2019	11,03,500	10	27.18	Cash	Transfer from Vasanadu Nirmala and Vasanadu Govind	9.20	[●]	
Total	42,64,180					35.53	[●]	

**Since, Transfer details till December 31, 2014 are not available in the records of our Company, we have relied on the details provided in the annual return for transfer of Shares and assumed the cost of acquisition as face value and nature of acquisition as cash. For further details please refer to relevant risk factor in the chapter titled "Risk Factors" beginning from page 26.*

***Copy of Annual Return filed for said period is not available in the records of our Company and at the office of RoC. In this regard, we have raised the complaint with MCA.*

b) Details of Promoters' Contribution Locked-in for Three (3) Years

Pursuant to Regulation 236 and Regulation 238 of the SEBI (ICDR) Regulations, 2018 an aggregate of 20% of the post-Issue Equity Share capital of our Company held by our Promoters shall be considered as Promoters' Contribution ("**Promoters' Contribution**") and shall be locked-in for a period of three years from the date of Allotment of Equity Shares issued pursuant to this Issue. The lock in of 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. We further confirm that Minimum Promoters' Contribution of [●] of the post Issue Paid-up Equity Shares Capital does not include any contribution from Alternative Investment Fund.

Details of the Equity Shares (eligible for inclusion in the Minimum Promoters Contribution, in terms of clause (a) of Regulation 238 of the SEBI (ICDR) Regulations, 2018) forming part of Minimum Promoters Contribution and proposed to be locked-in for a period of three years from the date of Allotment are as follows:

Details of Promoter's Contribution							
Date of Allotment	No. of Equity Shares	Face Value	Issue Price	Nature of Consideration (Cash/ Other than Cash)	Nature of transaction	% of pre issue equity share capital	% of post issue equity share capital
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

For details on the build-up of the Equity Share capital held by our Promoters, please refer to "*Build-up of our Promoter's shareholding in our Company*" beginning on page 66.

Our Promoters have given consent to include such number of Equity Shares held by them as may constitute [●] of the fully diluted post-Issue Equity Share capital of our Company as Minimum Promoter's Contribution. Our Promoters have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner the Minimum Promoter's Contribution from the date of filing this Draft Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI (ICDR) Regulations, except as may be permitted, in accordance with the SEBI (ICDR) Regulations.

The minimum Promoter's Contribution has been brought in to the extent of not less than the specified minimum lot and from persons identified as "promoter" under the SEBI (ICDR) Regulations.

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Minimum Promoter's Contribution under SEBI (ICDR) Regulations. Further, in terms of Regulation 237 of the SEBI (ICDR) Regulations, 2018, the Minimum Promoters' Contribution of [●] % of the Post Issue Capital of our Company as mentioned above does not consist of;

(i) the Equity Shares offered as part of the Minimum Promoter's Contribution do not comprise Equity Shares acquired during the three (3) years preceding the date of this Draft Prospectus for consideration other than cash and where revaluation of assets or capitalisation of intangible assets was involved or bonus issue out of revaluations reserves or unrealised profits or against Equity Shares that are otherwise ineligible for computation of Minimum Promoters' Contribution;

In this regard, we confirm that:

(i) Equity Shares acquired during the three (3) years preceding the date of this Draft Prospectus for consideration other than cash and where revaluation of assets or capitalisation of intangible assets was involved or bonus issue out of revaluations reserves or unrealised profits or against Equity Shares that are otherwise ineligible for computation of Minimum Promoters' Contribution;

(ii) the Minimum Promoter's Contribution does not include Equity Shares acquired during the one (1) year preceding the date of this Draft Prospectus at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;

(iii) Our Company has been not been formed by conversion of a partnership firm into a company and hence no Equity Shares have been issued in the one year immediately preceding the date of this Draft Prospectus pursuant to conversion of a partnership firm; and

(iv) the Equity Shares held by our Promoters and offered as part of the Minimum Promoter's Contribution are not subject to any pledge.

c) Details of Equity Shares Locked-in for One (1) Year

Other than the Equity Shares held by our Promoters, which will be locked-in as minimum Promoters' contribution for three years, all pre-Issue Equity Shares shall be subject to lock-in for a period of one year from the date of Allotment in this Issue.

d) Other requirements in respect of lock-in

Pursuant to Regulation 242 of the SEBI (ICDR) Regulations, Equity Shares held by our Promoters and locked-in for one (1) year may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of the loan. Equity Shares locked-in as Minimum Promoters' Contribution for three (3) years can be pledged only if in addition to fulfilling the aforementioned requirements, such loans have been granted by such banks or financial institutions for the purpose of financing one or more of the objects of the Issue. In terms of Regulation 243 of the SEBI (ICDR) Regulations, Equity Shares held by our Promoters may be transferred between our Promoters and Promoter Group or a new promoter or persons in control of our Company, subject to continuation of lock-in applicable to the transferee for the remaining period and compliance with provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "Takeover Regulations").

Further, in terms of Regulation 243 of the SEBI (ICDR) Regulations, Equity Shares held by persons other than our Promoters prior to the Issue and locked-in for a period of one (1) year, may be transferred to any other person holding Equity Shares which are locked in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock in applicable to the transferee and compliance with the provisions of the Takeover Regulation.

9. Shareholding pattern of our Company

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

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C 2)	Number of Voting Rights held in each class of securities*				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C 2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form\$
								No. of Voting Rights			Total as a % of (A+B + C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class Equity Shares of Rs. 10 each^	Class eg: y	Total								
I	II	III	IV	V	VI	VII = IV+V+ VI	VIII	IX				X	XI=VII+ X	X II		XIII	XIV	
(A)	Promoters & Promoter Group	6	1,19,99,970	-	-	1,19,99,970	100.00	1,19,99,970	-	1,19,99,970	100.00	-	-	-	-	-	1,19,99,970	
(B)	Public	1	30	-	-	30	Negligible	30	-	30	Negligible	-	-	-	-	-	30	
(C)	Non Promoter-Non	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	



Lotus Roofings Limited

Category	Category of shareholder	Nos. of shareholder	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C 2)	Number of Voting Rights held in each class of securities*				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C 2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form\$
								No. of Voting Rights			Total as a % of (A+B + C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class Equity Shares of Rs. 10 each^	Class eg: y	Total								
I	II	III	IV	V	VI	VII = IV+V+ VI	VIII	IX				X	XI=VII+ X	X II		XIII	XIV	
	Public																	
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C2)	Shares held by Emp. Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Total	7	1,20,00,000	-	-	1,20,00,000	100.00	1,20,00,000	-	1,20,00,000	100.00	-	-	-	-	-	1,20,00,000	

II – Shareholding pattern of the Promoter and Promoter Group

S.N o.	Category & Name of the Shareholders	PAN	No. of share holde rs	No. of fully paid up equity share s held	Partl y paid- up equit y shar es held	Nos. of shares underlyi ng Deposito ry Receipts	Total nos. shares held	Shareholdi ng (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*				No. of Shares Underlyin g Outstandi ng convertibl e securities (including Warrants)	Shareholdi ng , as a % assuming full conversion of convertibl e securities (as a percentage of diluted share capital) as a % of A+B+C2	Numbe r of Locked in shares		Numbe r of Shares pledged or otherwi se		Number of equity shares held in demateriali zed form\$
									No of Voting Rights			Total as a % of Total Votin g rights			No. (a)	As a % of total Shar es held (b)	No. (a)	As a % of total shar es held (b)	
									Class Equity Shares of Rs.10/- each^	Clas s Y	Total								
	I	II	III	IV	V	VI	VII=IV+V+ VI	VIII	IX				X	XI = VII+ X	XII		XIII	XIV	
(1)	Indian																		
(a)	Individuals/Hi ndu undivided Family		4	76,75,79 0	-	-	76,75,790	63.96	76,75,79 0	-	76,75,79 0	63.96	-	63.96	-	-	-	76,75,790	
1.	Govind Vasanadu	AAKPG671 9Q	1	46,31,33 5	-	-	46,31,335	38.59	46,31,33 5	-	46,31,33 5	38.59	-	38.59	-	-	-	46,31,335	
2.	Vasanadu Nirmala	AAEPN057 2E	1	27,52,49 5	-	-	27,52,495	22.94	27,52,49 5	-	27,52,49 5	22.94	-	22.94	-	-	-	27,52,495	
3.	V. Nagaprasanna	AAXPY563 0K	1	2,01,960			2,01,960	1.68	2,01,960		2,01,960	1.68		1.68				2,01,960	
4.	V. Shalini Gupta	ABAPS3057 L	1	90,000	-	-	90,000	0.75	90,000	-	90,000	0.75	-	0.75	-	-	-	90,000	
(b)	Central Government/ State Government(s		0																

S.N o.	Category & Name of the Shareholders	PAN	No. of share holders	No. of fully paid up equity share s held	Partl y paid- up equit y shar es held	Nos. of shares underlyi ng Deposito ry Receipts	Total nos. shares held	Sharehold ing (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*				No. of Shares Underlyin g Outstandi ng convertibl e securities (including Warrants)	Sharehold ing , as a % assuming full conversion of convertibl e securities (as a percentage of diluted share capital) as a % of A+B+C2	Numbe r of Locked in shares		Numbe r of Shares pledged or otherwi se		Number of equity shares held in demateriali zed form\$
									No of Voting Rights			Total as a % of Total Votin g rights			No. (a)	As a % of total Shar e s held (b)	No. (a)	As a % of total shar e s held (b)	
									Class Equity Shares of Rs.10/- each^	Clas s Y	Total								
	I	II	III	IV	V	VI	VII=IV+V+ VI	VIII	IX				X	XI = VII+ X	XII		XIII	XIV	
)																		
(c)	Financial Institutions/ Banks		0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(d)	Any Other		0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(e)	Body Corporate		2	43,24,18 0			43,24,180	36.03	43,24,18 0		43,24,18 0	36.03		36.03				43,24,180	
1.	Mycol Distributors Pvt Ltd	AACCM863 1N	1	60,000			60,000	0.50	60,000		60,000	0.50		0.50				60,000	
2.	Poly Tough Tubes Limited	AAACP196 8M	1	42,64,18 0			42,64,180	35.53	42,64,18 0		42,64,18 0	35.53		35.53				42,64,180	
	Sub-Total (A)(1)		7	1,19,99,9 70	-	-	1,19,99,970	100.00	1,19,99,9 70	-	1,19,99,9 70	100.0 0	-	100.00	-	-	-	1,19,99,970	
(2)	Foreign		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(a)	Individuals (Non- Resident Individuals/		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

S.No.	Category & Name of the Shareholders	PAN	No. of share holders	No. of fully paid up equity shares held	Partly paid-up equity shares held	Nos. of shares underlying Depository Receipts	Total nos. shares held	Shareholding (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) as a % of A+B+C2	Number of Locked in shares		Number of Shares pledged or otherwise		Number of equity shares held in dematerialized form\$
									No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total shares held (b)	
									Class Equity Shares of Rs.10/- each^	Class Y	Total								
	I	II	III	IV	V	VI	VII=IV+V+VI	VIII	IX				X	XI = VII+X	XII		XIII	XIV	
	Foreign Individuals)																		
(b)	Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(c)	Institutions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(d)	Foreign Portfolio Investor		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(f)	Any Other (specify)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Sub-Total (A)(2)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)		6	1,19,99,970	-	-	1,19,99,970	100.00	1,19,99,970	-	1,19,99,970	100.00	-	100.00	-	-	-	1,19,99,970	

III- Shareholding pattern of the Public shareholder

S.No .	Category & Name of the Shareholders	No. of share holders	PAN	No. of fully paid up equity shares held	Partly paid-up equity shares held	Nos. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Total Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form\$
									No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (not applicable)(b)	
									Class Equity Shares of Rs.10/	Class Y	Total								
	I	III		IV	V	VI	VII=IV+V+VI	VIII	IX				X	XI= VII+ X	XI I		XIII	XIV	
(1)	Institutions																		
(a)	Mutual Funds	0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(b)	Venture Capital Funds	0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(c)	Alternate Investment Funds	0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(d)	Foreign Venture Capital Investors	0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(e)	Foreign Portfolio Investors	0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(f)	Financial Institutions/ Banks	0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(g)	Insurance Companies	0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

S.No.	Category & Name of the Shareholders	No. of share holders	PAN	No. of fully paid up equity shares held	Partl y paid-up equity share s held	Nos. of shares underlyi ng Deposito ry Receipts	Total nos. shares held	Shareholdi ng % (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*				No. of Shares Underlyin g Outstandi ng convertible securities (including Warrants)	Total Shareholdi ng , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerializ ed form\$
									No of Voting Rights			Total as a % of Total Votin g rights			No. (a)	As a % of total 79ha re s held (b)	No. (a)	As a % of total share s held (not applicable)(b)	
									Class Equity Share s of Rs.10/	Clas s Y	To tal								
	I	III		IV	V	VI	VII=IV+V+ VI	VIII	IX				X	XI= VII+ X	XI I		XIII		XIV
(h)	Provident Funds/ Pension Funds	0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(i)	Any Other (specify)	0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Sub-Total (B)(1)	0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(2)	Central Government/ State Government(s)/ President of India	0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Sub-Total (B)(2)	0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(3)	Non-institutions														-				
(a)	Individuals														-				
	i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	1		30	-	-	30	Negligible	30	-	30	Negli gible	-	Negligible	-	-	-	30	

S.No.	Category & Name of the Shareholders	No. of share holders	PAN	No. of fully paid up equity shares held	Partly paid-up equity shares held	Nos. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form\$
									No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (not applicable)(b)	
									Class Equity Shares of Rs.10/	Class Y	Total								
	I	III		IV	V	VI	VII=IV+V+VI	VIII	IX				X	XI= VII+ X	XI I		XIII	XIV	
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(b)	NBFCs registered with RBI	0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(c)	Employee Trusts	0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(d)	Overseas Depositories (holding DRs) (balancing figure)	0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(e)	Any Other Body Corporate	0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Sub-Total (B)(3)	0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)	1		30	-	-	30	Negligible	30	-	30	Negligible	-	Negligible	-	-	-	30	

S.No .	Category & Name of the Shareholders	No. of share holders	PAN	No. of fully paid up equity shares held	Partl y paid-up equity share s held	Nos. of shares underlyi ng Deposito ry Receipts	Total nos. shares held	Shareholdi ng % (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*				No. of Shares Underlyin g Outstandi ng convertibl e securities (including Warrants)	Total Shareholdi ng , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerializ ed form\$
									No of Voting Rights			Total as a % of Total Votin g rights			No . (a)	As a % of total 79ha re s held (b)	No . (a)	As a % of total share s held (not applicable)(b)	
									Class Equit y Share s of Rs.10/	Clas s Y	To t al								
	I	III		IV	V	VI	VII=IV+V+ VI	VIII	IX				X	XI= VII+ X	XI I		XIII	XIV	
	(3)																		

IV - Shareholding pattern of the Non Promoter- Non Public shareholder

S.No.	Category & Name of the Shareholders	No. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	Nos. of shares underlying Depository Receipts	Total nos. shares held	Shareholding (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in Share dematerialized form (Not applicable)\$
								No of Voting Rights*			Total as a % of Total Voting rights			No.	As a % of total Shares held	No. (not applicable)	As a % of total shares held (not applicable)	
								Class Equity Shares of Rs.10/- each^	Class Y	Total								
	I	III	IV	V	VI	VII=IV+V+VI	VIII	IX				X	XI= VII+ X	XII		XIII		XIV
(1)	Custodian/DR Holder																	
(a)	Name of DR Holder (if available)	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total (c) (1)	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total (C) (2)	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Non- Promoter Non-Public shareholding (C)= (C)(1)+ (C) (2)	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

*As on the date of this Draft Prospectus 1 Equity Share holds 1 vote

^ We have only 1 class of Equity Shares of face value of Rs.10 each

\$ As on the date of this Draft Prospectus, all the Equity Shares are held in dematerialized form

Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the Listing Regulation, one day prior to the listing of the Equity Shares.

10. The Lead Manager and its associates do not hold any Equity Shares as on the date of this Draft Prospectus.
11. The Lead Manager and its affiliates may engage in transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company and/or our Subsidiaries, for which they may in the future receive customary compensation.

12. Pre Issue and Post Issue Shareholding of our Promoter and Promoters' Group

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

Name	Pre Issue		Post Issue	
	No. of Equity Shares	% of Pre Issue paid up Equity Shares	No. of Shares	% of Post Issue paid up Equity Shares
Promoter				
Mr. Vasnadu Govind	46,31,335	38.59	46,31,335	[●]
Poly Tough Tubes Limited	42,64,180	35.53	42,64,180	[●]
Total (A)	88,95,515	74.13	88,95,515	[●]
Promoter Group				
Ms. Vasnadu Nirmala	27,52,495	22.94	27,52,495	[●]
Ms. V. Nagaprasanna	2,01,960	1.68	2,01,960	[●]
Ms. Shalini Gupta	90,000	0.75	60,000	[●]
Mycol Distributors Pvt Ltd	60,000	0.50	40,000	[●]
Total (B)	31,04,455	25.87	31,04,455	[●]
Total (A+B)	1,19,99,970	100.00	1,19,99,970	[●]

13. Other details of shareholding of our Company

- a) As on the date of the filing of this Draft Prospectus, our Company has 7 (Seven) shareholders.
- b) Set forth below is the list of shareholders holding 1% or more of the paid-up share capital of our Company as on the date of this Draft Prospectus:

Sr. No.	Name of shareholder	No. of Equity Shares	Percentage of Paid up Capital
1.	Vasnadu Govind	46,31,335	38.59
2.	Poly Tough Tubes Limited	42,64,180	35.53
3.	Vasnadu Nirmala	27,52,495	22.94
4.	V. Nagaprasanna	2,01,960	1.68
	Total	1,18,49,970	98.75

- c) Set forth below is a list of shareholders holding 1% or more of the paid-up share capital of our Company as of two years prior to the date of this Draft Prospectus:

Sr. No.	Name of shareholder	No. of Equity Shares	Percentage of Paid up Capital
1.	Vasanadu Govind	17,07,330	42.68
2.	Vasanadu Nirmala	11,89,110	29.73
3.	Poly Tough Tubes Limited	10,53,560	26.34
	Total	39,50,000	98.75

- d) Set forth below is a list of shareholders holding 1% or more of the paid-up share capital of our Company as of one year prior to the date of this Draft Prospectus:

Sr. No.	Name of shareholder	No. of Equity Shares	Percentage of Paid up Capital
1.	Vasanadu Govind	17,07,330	42.68
2.	Vasanadu Nirmala	11,89,110	29.73
3.	Poly Tough Tubes Limited	10,53,560	26.34
	Total	39,50,000	98.75

- e) Set forth below is a list of shareholders holding 1% or more of the paid-up share capital of our Company as of ten days prior to the date of this Draft Prospectus:

Sr. No.	Name of shareholder	No. of Equity Shares	Percentage of Paid up Capital
1.	Vasanadu Govind	46,31,335	38.59
2.	Poly Tough Tubes Limited	42,64,180	35.53
3.	Vasanadu Nirmala	27,52,495	22.94
4.	V. Nagaprasanna	2,01,960	1.68
	Total	1,18,49,970	98.75

14. The average cost of acquisition of or subscription of shares by our Promoters is set forth in the table below:

Sr. No.	Name of the Promoter	No. of Shares held	Average cost of Acquisition* (Rs. Per share)
1.	Vasanadu Govind	46,31,335	2.22
2.	Poly Tough Tubes Limited	42,64,180	10.82

**As certified by our Statutory Auditor vide their certificate dated March 25, 2019.*

15. Shareholding of our Directors and Key Managerial Personnel in our Company

Set forth below is the shareholding of our Directors and Key Managerial Personnel in our Company, as on the date of this Draft Prospectus.

Names of our Directors	No. of Equity Shares	% of Pre Issue paid up Equity Shares
Mr. Vasanadu Govind	46,31,335	38.59
Ms. Vasanadu Nirmala	27,52,495	22.94
Total	73,83,830	61.53

16. None of our Promoter Group, Directors and their relatives has entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of six months immediately preceding the date of filing of this Draft Prospectus.
17. Neither, we nor our Directors and the Lead Manager to this Issue have entered into any buy-back and/or standby arrangements and / or similar arrangements for the purchase of our Equity Shares from any person.
18. As on the date of filing of this Draft Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoters or any shareholders or any other person, any option to acquire our Equity Shares after this Initial Public Offer.
19. As on the date of this Draft Prospectus, the entire Issued, Subscribed and Paid up Share Capital of our Company is fully paid up.
20. Our Company has not raised any bridge loan against the proceeds of the Issue.
21. Since the entire Issue price per share is being called up on application, all the successful applicants will be allotted fully paid-up shares.
22. As on the date of this Draft Prospectus, none of the shares held by our Promoters / Promoters Group are subject to any pledge.
23. The Lead Manager i.e. Hem Securities Ltd. and its associates do not hold any Equity Shares in our Company as on the date of filing of this Draft Prospectus.
24. We hereby confirm that there will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of this Draft Prospectus until the Equity Shares offered have been listed or application moneys refunded on account of failure of Issue.
25. Our Company does not presently intend or propose to alter its capital structure for a period of six months from the date of opening of the Issue, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise. This is except if we enter into acquisition or joint ventures or make investments, in which case we may consider raising additional capital to fund such activity or use Equity Shares as a currency for acquisition or participation in such joint ventures or investments.
26. Except as mentioned below there has been no purchase or sell of Equity Shares by Promoter Group, and our Directors and relatives of our Directors during a period of six months preceding the date on which this Draft Prospectus is filed with National Stock Exchange of India Limited

Date of Allotment/ Transfer	Name	Category	Nature of transaction	Number of Equity Shares
January 28, 2019	Mr. Vasanadu Govind	Promoter and Managing Director	Transfer	(2,88,665)

27. None of our Equity Shares have been issued out of revaluation reserve created out of revaluation of assets.
28. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the LM and Designated Stock Exchange i.e. NSE. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.
29. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 253 of SEBI (ICDR) Regulations, 2018 and its amendments from time to time.
30. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.
31. The unsubscribed portion if any, after such inter se adjustments among the reserved categories shall be added back to the Net Offer to the public portion.
32. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
33. Our Company shall comply with such disclosure and accounting norms as may be specified by NSE, SEBI and other regulatory authorities from time to time.
34. As on the date of this Draft Prospectus, Our Company has not issued any equity shares under any employee stock option scheme and we do not have any Employees Stock Option Scheme / Employees Stock Purchase Scheme.
35. There are no Equity Shares against which depository receipts have been issued.
36. Other than the Equity Shares, there is no other class of securities issued by our Company as on date of filing of this Draft Prospectus.
37. We have 7 (Seven) Shareholders as on the date of filing of this Draft Prospectus.
38. There are no safety net arrangements for this Issue.
39. Our Promoters and Promoter Group will not participate in this Issue.
40. This Issue is being made through Fixed Price method.
41. Except as disclosed in this Draft Prospectus, our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation to the date of this Draft Prospectus.
42. No person connected with the Issue shall offer any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.

- 43.** We shall ensure that transactions in Equity Shares by the Promoters and members of the Promoter Group, if any, between the date of filing of this Draft Prospectus with the NSE and the Issue Closing Date are reported to the Stock Exchanges within 24 hours of such transactions being completed.
- 44.** In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the SCRR) the Issue is being made for at least 25% of the post-issue paid-up Equity Share capital of our Company. Further, this Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.
- 45.** As per RBI regulations, OCB's are not allowed to participate in the Issue.
- 46.** Allocation to all categories shall be made on a proportionate basis subject to valid applications received at or above the Issue Price. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and NSE. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.

OBJECTS OF THE ISSUE

The Issue includes a fresh Issue of 45,60,000 Equity Shares of our Company at an Issue Price of Rs [●] per Equity Share.

The Fresh Issue

The Proceeds from the Fresh Issue will be utilized towards the following objects:

- To meet Working Capital Requirement
- Repayment of a portion of loans
- General Corporate purpose and
- To meet the Issue Expenses

(Collectively referred as the “Objects”)

We believe that listing will enhance our corporate image and visibility of brand name of our Company. We also believe that our Company will receive the benefits from listing of Equity Shares on the SME Platform of NSE (“NSE EMERGE”). It will also provide liquidity to the existing shareholders and will also create a public trading market for the Equity Shares of our Company.

The main objects clause as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by the Company through the Present Issue. Further, we confirm that the activities that we have been conducting until now are in accordance with the objects clause of our Memorandum of Association.

Net Proceeds

The details of the Net Proceeds are set forth below:

Particulars	Amount (Rs. in Lakhs)
Gross Proceeds of Issue	[●]
Less: Issue Related Expenses	[●]
Net Issue Proceeds	[●]

Requirement of Funds and Utilization of Net Issue Proceeds:-

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

S.No	Particulars	Amt (Rs. in Lakhs)
1.	To meet working capital requirement	[●]
2.	Repayment of a portion of loans	400.00
3.	General Corporate Expenses	[●]
4.	To meet the Issue Expenses	[●]
	Total	[●]

Means of Finance:

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

Particulars	Amount (Rs. in Lakh)
Net Issue Proceeds	[●]
Total	[●]

Since the entire fund requirement are to be funded from the proceeds of the Issue, there is no requirement to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the proposed Issue.

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

In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required. In case of delays in raising funds from the Issue, our Company may deploy certain amounts towards any of the above mentioned Objects through a combination of Internal Accruals or Unsecured Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of such Unsecured Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds.

We further confirm that no part proceed of the Issue shall be utilised for repayment of any Part of unsecured loan outstanding as on date of Draft Prospectus.

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

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled "Risk Factors" beginning on page 26.

Details of Use of Issue Proceeds:**1. To meet the Working Capital requirement**

Our business is working capital intensive. The Company will meet the requirement to the extent of Rs. [●] Lakhs from the Net Proceeds of the Issue and balance from borrowings and internal accruals at an appropriate time as per the requirement.

Details of Estimation of Working Capital requirement are as follows:

S. No.	Particulars	Actual	Provisional	Estimated & Forecasted
		31-March-18	31-March-19	31-March-20
I	Current Assets			
	Current Investments	64.01		
	Inventories	2,712.13	-	-
	Trade receivables	1,764.66	[•]	[•]
	Cash and cash equivalents	592.42	[•]	[•]
	Short Term Loans and Advances	564.41	[•]	[•]
	Other Current Assets	-	[•]	[•]
	Total(A)	5697.63	[•]	[•]
II	Current Liabilities		[•]	[•]
	Short Term Borrowings	2,227.38	[•]	[•]
	Trade payables	2,209.88	[•]	[•]
	Short Term Provisions	132.93	[•]	[•]
	Other Current Liabilities	328.36	[•]	[•]
	Total (B)	4898.55	[•]	[•]
III	Total Working Capital Gap (A-B)	799.08	[•]	[•]
IV	Funding Pattern			[•]
	Short term borrowing & Internal Accruals	2,227.38	[•]	[•]
	IPO Proceeds			[•]

Justification:

S. No.	Particulars
Debtors	We expect Debtors Holding days to be at [•] Days due to [•].
Creditors	We expect Creditors payments days to be [•] days due to [•]

2. Repayment of a portion of Loan

Our Company proposes to utilize an aggregate amount of Rs. 400.00 lakhs from the Net Proceeds towards full or partial repayment of the borrowings availed by our Company. Due to expansion in our business activities in recent past, we had incurred certain indebtedness in the form of Secured and Unsecured loan, which we have utilized in the general business activities of the Company.

The following table provides details of borrowings availed by our Company which we propose to repay, in full or in part, from the Issue Proceeds:

(Rs . in Lakhs)

Name of Lender	Outstanding as on February 28, 2019	To be repaid from the Net Proceeds	Rate of Interest (p.a.)	Purpose*	Repayment terms
IIFL Wealth Finance Limited (Secured & Unsecured)	474.00	400.00	11.50%	Business	On demand
Total	474.00	400.00			

(¹) As certified by P. Ramanujam & Co, Chartered Accountant, pursuant to their certificate dated March 25, 2019. Further, P. Ramanujam & Co, Chartered Accountant, has certified that as on March 25, 2019, our Company has utilised the amounts drawn down under each of the loan facilities mentioned above for the purpose for which such loan was granted.

We believe our repayment of interest bearing debt will help us to reduce our cost towards “Finance Cost” and will improve our earnings in the future. Further, it will help us to improve our ability to leverage equity for our future needs towards any of our existing operations and towards further expansion.

For further details, please refer to section titled “Financial information of the Company” beginning on page 185.

3. General Corporate Purpose

Our Company intends to deploy the balance Net Proceeds aggregating to Rs. [●] Lakhs for General Corporate Purposes as decided by our Board from time to time, including but not restricted to strengthening our marketing network & capability, meeting exigencies, brand building exercises in order to strengthen our operations. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for General Corporate Purposes.

4. Public Issue Expenses

The estimated Issue related expenses includes issue management fee, underwriting and selling commissions, printing and distribution expenses, legal fee, advertisement expenses, registrar’s fees, depository fee and listing fee. The total expenses for this Issue are estimated to be approximately Rs. [●] lakh /- which is [●] % of the Issue Size. All the Issue related expenses shall be met out by the company and the same will be distributed among the company and the selling shareholders as per the applicable laws.

All the Issue related expenses and the break-up of the same is as follows:

Activity	(Rs .in Lakh)*	Expenses (% of total Issue expenses)	Expenses (% of Gross Issue Pro Ceeds)
Lead Manager Fees	[●]	[●]	[●]
Underwriting and selling commissions	[●]	[●]	[●]
Market Making charges	[●]	[●]	[●]
Fees payable to Registrars to the Issue	[●]	[●]	[●]
Fees payable to Legal Advisors	[●]	[●]	[●]
Fees payable to Advertising and marketing expenses	[●]	[●]	[●]
Fees payable to Regulators including stock exchange	[●]	[●]	[●]
Fees payable to Printing and distribution of issue stationery	[●]	[●]	[●]
Others (Fees payable to Auditor, brokerage*, processing fees for application and miscellaneous expenses)			

**Included Commission/ processing fees of Rs. [●] per valid application forms for SCSB's. In case the total Processing fees payable to SCSBs exceeds Rs. [●] Lakhs, then the amount payable to SCSBs would be proportionately distributed based on the number of valid applications such as the total processing fees payable does not exceed Rs. [●] Lakhs.*

Proposed Schedule of Implementation

Our Company plans to deploy the funds towards the above stated Objects during FY 2020, depending upon various factors including the actual timing of the completion of the Issue and the receipt of the Net Proceeds. In the event that estimated utilization out of the funds in any given financial year is not completely met, the same shall be utilized in the next financial year. The proposed year wise break up of deployment of funds and Schedule of Implementation of Net Issue Proceeds is as under:

S.No	Particulars	Amt (Rs. in Lakhs)
1.	To meet working capital requirement	[●]
2.	Repayment of a portion of loans	400.00
3.	General Corporate Expenses	[●]
	Total	[●]

Funds Deployed and Source of Funds Deployed:

Our Statutory Auditors M/S P. Ramanujam & Co., Chartered Accountants vide their certificate dated March 25, 2019 have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Issue:

Particulars	Amt (Rs in Lakhs)
Issue Expenses	19.22
Total	19.22

Sources of Financing for the Funds Deployed:

Our Statutory Auditors M/S P. Ramanujam & Co., Chartered Accountants vide their certificate dated March 25, 2019 have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Issue:

Particulars	Amt (Rs in Lakhs)
Internal Accruals	19.22
Total	19.22

Appraisal

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

Shortfall of funds

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

Bridge Financing Facilities

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

Monitoring Utilization of Funds

As the size of the Issue will not exceed Rs 10,000 Lakh, the appointment of Monitoring Agency would not be required as per Regulation 262 of the SEBI ICDR Regulations, Our Board and the management will monitor the utilization of the Net Proceeds through our audit committee. Pursuant to Regulation 32 of the SEBI Listing Regulations, our Company shall on half-yearly basis disclose to the Audit Committee the Application of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full.

Interim Use of Proceeds

Pending utilization of the Issue proceeds of the Issue for the purposes described above, our Company will deposit the Net Proceeds with scheduled commercial banks included in schedule II of the RBI Act.

Our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any listed company or for any investment in the equity markets or investing in any real estate product or real estate linked products.

Variation in Objects

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

Other confirmations

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

BASIS FOR ISSUE PRICE

Investors should read the following summary with the section titled "Risk Factors", the details about our Company under the chapter titled "Our Business" and its financial statements under the section titled "Financial information of the Company" beginning on pages 26, 115 and 185 respectively including important profitability and return ratios, as set out in "Annexure XXXIV" to the Financial Information of the Company beginning on page 185 to have a more informed view. The issue price of the Equity Shares of our Company could decline due to these risks and the investor may lose all or part of his investment.

The Issue Price has been determined by the Company in consultation with the Lead Manager on the basis of the key business strengths of our Company.

1. QUALITATIVE FACTORS

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

- Diversified Product Portfolio and Strong Brand Image
- Diversified market presence
- Quality Assurance and Standards
- Extensive Dealer Network
- Dealing with overseas suppliers
- Research and Development
- Customer Satisfaction
- Strong financial position and profitability

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to chapter titled "Our Business" beginning on page 115

2. QUANTITATIVE FACTORS

The information presented below relating to our Company is based on the Restated Standalone Financial Statements. For details, please refer chapter titled "Financial Information of the Company" beginning on page 185.

1. Basic & Diluted Earnings per Share (EPS), as adjusted for change in Capital:

Sr. No.	Financial Year ended/Period ended	Basic & Diluted EPS (in Rs.)	Weight
1.	Fiscal 2018	3.44	3
2.	Fiscal 2017	1.72	2
3.	Fiscal 2016	0.70	1
	Weighted Average	2.41	
	Period ended September 30, 2018*	1.47	

*Not annualized

Notes:

- a) Earnings per share calculations are done in accordance with Accounting Standard 20 Earnings Per Share ("AS 20"), notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014.
- b) The face value of each Equity Share is Rs.10/- each.
- c) Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year or periods / Total of weights.
- d) Basic Earnings per Share (in Rupees) = Net profit as restated, attributable to equity shareholders / weighted average number of equity shares
- e) Diluted Earnings per share (in Rupees) = Net profit as restated, attributable to equity shareholders / weighted average number of dilutive equity shares.

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

On the basis of Restated Financials

Particulars	P/E Ratio
P/E ratio based on the Basic & Diluted EPS, as restated for FY 2017-18	[●]
P/E ratio based on the Weighted Average EPS, as restated	[●]

* Price Earnings Ratio (P/E) = Issue price/ Earnings per Share (EPS)

Peer Group P/E*

Particulars	P/E
Highest	17.74
Lowest	13.46
Average	15.60

* Source for industry P/E: www.bsesme.com

3. Return on Net Worth (RONW)

Period	Return on Net Worth (%)	Weights
Year ended March 31, 2018	21.51%	3
Year ended March 31, 2017	13.71%	2
Year ended March 31, 2016	6.10%	1
Weighted Average	16.34%	
Period ended September 30, 2018*	8.44%	

*Not annualized

Note: The RONW has been computed by dividing net profit after tax (as restated), by Net worth (as restated) as at the end of the year/period.

4. Net Asset Value (NAV) per Equity Share based on the last Balance Sheet

Particulars	Restated (in Rs.)
For the period ended September 30, 2018	17.45
NAV after Issue	[●]
Issue Price	[●]

Note: Net Asset Value has been calculated as per the following formula:

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

5. Comparison with industry peers

Sr.No.	Particulars	Face Value (In Rs.)	EPS (In Rs.) ⁽¹⁾	P/E Ratio ⁽²⁾	RONW (%) ⁽³⁾	NAV (In Rs.) ⁽⁴⁾
1.	Bansal Roofing Products Limited	10	3.64	13.46	10.22%	32.05
2.	Dhabriya Polywood Limited	10	3.71	17.74	12.10%	32.21
3.	Lotus Roofings Limited	10	3.44	[●]	21.51%	15.98

Notes:

(i) Source: Ace Equity data dated March 14, 2019

(ii) ⁽¹⁾ Based on standalone financial as on March 31, 2018 in the relevant annual reports available on www.bseindia.com

⁽²⁾ Price Earning (P/E) Ratio of Bansal Roofing Products Limited is computed on closing market price as on March 18, 2019 and of Dhabriya Polywood Limited is computed on closing market price as on March 26, 2019 (as available on www.bseindia.com)

⁽³⁾ RoNW(%) = Net Profit after tax / Networth at the end of the year

⁽⁴⁾ NAV = Total Net worth at the end of financial year / Total number of outstanding shares at the end of financial year.

(iii) The peer group identified is broadly based on the different product lines that we are into, but their scale of operations is not necessarily comparable to us.

(iv) Considering the nature and size of business of the Company, the peer is not strictly comparable. However, the same has been included for broad comparison.

- 6.** The Issue Price of Rs. [●] per share is determined by our Company in consultation with the lead manager and justified by our Company in consultation with the lead manager in view of the above parameters. The investors may also want to peruse the risk factors and financials of the Company including important profitability and return ratios, as set out in the Auditors' Report in the Draft Prospectus to have more informed view about the investment.

STATEMENT OF TAX BENEFITS

To,
The Board of Directors
Lotus Roofings Limited
Sedurapet, Auro Ville(VIA),
Pondichery- 605 111

Dear Sirs,

Sub: Statement of Possible Special Tax Benefits ('The Statement') available to Lotus Roofings Limited ('The Company') and its shareholders prepared in accordance with the requirement in Schedule VI of Securities and Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations 2018 ('The Regulation').

We hereby report that the enclosed annexure prepared by Lotus Roofings Limited, states the possible special tax benefits available to Lotus Roofings Limited ("the Company") and the shareholders of the Company under the Income - Tax Act, 1961 ('Act'), as applicable to the Assessment Year 2019-20 relevant to the Financial Year 2018-19 for inclusion in the Draft Prospectus/Prospectus ("Offer Documents") for the proposed issue of shares. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions which, based on business imperatives, the Company may or may not choose to fulfil.

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

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

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

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. Our views are based on facts and assumptions indicated to us and the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retrospective, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein. This report including enclosed annexure are intended solely for your information and for the inclusion in the Draft Prospectus/ Prospectus or any other issue related material in connection with the

proposed initial public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For P Ramanujam & Co.

Chartered Accountants

Sd/-

CA K Sahayaraj

Partner

Firm Registration Number: 002950S

Membership No: 026682

Place: Chennai

Date: March 25, 2019

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 **NIL**

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

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

INDUSTRY OVERVIEW

The information in this section has been extracted from various websites and publicly available documents from various industry sources. None of the Company and any other person connected with this document have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projection forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on information.

Global Outlook

The global expansion has weakened. Global growth for 2018 is estimated at 3.7 percent, as in the October 2018, World Economic Outlook (WEO) forecast, despite weaker performance in some economies, notably Europe and Asia. The global economy is projected to grow at 3.5 percent in 2019 and 3.6 percent in 2020, 0.2 and 0.1 percentage point below last October's projections.

The global growth forecast for 2019 and 2020 had already been revised downward in the last WEO, partly because of the negative effects of tariff increases enacted in the United States and China earlier that year. The further downward revision since October in part reflects carry over from softer momentum in the second half of 2018 including in Germany following the introduction of new automobile fuel emission standards and in Italy where concerns about sovereign and financial risk shave weighed on domestic demand but also weakening financial market sentiment as well as a contraction in Turkey now projected to be deeper than anticipated.

Risks to global growth tilt to the downside. An escalation of trade tensions beyond those already incorporated in the forecast remains a key source of risk to the outlook. Financial conditions have already tightened since the fall. A range of triggers beyond escalating trade tensions could spark a further deterioration in risk sentiment with adverse growth implications, especially given the high levels of public and private debt. These potential triggers include a "no-deal" withdrawal of the United Kingdom from the European Union and a greater-than-envisaged slowdown in China.

The main shared policy priority is for countries to resolve cooperatively and quickly their trade disagreements and the resulting policy uncertainty, rather than raising harmful barriers further and destabilizing an already slowing global economy. Across all economies, measures to boost potential output growth, enhance inclusiveness, and strengthen fiscal and financial buffers in an environment of high debt burdens and tighter financial conditions are imperatives.

Softening Momentum, High Uncertainty

The global economy continues to expand, but third-quarter growth has disappointed in some economies. Idiosyncratic factors (new fuel emission standards in Germany, natural disasters in Japan) weighed on activity in large economies. But these developments occurred against a backdrop of weakening financial market sentiment, trade policy uncertainty, and concerns about China's outlook. While the December 1 announcement that tariff hikes have been put on hold for 90 days in the US-China trade dispute is welcome,

the possibility of tensions resurfacing in the spring casts a shadow over global economic prospects.

Commodities and inflation-Crude oil prices have been volatile since August, reflecting supply influences, including US policy on Iranian oil exports and, more recently, fears of softening global demand. As of early January, crude oil prices stood at around \$55 a barrel, and markets expected prices to remain broadly at that level over the next 4–5 years. Prices of metals and agricultural commodities have softened slightly since August, in part due to subdued demand from China. Consumer price inflation has generally remained contained in recent months in advanced economies but has inched up in the United States, where above-trend growth continues. Among emerging market economies, inflationary pressures are easing with the drop in oil prices.

Financial conditions in advanced economies- Conditions have tightened since the fall. Equity valuations—which were stretched in some countries have been pared back with diminished optimism about earnings prospects amid escalating trade tensions and expectations of slower global growth. Concerns over a US government shutdown further weighed on financial sector sentiment toward year-end. Major central banks also appear to be adopting a more cautious approach. While the US Federal Reserve raised the target range for the federal funds rate to 2.25–2.50 percent in December, it signaled a more gradual pace of rate hikes in 2019 and 2020. In line with earlier communication, the European Central Bank ended its net asset purchases in December. However, it also confirmed that monetary policy would remain amply accommodative, with no increase in policy rates until at least summer 2019, and full reinvestment of maturing securities continuing well past the first rate hike. Increasing risk aversion, together with deteriorating sentiment about growth prospects and shifts in policy expectations, have contributed to a drop in sovereign yields notably for US Treasuries, German bunds, and UK gilts. Among euro area economies, Italian sovereign spreads have declined from their peak in mid-October on a resolution of the budget standoff with the European Commission, but remain elevated at 270 basis points as of January 7. Spreads for other euro area economies have remained largely unchanged over this period.

Financial conditions in emerging markets- Conditions have tightened modestly since the fall, with notable differentiation based on country-specific factors. Emerging market equity indices have sold off over this period, in a context of rising trade tensions and higher risk aversion. Concerns about inflationary effects from earlier oil price increases and, in some cases, closing output gaps or pass through from currency depreciation have led central banks in many emerging market economies (Chile, Indonesia, Mexico, Philippines, Russia, South Africa, Thailand) to raise policy rates since the fall. By contrast, central banks in China and India maintained policy rates on hold and acted to ease domestic funding conditions (by lowering reserve requirements for banks and providing liquidity to non-bank financial companies, respectively). As of early January, with some notable exceptions (e.g., Mexico, Pakistan), emerging market governments generally face lower domestic-currency long-term yields than in August-September. Foreign-currency sovereign credit spreads have edged up for most countries and risen substantially for some frontier markets.

Capital flows and exchange rates - With investors generally lowering exposure to riskier assets, emerging market economies experienced net capital outflows in the third quarter of 2018. As of early January, the US dollar remains broadly unchanged in real effective terms relative to September, the euro has weakened by about 2 percent amid slower growth and concerns about Italy, and the pound has depreciated about 2 percent as Brexit-related uncertainty increased. In contrast, the Japanese yen has appreciated by about 3 percent, on higher risk aversion.

Forecast Assumptions

The assumptions about tariffs, policy stances, and financial conditions underpinning the forecast are broadly similar to those in the last WEO. The baseline forecast incorporates the US tariffs announced through September 2018 and retaliatory measures. For the United States, these include tariffs on solar panels, washing machines, aluminum, and steel announced in the first half of 2018; a 25 percent tariff on \$50 billion worth of imports from China, and a 10 percent tariff on an additional \$200 billion of imports from China, with the latter rising to 25 percent after the current 90-day “truce” ends on March 1, 2019. For China, the forecast incorporates tariffs ranging from 5 to 10 percent on \$60 billion of imports from the United States. Average oil prices are projected at just below \$60 per barrel in 2019 and 2020 (down from about \$69 and \$66, respectively, in the last WEO). Metals prices are expected to decrease 7.4 percent year-over-year in 2019 (a deeper decline than anticipated last October), and to remain roughly unchanged in 2020. Price forecasts for most major agricultural commodities have been revised modestly downwards.

Global Growth to Slow in 2019

Global growth in 2018 is estimated to be 3.7 percent, as it was last fall, but signs of a slowdown in the second half of 2018 have led to downward revisions for several economies. Weakness in the second half of 2018 will carry over to coming quarters, with global growth projected to decline to 3.5 percent in 2019 before picking up slightly to 3.6 percent in 2020 (0.2 percentage point and 0.1 percentage point lower, respectively, than in the previous WEO). This growth pattern reflects a persistent decline in the growth rate of advanced economies from above-trend levels—occurring more rapidly than previously anticipated together with a temporary decline in the growth rate for emerging market and developing economies in 2019, reflecting contractions in Argentina and Turkey, as well as the impact of trade actions on China and other Asian economies.

Specifically, growth in advanced economies is projected to slow from an estimated 2.3 percent in 2018 to 2.0 percent in 2019 and 1.7 percent in 2020. This estimated growth rate for 2018 and the projection for 2019 are 0.1 percentage point lower than in the October 2018 WEO, mostly due to downward revisions for the euro area.

Risks to the Outlook

Key sources of risk to the global outlook are the outcome of trade negotiations and the direction financial conditions will take in months ahead. If countries resolve their differences without raising distortive trade barriers further and market sentiment recovers, then improved confidence and easier financial conditions could reinforce each other to lift growth above the baseline forecast. However, the balance of risks remains skewed to the downside.

Trade tensions—The November 30 signing of the US-Mexico-Canada free trade agreement (USMCA) to replace NAFTA, the December 1 US-China announcement of a 90-day “truce” on tariff increases, and the announced reduction in Chinese tariffs on US car imports are welcome steps toward de-escalating trade frictions. Thus, global trade, investment, and output remain under threat from policy uncertainty, as well as from other ongoing trade tensions. Failure to resolve differences and a resulting increase in tariff barriers would lead to higher costs of imported intermediate and capital goods and higher final goods prices for consumers. Beyond these direct impacts, higher trade policy uncertainty and concerns over escalation and retaliation would lower business investment, disrupt supply chains, and slow productivity growth. The resulting depressed outlook for corporate profitability could dent financial market sentiment and further

dampen growth (Scenario Table 1, October 2018 WEO).

Financial market sentiment- Escalating trade tensions, together with concerns about Italian fiscal policy, worries regarding several emerging markets, and, toward the end of the year, about a US government shutdown, contributed to equity price declines during the second half of 2018. A range of catalyzing events in key systemic economies could spark a broader deterioration in investor sentiment and a sudden, sharp repricing of assets amid elevated debt burdens

Policy Priorities

With momentum past its peak, risks to global growth skewed to the downside, and policy space limited in many countries, multilateral and domestic policies urgently need to focus on preventing additional deceleration and strengthening resilience. A shared priority is to raise medium-term growth prospects while enhancing economic inclusion.

Multilateral cooperation Building on the recent favorable developments noted above, policymakers should cooperate to address sources of dissatisfaction with the rules-based trading system, reduce trade costs, and resolve disagreements without raising tariff and non-tariff barriers. Failure to do so would further destabilize a slowing global economy. Beyond trade, fostering closer cooperation on a range of issues would help broaden the gains from global economic integration, including: financial regulatory reforms; international taxation and minimizing cross-border avenues for tax evasion; reducing corruption; and strengthening the global financial safety net to reduce the need for countries to self-insure against external shocks.

Domestic policies

Across advanced economies, above-trend growth is set to moderate to its modest potential (in some cases, earlier than previously anticipated). All countries should emphasize measures that boost productivity, raise labor force participation, particularly of women and, in some cases, youth, and ensure adequate social insurance, including for those vulnerable to structural transformation. Monetary policy should ensure inflation expectations remain anchored, while fiscal policy should build buffers where needed to replenish limited policy space for combating downturns.

Emerging market and developing economies have been tested by difficult external conditions over the past few months amid trade tensions, rising US interest rates, dollar appreciation, capital outflows, and volatile oil prices. In some economies, addressing high private debt burdens and balance-sheet currency and maturity mismatches will require strengthening macro prudential frameworks. Exchange rate flexibility can complement these policies by helping to buffer external shocks. Where inflation expectations are well anchored, monetary policy can provide support to domestic activity as needed (Chapter 3, October 2018WEO). Fiscal policy should ensure debt ratios remain sustainable under the more challenging external financial conditions. Improving the targeting of subsidies and rationalizing recurrent expenditures can help preserve capital outlays needed to boost potential growth and social spending to enhance inclusion. For low-income developing countries, concerted efforts in these areas would also help diversify production structures (a pressing imperative for commodity-dependent economies), and their progress toward the UN Sustainable Development Goals.

Table 1. Overview of the World Economic Outlook Projections
(Percent change, unless noted otherwise)

	Year over Year						Q4 over Q4 2/		
	Estimates		Projections		Difference from Oct 2018 WEO Projections 1/		Estimates		Projections
	2017	2018	2019	2020	2019	2020	2018	2019	2020
World Output	3.8	3.7	3.5	3.6	-0.2	-0.1	3.5	3.6	3.6
Advanced Economies	2.4	2.3	2.0	1.7	-0.1	0.0	2.1	1.9	1.7
United States	2.2	2.9	2.5	1.8	0.0	0.0	3.0	2.1	1.5
Euro Area	2.4	1.8	1.6	1.7	-0.3	0.0	1.2	1.9	1.5
Germany	2.5	1.5	1.3	1.6	-0.6	0.0	0.9	1.7	1.5
France	2.3	1.5	1.5	1.6	-0.1	0.0	1.0	1.6	1.5
Italy	1.6	1.0	0.6	0.9	-0.4	0.0	0.2	1.2	0.6
Spain	3.0	2.5	2.2	1.9	0.0	0.0	2.3	2.1	1.6
Japan	1.9	0.9	1.1	0.5	0.2	0.2	0.6	0.0	1.6
United Kingdom	1.8	1.4	1.5	1.6	0.0	0.1	1.3	1.5	1.6
Canada	3.0	2.1	1.9	1.9	-0.1	0.1	2.0	1.8	1.9
Other Advanced Economies 3/	2.8	2.8	2.5	2.5	0.0	0.0	2.8	2.3	2.9
Emerging Market and Developing Economies	4.7	4.6	4.5	4.9	-0.2	0.0	4.7	5.0	5.0
Commonwealth of Independent States	2.1	2.4	2.2	2.3	-0.2	-0.1	2.4	1.8	1.9
Russia	1.5	1.7	1.6	1.7	-0.2	-0.1	2.2	1.4	1.7
Excluding Russia	3.6	3.9	3.7	3.7	0.1	0.0	...	...	...
Emerging and Developing Asia	6.5	6.5	6.3	6.4	0.0	0.0	6.3	6.4	6.3
China	6.9	6.6	6.2	6.2	0.0	0.0	6.4	6.2	6.2
India 4/	6.7	7.3	7.5	7.7	0.1	0.0	7.1	7.6	7.7
ASEAN-5 5/	5.3	5.2	5.1	5.2	-0.1	0.0	5.1	5.1	4.7
Emerging and Developing Europe	6.0	3.8	0.7	2.4	-1.3	-0.4	1.3	2.1	1.6
Latin America and the Caribbean	1.3	1.1	2.0	2.5	-0.2	-0.2	0.3	3.0	1.9
Brazil	1.1	1.3	2.5	2.2	0.1	-0.1	1.9	2.4	2.2
Mexico	2.1	2.1	2.1	2.2	-0.4	-0.5	2.1	2.3	2.1
Middle East, North Africa, Afghanistan, and Pakistan	2.2	2.4	2.4	3.0	-0.3	0.0	...	...	...
Saudi Arabia	-0.9	2.3	1.8	2.1	-0.6	0.2	4.1	1.0	2.2
Sub-Saharan Africa	2.9	2.9	3.5	3.6	-0.3	-0.3	...	...	...
Nigeria	0.8	1.9	2.0	2.2	-0.3	-0.3	...	...	...
South Africa	1.3	0.8	1.4	1.7	0.0	0.0	0.5	0.9	2.2
Memorandum									
Low-Income Developing Countries	4.7	4.6	5.1	5.1	-0.1	-0.2	...	...	...
World Growth Based on Market Exchange Rates	3.2	3.1	3.0	2.9	-0.1	0.0	2.9	2.9	2.8
World Trade Volume (goods and services) 6/	5.3	4.0	4.0	4.0	0.0	-0.1	...	...	...
Advanced Economies	4.3	3.2	3.5	3.3	-0.1	-0.1	...	...	...
Emerging Market and Developing Economies	7.1	5.4	4.8	5.2	0.0	0.1	...	...	...
Commodity Prices (U.S. dollars)									
Oil 7/	23.3	29.9	-14.1	-0.4	-13.2	4.0	11.3	-9.7	-0.7
Nonfuel (average based on world commodity import weights) 8/	6.4	1.9	-2.7	1.2	-2.0	0.9	-0.9	0.1	1.4
Consumer Prices									
Advanced Economies	1.7	2.0	1.7	2.0	-0.2	0.0	2.0	1.8	1.9
Emerging Market and Developing Economies 9/	4.3	4.9	5.1	4.6	-0.1	0.0	4.5	4.1	3.7
London Interbank Offered Rate (percent)									
On U.S. Dollar Deposits (six month)	1.5	2.5	3.2	3.8	-0.2	-0.1	...	...	...
On Euro Deposits (three month)	-0.3	-0.3	-0.3	0.0	-0.1	-0.1	...	...	...
On Japanese Yen Deposits (six month)	0.0	0.0	0.0	0.1	-0.1	0.0	...	...	...

Note: Real effective exchange rates are assumed to remain constant at the levels prevailing during October 29-November 26, 2018. Economies are listed on the basis of economic size. The aggregated quarterly data are seasonally adjusted. WEO = World Economic Outlook.

1/ Difference based on rounded figures for the current and October 2018 World Economic Outlook forecasts. Countries whose forecasts have been updated relative to October 2018 World Economic Outlook forecasts account for 90 percent of world GDP measured at purchasing-power-parity weights.

2/ For World Output, the quarterly estimates and projections account for approximately 90 percent of annual world GDP measured at purchasing-power-parity weights. For Emerging Market and Developing Economies, the quarterly estimates and projections account for approximately 80 percent of annual emerging market and developing economies' GDP measured at purchasing-power-parity weights.

3/ Excludes the Group of Seven (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and euro area countries.

4/ For India, data and forecasts are presented on a fiscal year basis and GDP from 2011 onward is based on GDP at market prices with FY2011/12 as a base year.

5/ Indonesia, Malaysia, Philippines, Thailand, Vietnam.

6/ Simple average of growth rates for export and import volumes (goods and services).

7/ Simple average of prices of UK Brent, Dubai Fateh, and West Texas Intermediate crude oil. The average price of oil in US dollars a barrel was \$68.58 in 2018; the assumed price, based on futures markets (as of November 27, 2018), is \$58.95 in 2019 and \$58.74 in 2020.

8/ Starting with the January 2019 WEO update, the IMF commodity price index and its sub-indices have been updated and have expanded coverage. The nonfuel commodity forecast revisions compare current projections with October 2018 projections, however, due to methodological and coverage changes, comparability is limited.

9/ Excludes Venezuela.

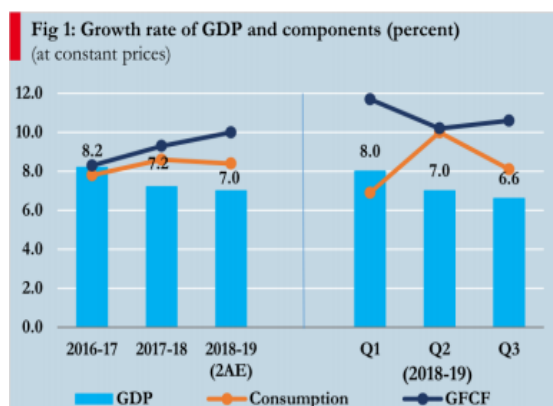
(Source- <https://www.imf.org/en/Publications/WEO/Issues/2019/01/11/weo-update-january-2019>)

Indian Outlook

The Cabinet Committee on Economic Affairs (CCEA) approved the project for capacity expansion of Numaligarh Refinery from 3 MMTPA (Million Metric Tonne Per Annum) to 9 MMTPA. It involves setting up of crude oil pipeline from Paradip to Numaligarh and product pipeline from Numaligarh to Siliguri at a cost of Rs.22,594 crore. The expansion of the refinery is expected to meet the deficit of petroleum products in the North East. The CCEA approved for continuation of five schemes under the "Umbrella Scheme for Family Welfare and Other Health Interventions" during the Fourteenth Finance Commission period 2017-18 to 2019-20. The CCEA approved to the proposal of the Department of Commerce for including merchant exporters under the Interest Equalization Scheme (IES) for Pre and Post Shipment Rupee Export Credit by allowing them interest equalization rate of 3 percent on such credit for export of products covered under 416 tariff lines identified under the scheme. The Union Cabinet approved the proposal for entering into an

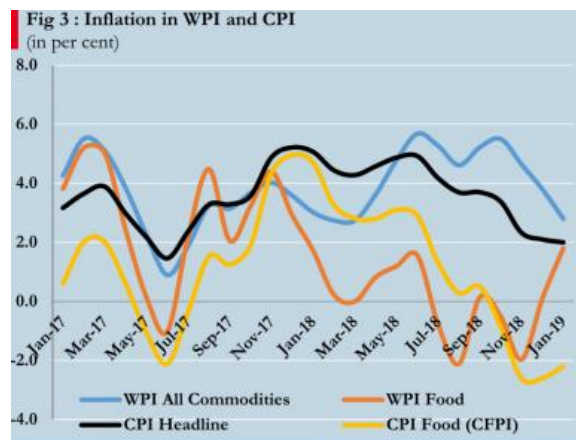
Agreement for Bilateral Swap Arrangement (BSA) between India and Japan and authorizing the Reserve Bank of India (RBI) to sign the Agreement for Bilateral Swap Arrangement between the RBI and the Bank of Japan for a maximum amount of USD 75 billion. The BSA is a very good example of mutual cooperation between India and Japan for strategic objective of assisting each other in times of difficulty and for restoring international confidence. The Union Cabinet approved for establishment of three new AIIMS at (i) Vijaynagar, Samba, Jammu at a cost of Rs.1661 crore (ii) Awantipura, Pulwama, Kashmir, at a cost of Rs.1828 crore and (iii) Rajkot, Gujarat at a cost of Rs.1195 crore. These AIIMS will be set up under Pradhan Mantri Swasthya Suraksha Yojana (PMSSY). The Union Cabinet approved for amalgamating Bank of Baroda, Vijaya Bank and Dena Bank, with Bank of Baroda as the transferee bank and Vijaya Bank and Dena Bank as transferor banks. The Union Cabinet approved for the continuation of Rastriya Yuva Sashaktikaran Karyakram Scheme for the Period 2017-18 to 2019-2020 with budget outlay of Rs.1160 crore as recommended by EFC.

As per the second advance estimate of national income, the growth of real Gross Domestic Product (GDP) for 2018-19 is estimated to be 7.0 percent. The growth rates of GDP at constant prices for the years 2015-16, 2016-17 and 2017-18 were 8.0 percent, 8.2 percent and 7.2 percent respectively (Figure 1).



The share of total final consumption in GDP at current prices in 2018-19 is estimated to be 70.7 percent, as compared to 70.0 percent in 2017-18. The fixed investment rate (ratio of gross fixed capital formation to GDP) is estimated to be 28.9 percent in 2018-19, as compared to 28.6 percent in 2017-18. The growth in fixed investment is estimated to be 10.0 percent in 2018-19, as compared to 9.3 percent in 2017-18. The saving rate (ratio of gross saving to GDP) for the year 2017-18 was 30.5 percent, as compared to 30.3 percent in 2016-17. The investment rate (ratio of Gross Capital Formation to GDP) was 32.3 percent in 2017-18, as compared to 30.9 percent in 2016-17. The growth of Gross Value Added (GVA) at constant basic prices for the year 2018-19 is estimated to be 6.8 percent, as compared to 6.9 percent in 2017-18. The growth rate of agriculture, industry and services sectors is estimated to be 2.7 percent, 7.7 percent and 7.4 percent respectively in 2018-19.

Inflation- Inflation based on Consumer Price Indices (CPI): Consumer Price Index – Combined (CPI) inflation stood at 3.6 percent in April-January 2018-19, as compared to 3.4 percent in the corresponding period of 2017-18. CPI inflation declined to 2.0 percent in January 2019 from 2.1 percent in December 2018 (Figure 2). Food inflation based on Consumer Food Price Index (CFPI) stood at (-) 2.2 per cent in January 2019 from (-) 2.6 per cent in December 2018. CPI inflation for fuel and light declined to 2.2 per cent in January 2019, as compared to 4.5 per cent in December 2018. Inflation based on CPI-IW for January 2019 increased to 6.6 per cent as compared to 5.2 per cent in December 2018. Inflation based on CPI-AL and CPI-RL stood at 2.2 per cent and 2.4 per cent respectively in January 2019.



(Source- https://dea.gov.in/sites/default/files/MER_January_2019.pdf)

Overview of PVC Industry

PVC–Poly Vinyl Chloride

Polyvinyl chloride, commonly abbreviated PVC, is the third-most widely-produced plastic, after polyethylene and polypropylene. 57% of the molecular weight of PVC is derived from common salt, with the remaining 43% derived from hydrocarbon feedstocks. PVC is made by suspension process (82%), by mass polymerization (10%), or by emulsion (8%). All PVC is produced by addition polymerization from the vinyl chloride monomer in a head-to-tail alignment. PVC is amorphous with partially crystalline (Syndiotactic) due to structural irregularity increasing with the reaction temperature. PVC (rigid) decomposes at 212 F leading to dangerous HCl gas.

Polyvinyls were invented in 1835 by French chemist V. Regnault when he discovered a white residue could be synthesized from ethylene dichloride in an alcohol solution. (Sunlight was catalyst). PVC was patented in 1933 by BF Goodrich Company in a process that combined a plasticizer, tritolyl phosphate, with PVC compounds making it easily moldable and processed.

Shin-Etsu, Formosa Group, Occidental, Solvay, Ineos, LG Group, Georgia Gulf and Reliance Industries are some of the leading producers of PVC. The global name plate capacity has risen from 51 MMT in 2011 to over 61 MMT in 2015 for PVC plants. Against global PVC demand of 36 MMT in 2011, it is expected to increase to 42 MMT in 2016. Manufacturing of polyvinyl chloride (PVC) in India started 60 years ago with the country's first PVC plant set up in Mumbai in 1951. The plant operated by Calico had a capacity of 6000 MTA. In India the total PVC capacity (suspension) is expected to be around 1440 KTA in 2016-17. The demand for PVC is expected to be over 2930 KTA in 2016-17.

Globally, demand for PVC is closely aligned to economic development growth. One of the best estimates for PVC demand is its close correlation to construction sector growth. This is due to the fact that spending in the construction sector always stimulates demand for resins as supplies such as PVC pipes, fittings, siding, wire and cable are some of the basic requirements for building any infrastructure. As a rule of thumb, growth rates will tend to be modest in developed economies as building and basic infrastructure would have been well established. Today, stronger demand growth is likely to be concentrated in developing economies in Asia, such as China, India, Vietnam and Indonesia. For high demand locations, the common theme to look out for is a large population base with a stable political climate that still needs considerable spending on infrastructure.

Demand for PVC in developing countries will account for a larger proportion of global PVC consumption due to its stronger growth rate. By 2025, Northeast Asia will form by far the largest demand region, consuming 28 million metric tons of PVC, or equivalent to 48% of the world total. Additionally, China shall remain the largest PVC consumer and producer in the world for the foreseeable future.

In terms of end uses, pipes and fittings is the bedrock of demand for PVC resins, accounting for more than 40% of all PVC usage globally. This category is forecast to see an average annual growth of 3.9% per year to 2025, which is the highest growth sector. As a consequence, pipes and fittings are expected to account for 45% of global consumption by 2025. Rigid PVC end uses, such as pipes & fittings and profiles, are durable items mainly used for the construction sector. These end uses tend to face less scrutiny and environmental pressure than flexible PVC products such as artificial leather, films and sheets which tends to contain plasticizers, such as phthalates, about which a variety of concerns have sometimes been raised. Thus, rigid PVC applications will tend to see faster growth and account for a larger proportion of consumption and growth when compared with flexible PVC usage.

PVC, a major plastics material which finds widespread use in building, transport, packaging, electrical/electronic and healthcare applications. PVC is a very durable and long lasting construction material, which can be used in a variety of applications, rigid or flexible, white or black and a wide range of colours in between. Due to its very nature, PVC is widely used in many industries and provides very many popular and necessary products. Heavy investments by the government in infrastructure projects and focus on increase in irrigational land are the main drivers for the increased consumption of PVC.

(Source- http://cpmaindia.com/pvc_about.php)

Polyvinyl chloride (PVC) is the most commonly produced synthetic plastic polymer. It is a thermoplastic made of chlorine from industrial grade salt and carbon predominantly from oil / gas via ethylene. It has low thermal stability, high electrical insulation, high impact strength, good weather resistant ability and resistant to oil, grease and chemicals. Its major applications are into construction, packaging, electrical, agriculture, automotive, footwear etc. It is typically used to make cables, pipes, clothing, furniture's, interior door panels, window frames, seat coverings, sun visors, floor covering etc. It also finds applications in greenhouses, home playgrounds, foam and other toys, tarpaulins, ceiling tiles and jars, drainage systems, ducting, etc.

(Source-<https://www.globaldata.com/store/report/gdch2069idb--polystyrene-industry-outlook-in-india-to-2019-market-size-company-share-price-trends-capacity-forecasts-of-all-active-and-planned-plants/>)

In India, demand for PVC is driven by the agriculture and construction sector. PVC pipes for irrigation and water distribution account for a bulk of the national PVC demand. Demand for PVC in India is huge and increasing at an annual growth rate of 7.25% from fiscal year 2011-12 to 2016-17 whereas production is frail. India is highly dependent on PVC import for fulfilling its imbalance between production and demand. Demand of PVC will be in healthy double digits from fiscal year 2017-18 to 2021-22 which will force more PVC to be imported. RIL, Finolex, Chemplast, DCW, Shriram and Vivanta are the major producers of PVC resin and related products in India.

Global demand for polymers has reached around 260 MMTPA in the fiscal year 2017-18 and the share of PVC in total polymer consumption is about 18%.

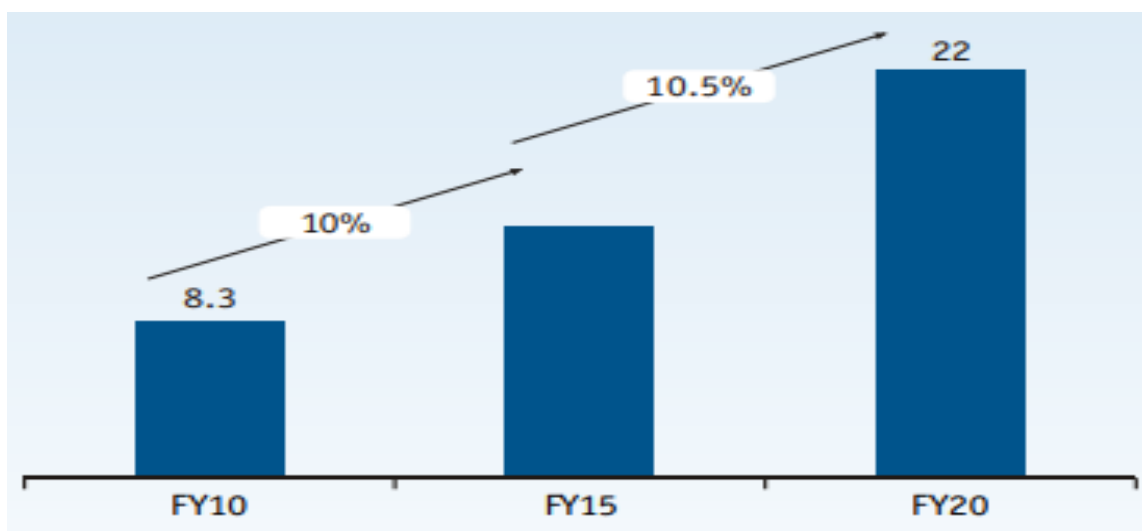
Asia Pacific is the largest market for PVC, accounting for more than 50% of the global PVC market. Europe is the second largest market for PVC, followed by North America. China is currently the largest player in the global vinyls market, holding the largest capacity, output, and demand. As the construction industry plays a key role in the PVC market, demand for PVC is closely aligned to economic development.

In recent years, the stronger PVC consumption has been concentrated in the developing economies in Asia, such as China, India, Vietnam, and Indonesia. The common drivers of consumption tend to be a large population base with a stable political climate that still needs considerable spending on infrastructure. Northeast Asia is expected to remain the largest regional market. China will remain the largest consumer and producer of PVC in the world for the foreseeable future.

(Source- <https://indianpetrochem.com/report/pvcreport>)

Since independence, the plastic industry in India has been playing a predominant role in shaping our lives. The plastic industry in India has made significant achievements since its beginning by commencing production of polystyrene in 1957. In the last decade, with the advent of new and improved products, the industry has gained greater importance with the production of better and improved quality of plastic products. The plastic industry caters to the entire spectrum of daily use items and covers almost every sphere of life such as clothing, housing, construction, furniture, automobiles, household items, agriculture, horticulture, irrigation, packaging, medical appliances, electronics and electrical items. The figure below represents the key applications of products of plastic processing.

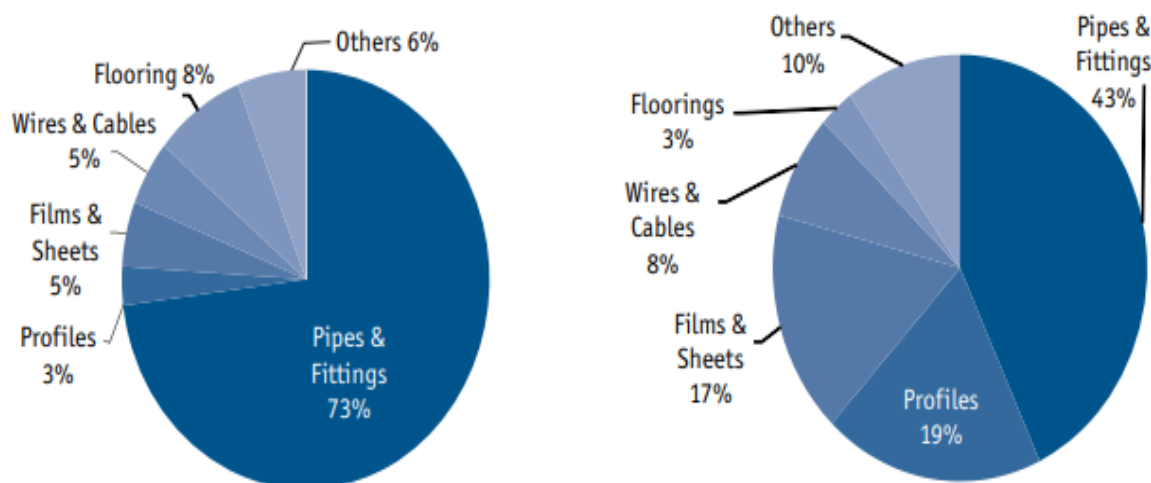
The plastics processing industry has grown at a CAGR of 10% in volume terms from 8.3 MMTPA in FY10 to 13.4 MMTPA in FY15 and is expected to grow at a CAGR of approximately 10.5% from FY15 to FY20 to reach 22 MMTPA (Refer Figure 3). In value terms, the plastic processing industry has grown at a CAGR of 11% from INR 35,000 Cr. in FY05 to INR 100,000 Cr. in FY15.



(Figure 3)

Currently, in India, approximately 73% of the PVC is consumed by the Pipes & Fittings industries with the other sectors comprising only 27%. Globally, Pipes & Fittings account for only 43% of the PVC consumption, showing that PVC applications in India other than Pipes & Fittings are still in the early stages and are primed for growth. This, along with the relatively low per capita PVC consumption in India, shows

that future prospects for the Indian PVC processing industry are bright. Although, CPVC pipes and fittings contributed just 10% to the overall production capacity in FY15, it is the fastest growing segment of the PVC pipes and fittings industry in India.



In the past few years, the government of India has initiated many new projects and investments in the irrigation sector. The government's focus is on rural water management, which will be fulfilled only with proper infrastructure for the transportation of water to the end-user. This factor will remain as one of the major drivers for the growth of PVC pipe industry in the country along with the expansion of housing sector and increasing replacement demand for CPVC.

Plastic moulded furniture segment: India's growing economy of the country has encouraged the spending capacity of the people, which in turn has boosted the sales of branded furniture items in the market. The growing phase of infrastructure and real estate markets has also augmented the demand for furniture products in the country. In addition, the entry of international brands and increasing brand awareness amongst Indian inhabitants has led to the emergence of furniture retailing in India. The plastic moulded furniture industry has been growing rapidly in the Indian market and from a stage of infancy the field has risen to almost 70 million in volume, consuming almost 170 KT of polypropylene material. The popularity of plastic furniture has grown since it offers features unavailable in conventional wooden and metal furniture, such as easy maintenance, light weight, durability and various attractive features (such as shapes, designs). Plastic furniture is essentially based on composition of polypropylene (PP) which contains polymers to provide rigidity and copolymer to lend impact. There exist around 30 producers of PP chairs in India though 30% of the top producers generate almost 75% of the market share.

Plastics industry is assured to grow at a good rate with the major applications being in FMCG and consumer goods. There are several factors like low per-capita consumption, manufacturing focus, end use industry growth, availability of feedstock, increasing urbanization, changing lifestyle and demographic dividend, promoting growth of plastic across India. The plastic processing industry has changed our lives in many aspects. It has the potential to continue to change the way we grow our crops, the way we build our roads, and the way we live everyday life. It has significant impact on our economy, generation of wealth and in job creation. Plastics processing industry will need to invest in modern equipment to reduce costs and improve performance and improve installed capacities to achieve economies of scale so that the Indian subcontinent can reach its full potential. With Government's current campaign on 'Make in India' which has a special focus on the chemical industry and aims to turn the country into a global manufacturing hub, a tremendous growth in the plastic processing sector is expected especially in downstream industries. The government should not

hesitate to provide better infrastructure and favorable policies. With a step already being take in that direction, plastics are bound to find tremendous use in the infrastructure space. With adequate support from Government and growth in end use demand, our study indicates that the market for plastic processing industry in India is expected to grow at a CAGR of 10.5% from FY15 to reach 22 MMTPA by FY20.

(Source- <http://ficci.in/spdocument/20872/report-Plastic-infrastructure-2017-ficci.pdf>)

Employment

In a country like India with high and increasing levels of unemployment, investment become more effective only if it generates considerable level of employment. The relationship between investment and the resulting employment generation depend mainly on the technology of production. Thus technologies are classified into capital intensive and labour intensive technologies. This is according to the employment generated per unit of investment. Even though plastics industry is technically more capital intensive, it created more employment opportunities direct or indirect in the recent period in India. It is an industry with high degree of linkage effect. Plastics have changed and added high value to their products in most of the industries.

(Source- <http://shodhganga.inflibnet.ac.in/>)

Manufacture of furniture

The processes used in the manufacture of furniture are standard methods of forming materials and assembling components, including cutting, moulding and laminating. The design of the article, for both aesthetic and functional qualities, is an important aspect of the production process. Some of the processes used in furniture manufacturing are similar to processes that are used in other segments of manufacturing. For example, cutting and assembly occurs in the production of wood trusses that are classified in division 16 (Manufacture of wood and wood products). However, the multiple processes distinguish wood furniture manufacturing from wood product manufacturing. Similarly, metal furniture manufacturing uses techniques that are also employed in the manufacturing of roll-formed products classified in division 25 (Manufacture of fabricated metal products). The molding process for plastics furniture is similar to the molding of other plastics products. However, the manufacture of plastics furniture tends to be a specialized activity.

(Source- https://udyogaadhaar.gov.in/UA/Document/nic_2008_17apr09.pdf)

PVC

Polyvinyl-Chloride (PVC) is a plastic product which has matchless versatility. It effectively replaces wood, paper and metal in several applications. As such plastic pipes have been progressively replacing conventional pipes like G.I., Cast Iron, Asbestos Cement or Stone-ware for a number of important and uses. Among the various types of plastic pipes which are commonly used for such applications PVC pipes are the most widely used all over the world on account of their most favourable balance of properties. PVC pipes are light in weight, rates for use under pressure, easy to install, low frictional loss, low on maintenance cost, and have low frictional loss. Rigid PVC pipes have wide variety of uses in fields like city/town/rural water supply scheme, spray irrigation, deep tube well schemes and land drainage schemes.

Market Potential

PVC pipes are used for a variety of purposes e.g. water supply schemes, spray irrigation, deep tube well schemes and land drainage schemes. PVC slotted and corrugated pipes are ideal systems for drainages of water from land where water logging is inevitable. It is widely used by various utility services now-a-days too. The major consumer of PVC pipes are the Public Health Engineering Department (PHED) and Irrigation Departments. Besides these two, it is used by the Municipal Corporations, Tea estates as well as in N.E. Region. The usage of PVC pipes also depends upon the size of these pipes too. It is manufactured in different sizes having innumerable usage value. The World Bank has recently given top priority in rural water supply in developing and underdeveloped countries. India has also received large amounts from World Bank aid for Rural Water Supply Schemes. However, due to the acute shortage of appliances including pipes this money could not be utilized to a large extent in our country. Thus PVC/HDPE pipe manufacturing industry has received higher priority. The requirement of PVC pipes in N.E. Region is around 10,000 MT out of which the requirement in Assam is more than 50% followed by Tripura and other five states of N.E. Region.

Raw Material: The main raw material required for PVC pipe manufacturing is compounded PVC resin. Presently both PVC & Polyethylene plastics raw materials are indigenously manufactured. Other compounding materials like plasticizers, stabilizers, lubricants and fillers are also manufactured in India. No problem is envisaged for procurement of PVC resin and the other required compounding materials.

Process: The various process steps involved in the manufacture of rigid PVC pipes are as follows:

- Extrusion
- Sizing
- Traction
- Cutting

Extrusion: PVC uncompounded resin, unlike some other thermoplastics is not suitable for direct processing. To confer the required processing and end instability, it is necessary to mix additives to the PVC resin. Following are some of the additives which are generally used for the manufacture of rigid PVC pipes.

Plasticizers: The common plasticizer in use is DOP, DIOP, DBP, DOA, DEP, Reoplast, Paraplex etc.

Stabilizers: The common stabilizers are lead, barium, cadmium, tin, stearate etc.

Lubricants: Widely used lubricants are Buty-Stearate, Glycerol Moni-Stearate, Epoxidised Monoester of oleic acid, stearic acid etc.

Fillers: Fillers are also used for producing special quality product (e.g. calcined clay is used to improve the electrical properties of cable compounds).

Before the extrusion operation PVC resin is to be compounded with plasticizers, stabilizers, lubricants and fillers to improve processibility and improve the endure stability. PVC resin is compounded with other ingredients in a high speed mixer. The compound resin is fed to the double screw extruder where the inserts and die body for the required pipe diameter are fitted. The PVC compounds are then passed through a heated chamber and they get melted under the compression of the screw and temperature of the barrel. The marking on the pipe is done at the time of extrusion.

Sizing: The pipes coming out from the extruder is cooled in the sizing operation. There are basically two types of sizing used for manufacturing of pipes. They are (i) Pressure sizing & (ii) Vacuum sizing.

Traction: The next operation needed after sizing is traction. The tube traction unit is required for continuous haulage of the pipes being extruded by the extruder.

Cutting: The last operation needed is cutting. There are basically two cutting techniques for rigid PVC pipes viz. manual and automatic. The pipes are then tented for ISI marks and are ready for dispatching.

Machinery: Number of Machines as per the requirement are installed each having different or same capacities and a list of machinery suppliers is stated.

Location: To select a suitable location for the project

Infrastructure: To set up the infrastructure facilities including Land, building, water, power and manpower.

Total capital requirement, means of finance and operating expenses: To determine the fixed capital and the working capital consisting of raw materials finished goods, working expenses, machinery, land and building, etc and to determine the means of finance via term loan, promoter contribution or any other mean and laying out the estimated operating expenses.

Sales Realization: On the basis of this the profit is determined which will then determine the return on investment and the break even capacity.

(Source- https://smallb.sidbi.in/sites/default/files/knowledge_base/pvc_pipe_manufacturing_unit.pdf)

OUR BUSINESS

The following information should be read together with the more detailed financial and other information contained in the sections “Risk Factors”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Information of the Company” beginning on pages 26, 257 and 185 respectively. Some of the information in this section, including information with respect to our plans and strategies, contains forward looking statements that involve risks and uncertainties. You should read the section “Forward Looking Statements” beginning on page 18 for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Overview

Our Company was originally incorporated under the Companies Act, 1956 in the year 1984 with business of manufacturing and dealing in products based on Polyvinyl Chloride (PVC) which *inter alia* include Roofing sheets, pipes, self drilling screws and roofing solutions. Apart from these products Our Company also trades and manufactures Polycarbonate roofing sheets.

Roofing sheets are categorized in following two varieties:

1. PVC sheets (Traditional roofing):
 - a. Opaque sheets
 - b. Transluscent sheets.
2. Polycarbonate sheets (New generation) :
 - a. Compact & Embossed Solid Sheets
 - b. Multiwall sheets.

We have commenced the production of Embossed & Compact Solid sheets in our new plant along with the erection of multiwall sheets machinery from the period March 2018.

We also make PVC pipe for plumbing and agricultural applications.

Under PVC Pipes we have 3 varieties:

- a. Plumbing pipes
- b. Irrigation pipes
- c. Deep Borewell / Casing pipes.

We also have trading and marketing division where we trade and market various self drilling screws which are accessories for roofing.

Our Company is ISO 9001:2015 accredited and its growth under the leadership of Mr. Vasanadu Govind, Managing Director of Our Company who has propelled the Company towards growth.

Our Company market's its products through its dealer network which is spread out across Southern India. The manufacturing facility of the Company is situated at Pondicherry. We have godowns situated at various locations where the finished goods are kept and dispatched to the customer as per the delivery schedule. For details of our factory and godowns refer section titled "Properties" under this chapter. Our Company has its presence across South India, i.e. Tamil Nadu, Andhra Pradesh, Telangana, Karnataka, Kerala. We also have some distribution arrangements in Western India. Most of the trade is through trade channels.

The business of our company is based on the demand and purchase orders received from our customer. Our business depends on demand and supply factors, Whereby we have a number of distributors who purchase products from us as per their requirement. We have a sales team which prepares a internal intelligence report which acts as a guideline to target more dealers, enabling us to maintain a pipeline of dealers.

As per restated standalone financial statements for the period ended on September 30, 2018 and fiscal year ended on March 31, 2018, March 2017 and March 31, 2016, the total revenue of our Company stood at Rs. 7,216.66 lakhs, 10276.90 lakhs, Rs. 8434.44 lakhs, Rs. 6780.04 lakhs respectively. Further, our PAT for the period ended on September 30, 2018 and fiscal year ended on March 31, 2018, March 31, 2017 and March 31, 2016 stood at Rs. 176.72, 412.39 lakhs, Rs. 206.25 lakhs, Rs. 77.35 lakhs respectively.

List of major machinery Installed at our factory is as follows:-

Sr. No.	Description	Make/Model	Year of Purchase
1.	Twin Screw Extruder	Windsor Machines Limited	2011
2.	Heater Cooler Mixer	Neo-Plast	2011
3.	Impact Pulveriser	Alpha Industries	2012
4.	Air Compressor	Elgi Equipments Limited	2013
5.	Kolsite Mixer Cooler	Kabra ExtrusionTechnik Limited	2013
6.	Socketing Machine	Masters Preci Tools	2013
7.	Plastic Scrap Granulator	PIMCO Machines private limited	2013
8.	Twin Screw PVC PIPE Plant Machine	Windsor Machines Limited*	2015
9.	Plastic Extrusion Machine	Windsor Machines Limited*	2017
10.	PC Flat sheet extrusion line	Leader Extrusion Machinery Ind Co. LTD	2018
11.	Hollow Sheet Extrusion machine	China Jwell Intelligent Machinery Co Ltd	2018
12.	Twin Screw Extruder with down streams	Windsor Machines Limited*	2018
13.	Chiller	Water Chiller*	2018

**(These machineries are purchased from Poly tough Tubes Limited)*

Details of Installed Capacity of our factory are as follows:-

Installed Capacity

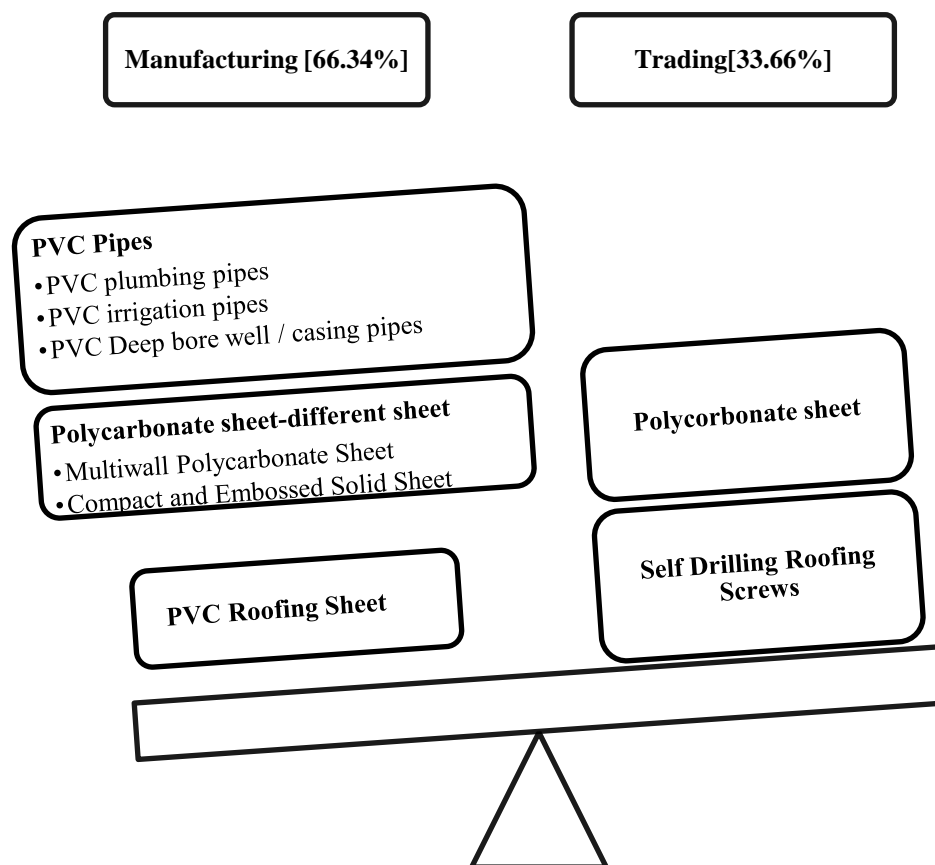
Sr. No.	Description of each class of goods manufactured	Unit of measure	Annual Production Capacity	Production Capacity for the period ended September 30, 2018
1	PVC Pipes	Metric Tonnes	3700	1850
2	PVC Roofing Sheet	Metric Tonnes	2600	1300
3	Polycarbonate Sheet	Metric Tonnes	3400	1700

Actual Production

Sr. No.	Products	Unit	Production capacity for period ended September 30, 2018	Actual Production for period ended September 30, 2018
1	PVC Pipes	Metric Tonnes	1850	1347
2	PVC Roofing Sheet	Metric Tonnes	1300	1021
3	Polycarbonate Sheet	Metric Tonnes	1700	1026

Our Business Verticals

Our Business Verticals consists of two segments mainly – Manufacturing and Trading



Our Company was initially engaged in the trading of Polycarbonate sheets through various trading channel. However we had recently ventured more on the manufacturing side by setting up the manufacturing plant of polycarbonate sheets. Due to recent installation of machinery and increase in production capacity we now focus on manufacturing as a dominant area. As a result, Our Company, now has adopted the FIFO method , wherein the inventory for polycarbonate sheet is managed accordingly.

OUR PRODUCTS

Our products are categorized into Manufacturing and Trading Segment whereby brief categorization of products under each heads is provided as below-

OUR MANUFACTURING SEGMENT:

A. Polycarbonate sheet: (New generation Roofing)

Initially, our Company was engaged in trading of Polycarbonate Sheets and subsequently started its own manufacturing plant in March 2018 at Pondicherry with highly equipped imported machineries. Polycarbonate products are extensively used for a number of applications. This is due to the intrinsic properties of polycarbonates, which guarantee optimal performance

Polycarbonate sheet combines the characteristic strength of polycarbonate with superior insulation and powerful physical properties which yields a very durable sheet for varied roofing, cladding and glazing. It is ideal for non-corrosive industrial structural roofing and siding.

Features	Use
Superb thermal insulation - energy saving	Skylights and covered walkways
Lightweight and impact resistance	Displays and signboards
High clarity and light transmission	Industrial roofing and glazing
Weather and UV resistant benefits	Do-it-Yourself (DIY)
Blocks virtually all UV radiation	Swimming pools
Easy to handle and install	Greenhouses

The products under this head are categorized as below-

1. Multiwall Polycarbonate Sheet

Multiwall Polycarbonate Sheet has a hollow core structure with mid rib channels running through the length of the sheet. The hollow core provides thermal insulation as it allows passage of air thereby reducing the transmission of heat.

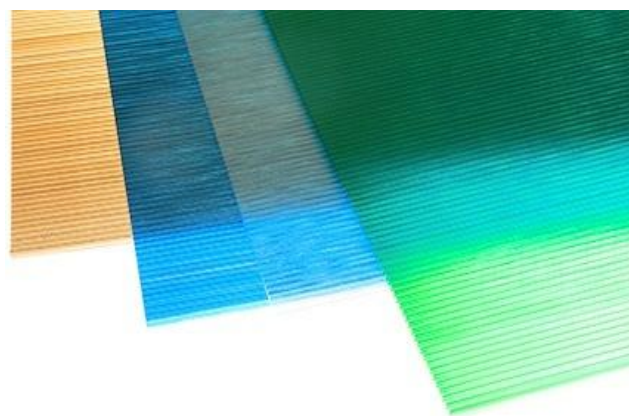
Specifications-

Standard Thickness: 4mm, 6mm, 8mm and 10mm

Standard Width: 2.10 m & 1.22 m

Standard Length: 11.50 m & 5.50 m

Standard Colors : Clear, Bronze, Blue, Green & White



2. Solid Polycarbonate Sheet

Solid Polycarbonate Sheet possesses the transparency of glass at less than half the weight, combined with unmatched strength. The sheet can be cold bent, fabricated and/or formed, making it ideal for applications such as barrel vault roofing, roof (sky) lights, architectural roofing and glazing.

Specifications-

Standard Thickness: 1mm, 1.5mm, 2mm and 3mm
(other thicknesses can be supplied against specific enquiry)

Standard Width: 1.22 m, 2.10 m

Standard Length: 30.50 m

Standard Colors: Clear, Bronze, Blue, Green & White



3. Corrugated Polycarbonate Sheet

Corrugated Polycarbonate sheet is available in Trafford corrugation as well as Greca corrugation. The sheet is extremely tough and much superior to FRP sheet for roofing applications. Trafford corrugation sheet is ideal as skylight for colour coated metal roof in industrial structures. Trafford and Greca corrugated PC sheets can also be used as roof light for Railway stations, Farm buildings, Green houses and Swimming pools.

Specifications:

Standard thickness: 0.8mm, 1mm, 1.5mm, 2mm

Standard Width: 1.06 m, 1.09 m

Standard Length: 2.0 m, 2.5 m, 3.0 m, 3.66 m, 6.10 m

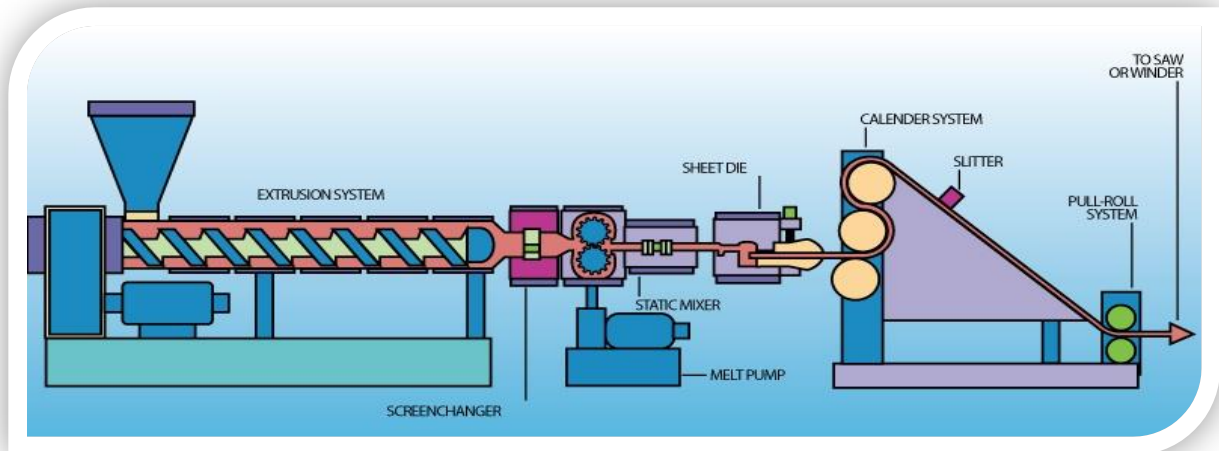
Standard Colors: Clear, Bronze, Blue, Green



Manufacturing Process of polycarbonate Sheets

The manufacturing process involves two steps, De-Humidification and Extrusion. The polycarbonate granules will be fed into the de-humidifier machine in-order to remove the moisture content from it which may affect the quality of the product. After de-humidifying polycarbonate granules, it is auto fed into the

extruder machine for melting. Thereafter, the molten polycarbonate granules will pass through the calendaring unit which determines the thickness of the sheet and subsequently, through the pattern roll to make the desired design. The UV-Stabilizer will be coated on both sides of the sheet through co-extrusion process making the sheet UV protected. Finally, the formed sheet will be passed to the filming unit where the sheets are laminated with plastic films to protect these sheets from scratches. Finally, these sheets are passed to the cutting unit, where it gets cut into the desired length.



B. PVC Roofing Sheet (traditional roofing)

Our Company is engaged in manufacturing and supplying a broad array of PVC Roofing Sheets since its incorporation. We are manufacturing these sheets with high-grade PVC and specialized additives. PVC is a known product and tried for many years as building material for pipes, roofing, wall cladding, door and window units etc. PVC as roofing sheets is being manufactured in many advanced countries and is popular due to its exceptionally low density giving high strength to weight ratio, excellent electrical and thermal insulation properties, corrosion resistance, superior flexibility, impermeability to water, gas etc. Thus, PVC roofing sheets have excellent mechanical, Thermal and acoustic properties. PVC Roofing Sheets are widely used for constructing roofs of auditoriums, large halls, industrial workshops and various other commercial and residential structures owing to their sturdiness, resistance against corrosion & chemical and durability. The products under this head are categorized as below-

1. Corrugated Roofing Sheets

a) PVC DAYLITE

DAYLITE translucent sheets possess high UV stability, and heat distortion resistance. As a superior alternative to fiber sheets, which are usually handmade, breakable and of inconsistent quality, DAYLITE has high impact resistance and load bearing capacity.

Specifications:

Type : Various Corrugations

Thickness: 1 mm to 3 mm Width: 1.0 mtr

Length : 1 mtr to 5 mtrs

Colors: Natural, Blue, Green

b) PVC Opaque

Opaque Corrugated Roofing Sheets are distinguished by their attractive colours and smooth finish on both sides. Their unique resistance to weathering renders them the ideal material for decorative and tough roofing applications. As standalone competitive building material for demanding construction and industrial purposes, Opaque Roofing Sheets offer a saving in the overall construction cost of an industrial structure as compared to AC sheets

Specifications:

Type: Various Corrugations

Thickness: 1 mm to 3 mm Width: 1.0 mtr

Length : 1 mtr to 5 mtrs Colors: Ivory, Beige, Green, Blue

c) PVC RMP

Red Mud Plastic (RMP) is a fire-retardant polymer in which PVC and Red Mud, a by-product in aluminium extraction are combined which produces an extremely durable, strong and ductile roofing material.

RMP Sheets are fire retardant, generally conforming to BS 476: Part 3: 1975 and IS 1734: Part III: 1973. The sheets have excellent resistance to almost all organic solvents, for e.g., Acid, Alkali and Salts.

The product has been extensively tested at various recognised laboratories in India and abroad including CSIR-Structural Engineering Research Centre (CSIR-SERC), Central Building Research Institute (CBRI), Central Institute of Plastics Engineering and Technology (CIPET), Electrical Inspectorate of the Government of Kerala etc for: External Fire Exposure Roof Test • Test for Stability under different temperatures • Static Bending Test • Impact Test • Tension Test • Wind load Test.

Specifications:

Type : Various corrugations

Thickness: 1 mm to 3 mm

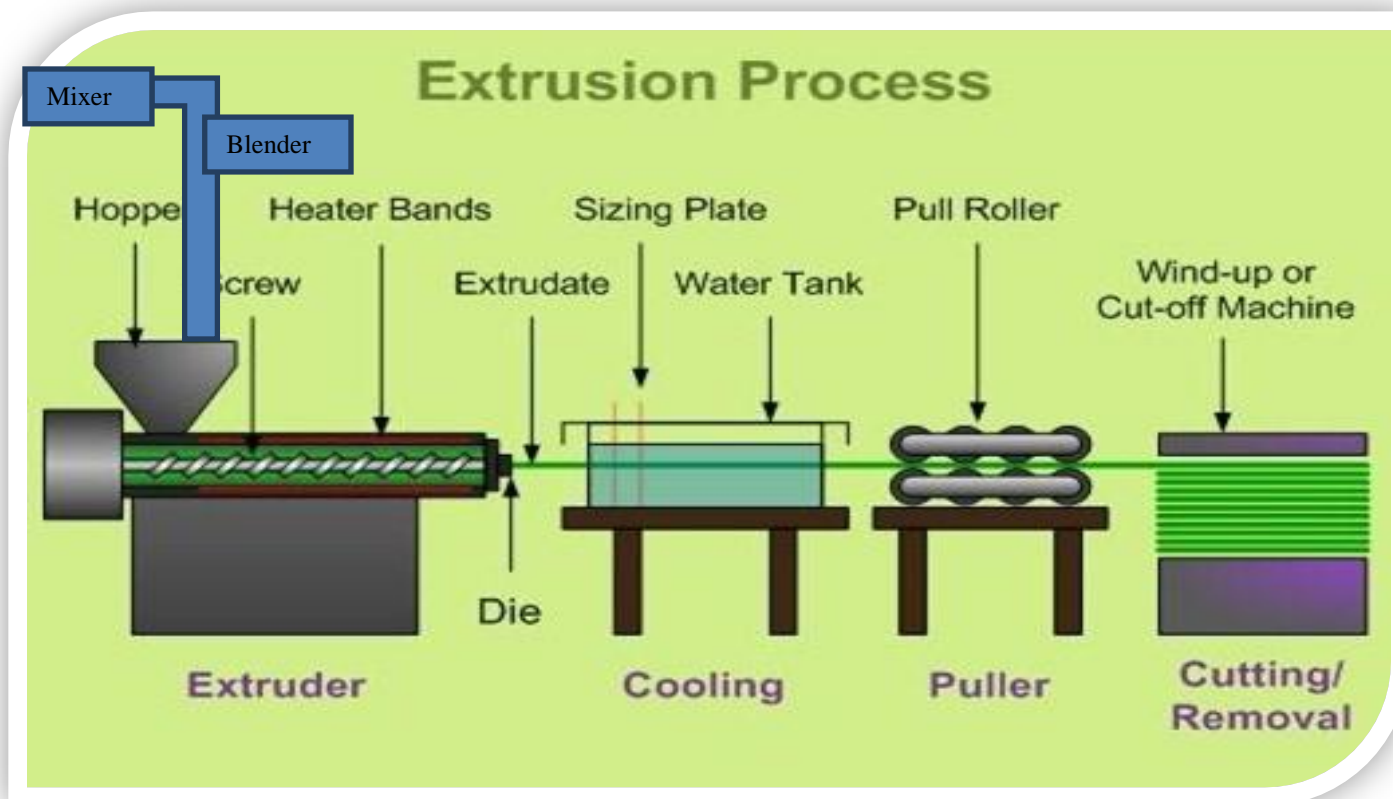
Width: 1.00 mtr

Length : 1 mtr to 5 mtrs

Colors: Red Mud Plastic

Manufacturing Process for PVC Roofing sheet

PVC resin, with wide range of special chemicals, will be mixed in the hot mixer. Post mixing the raw materials it will be cooled in the blender. The cooled dry mixture of blend will be then auto-fed to extruder machine for extrusion, whereby it passes through Screw barrel and die at above 180°C and get corrugated shape through the mould. Finally, these sheets are passed to the cutting unit where it gets cut into desired length.



C. PVC Pipes

Rigid PVC Pipes are fast replacing the conventional metal pipes in many applications. Use of PVC pipes as electrical conduits is well accepted in household and industrial activities. PVC conduits have been accepted by all Electricity Boards. PVC pipes of different diameters have gained wider acceptance for water supply. Their light weight, low cost, easy installation, non corrosiveness, high tensile strength to withstand high fluid pressure make them ideal for number of purposes. They also offer resistance to most of the chemicals and have excellent electrical and heat insulation properties.

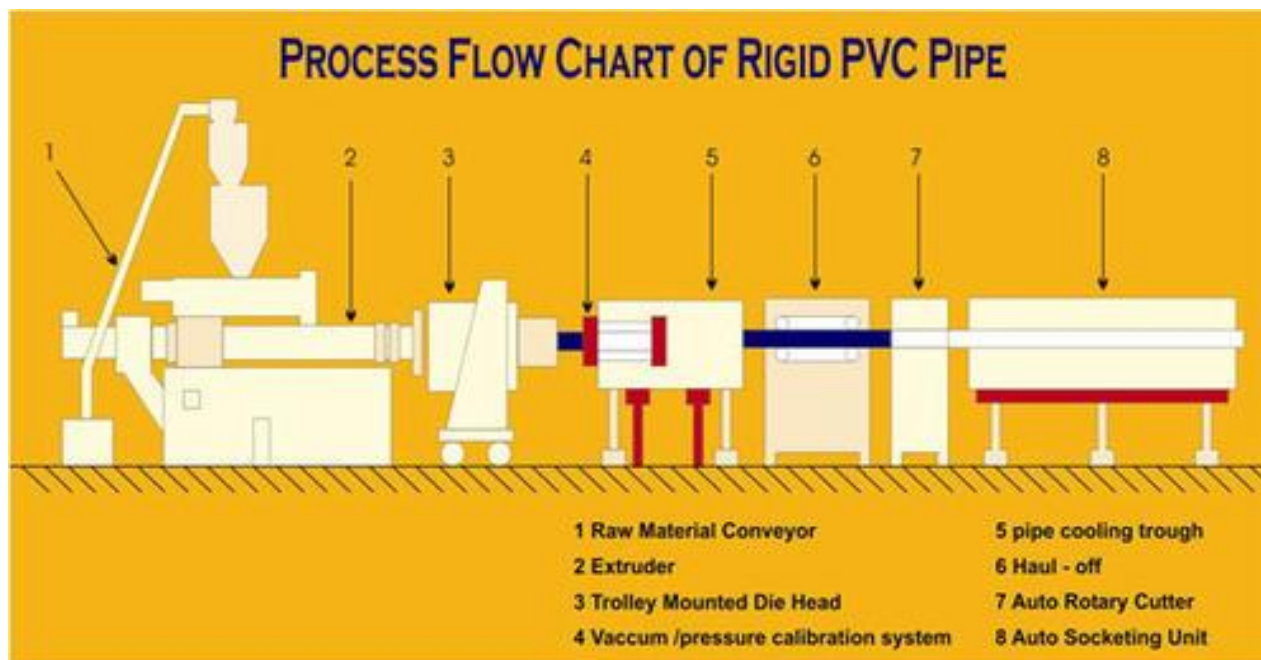
Process for Manufacturing of PVC Pipes

The basic material which on Polymerization produces P.V.C. Pipes is Poly vinyl chloride which in resin form is hard and rigid. The rigidity can be controlled by controlling the percentage of plasticizer at the time of compounding. Production of Rigid PVC pipe is based on plasticizing and homogenizing PVC compound and then passing the compound through an extruder. The hot molten PVC compound is extruded through a circular slit. Circular slit governs the size of pipe to be extruded. Different dies are used for manufacturing different size of pipes.

The Pipes thus extruded through the die is then passed through a vacuum/ pressure calibration sleeve wherein the dimensions of the pipe can be accurately set. It also helps in surface finish of the pipes.

As the pipe being extruded is rigid in form they cannot be wound into coils. So an inline motorized cutting device should be provided for cutting the pipes into required sizes. For ascertaining the consistency in

product quality the unit should be equipped with process control laboratory for preliminary testing of raw materials. The unit may also have arrangement for quality testing of finished products



TRADING SEGMENT

1. Polycarbonate Sheet

Compact and embossed solid sheet trading was discontinued recently since own production of these products was commissioned by the Company. However, some selective special grade item were still in trading segment of the Company. Trading in Multiwall polycarbonate sheets trading was also restricted recently on account of commissioning of new production line for this product.

2. Self Drilling Screws

The self drilling screws have hex washer head assembled with EPDM washer for safe sealing and long life, the surface is hardened with additional carbon (C-1022 steel). The thread Count (TPI: threads per inch) is as per international standards. Also, it Conform to ANSI (American National Standards Institute) quality control standards SAE J78-2013.

Types of Self Drilling Screws:

a. Silver/Grey Ruspert (SR/GR Screws)

Features

- Anti Corrosive Zinc plus Aluminum coating (Ruspert coating) on the surface
- Silver Grey Matt finish

b. Zinc Plated (ZP Screws)

Features

- Surface coating with Clear Zinc
- 10 Gauge Screw suitable for drilling 4 mm thick steel
- 12 Gauge Screw suitable for drilling 8 mm thick steel

c. Flathead

- CSK Head (Counter Sunk Flat Head)
- Case Hardened and Clear Zinc plated
- Suitable for drilling 3 mm thick steel
- Drill point No 2

d. Truss Head

- Button type Head
- Case hardened Clear Zinc plated
- Suitable for drilling 3 mm thick steel
- Drill Point No 2

Sales and Marketing

Our sales is managed by our sales officers, whereby they visit the sales depots on an weekly basis to maintain the record of our existing dealers and to strategize by targeting new dealers. All the stock points are update with the production details whereby such details are then update to the head office. The sales officers also report on monthly basis to the head office for monthly review followed by a planning and strategizing session with the Managing director.

Raw Materials

Raw materials like PVC Resin, Calcium Carbonate, Masterbatch, Red Mud, Stabilizers, etc are procured through our MOU with Chemplast Sanmar Limited and through domestic suppliers and through imports from China, Hongkong and South Korea.

Other Prospects

Our Company has also invested in generation of renewable energy projects as detailed below:

1. Windmill

- a) Two nos. of 250 KW capacity WEG (Wind Energy Generator) installed at SF.No. 48/2 of Perungudi Village, Tirunelveli, Tamil Nadu
- b) One no. of 600 KW capacity WEG (Wind Energy Generator) installed at 291/1 and 292/3 of Urmelalagian Village, Tenkasi, Tamil Nadu

The detail of Revenue Generated from windmill is mentioned below:

Year/Period	Revenue (Rs. In Lakhs)
2015-16	40.07
2016-17	69.05
2017-18	64.10
30.09.2018	35.07

2. Solar

- a) 203.2 KW at Solar panel was installed Akzo Nobel at E-19-20 MIDC, Mahad Tal - Mahad, District, Raigad, Maharashtra - 402301 for entire project period
- b) 99.2 KW at Big basket, No.92/1, Noombal Main Rd, Noombnal Village, Vanagaram, Chennai-600077
- c) 170 KW at Poly Tough Tubes Limited, 204 Kolambakkam Village, Madurantakam Taluk, Kanchipuram District.

The detail of Revenue Generated from Solar is mentioned below:

Year	Revenue (Rs. In Lakhs)
2015-16	0.03
2016-17	7.74
2017-18	23.53
30.09.2018	16.22

Our Location

Registered Office and Factory	Sedurapet Post, Thiruchitrambalam Via Pondicherry 605111 India
Head Office	No. 338, Thambu Chetty Street, Chennai 600001, Tamil Nadu, India.
Regional Office	8/462, Jeyam Buildings, Sankuvarthode, Chennai, Palakkad - 678003

Our Competitive Strength

We believe that the following are our primary competitive strength:

1. Diversified Product Portfolio and Strong Brand Image

Our Company has a varied product range from PVC Roofing sheets, Polycarbonate sheets, PVC Pipes and Self Drilling Screws. Our range of products allows our existing customers to source most of their product requirements under one roof and also enables us to expand our business from existing customers, as well as address a larger base of potential new customers. Over the years, we have successfully developed a strong and reliable brand image for our Company, which provides us a competitive edge over other competitor. Our brand is well known among our customers.

2. Experienced Management Team

We benefit from the leadership of our management team, which has extensive experience in PVC and Roofing industry. Our Promoter Mr. Vasnadu Govind has more than two (2) decades of experience in PVC and Roofing industry and we have successfully grown under his efficient leadership in the past. Our Promoter is actively involved in our operations and guides our Company with his vision and experience which we believe has been instrumental in sustaining our business operations. Our key managerial personnel are largely responsible for successful execution our growth strategy by developing new customer base and strengthening our customer relationships.

3. Quality Assurance and Standards

We believe in providing our customers the best possible quality. As a result of this, our quality management Systems is ISO 9001:2015 certified and we have received various awards and recognitions. We adopt stringent quality check process and quality check is done at every stage of manufacturing to ensure the adherence to desired specifications and quality. Since, our Company is dedicated towards quality products, processes and inputs; we get repetitive orders from our buyers, as we are capable of meeting their quality standards.

4. Extensive Dealer Network

Currently we are selling our products in Southern India which includes states like Tamil Nadu, Pondicherry, Andhra Pradesh and Kerala through our extensive dealer/distributors network. We are able to achieve our sales targets with the help of these dealers/distributors who sells our product in Southern India.

5. Dealing with overseas suppliers

We deal with overseas suppliers which widen our purchase to international market and gives us an competitive advantage. This provides us an access to the materials that may not be available locally and hence a route for us to source and meet the gap of non-availability of material.

The technical team of Our Company has enhanced technical and industrial knowledge through periodical discussions with the suppliers of our machineries and main raw material suppliers and also through participating in various industrial fairs conducted by related industries / products.

6. Research and Development

The Company is also having in-house R & D facility to test the product's hardness and elongation and UV transmission in PVC Roofing Sheets. For Polycarbonate sheet testing the dimension, linear length and bend and checking the light transmission passing through the product is taken place

7. Customer Satisfaction

Our Company focuses on attaining highest level of customer satisfaction. The progress achieved by us is largely due to our ability to address and exceed customer satisfaction. Our Company has always believed in assessing the market demands from time to time and providing our clients with the requisite products and services.

8. Strong financial position and profitability

Our total revenue and net profit as restated in the standalone financial statements have shown healthy in last Financial Year. Our total revenue from operations has increased from Rs. 8402.48 lakhs for Fiscal 2017 to Rs. 10240.07 lakhs for Fiscal 2018. Our net profit has increased from Rs. 206.25 lakhs for Fiscal 2017 to Rs. 412.39 lakhs for Fiscal 2018.

Our Business Strategy

1. Increasing our presence in existing and new Markets

Our Company has strong presence in Southern India including states like Kerala, Tamil Nadu, Pondicherry, Andhra Pradesh and Karnataka . We also have presence in Western India. Going forward we intend to focus on current markets to increase our customer base and to tap new market and increase our geographical reach and customer base particularly in Western India. We are planning to make distribution arrangements with selective dealers in Western India for increasing our sales in that region.

2. Providing value added services

Currently, we are providing timely delivery and educating the persons who are involved in the supply chain about the handling of our products and application of the products and also providing installation guidelines in the form of CD's. We also conduct fabricator meet to popularize our brand and also to enhance their technical knowledge.

3. Focus on cordial relations with our suppliers, customers and employees

We believe that developing and maintaining long term sustainable relationships with our suppliers, dealers/distributors and employees will help us in achieving the goals set, increasing sales and penetrating in to new markets. We offer wide range of products at competitive prices, which will help us achieve consumer satisfaction and build long term relationships, which will translate into repeated sales.

4. To build-up a professional organization

As an organization, we believe in transparency and commitment in our work and with our suppliers, customers, government authorities, banks, financial institutions etc. We have an experienced team of professionals for taking care of our day to day operations. Hence, the philosophy of professionalism is foundation stone of our business strategy and we wish to make it more sound and strong in times to come.

5. Optimal utilization of resources

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

6. Increase our goods transportation network and fleet size

We intend to widen our goods transportation network by exploring new regions and increasing our fleet size. As on date, we majorly cover state of Tamil Nadu, Andhra Pradesh, Pondicherry and Kerala and have started exploring state of Maharashtra. Further, we have a fleet of 8 trucks which enables us to not have dependency on any third party transportation. As part of our expansion strategy, we also intend to further expand our fleet.

7. Enhance operational controls to ensure timely delivery and quality service

We continue to focus on enhancing operational controls and cost efficiencies through optimal assets utilization, cost management and increasing asset life through preventive and predictive maintenance initiatives. Our ability to provide timely delivery and quality service is key to our reputation and further expansion of our business. We also continue to implement various measures aimed at incremental improvement in operational efficiencies to adopt industry best practices and training for our employees.

8. Brand Image

In order to increase our chances of exports, we have listed our company's products and brands in online business portals like Alibaba and India Mart.

Collaborations/Tie Ups/ Joint Ventures

The company has entered into a Co-operation agreement with Covestro (India) P Ltd, Mumbai on 1st October 2018 for manufacture and supply of Polycarbonate sheets for various projects.

Markets

We are selling our products through our dealer network to the end customers which are marketed by our sales team. We also have point of sales in 13 locations in addition to the factory location and strategically located business points in all the Southern states. In addition to the factory stocks, we are maintaining wide range of stocks in all the locations to ensure that there is no slippage of sales.

Competition

The manufacturing of Plastics products (PVC Roofing sheets) is exclusively made by ur Company in Southern India. However, metal sheets are used as an alternative for PVC Sheet by commercial and industrial customers.

Awards and Accreditations

Some of the prominent certifications and recognitions received by our Company are the following:-

1. On April 30, 2018 our Company received credit rating of MSE 2 from Crisil which is valid till April 29, 2019
2. ISO 9001:2015 for the scope of activities of Manufacturer and Exporter of Rigid u PVC pipes & fittings and PVC Roofings sheets, PVC Ridges, Trading of Polycarbonate Sheets & Screws
3. IS 4985:2000 for Unplasticized PVC pipes for potable water supplies

Utilities

Raw Material

The main Raw Material is sourced locally. The list of top ten suppliers as on September 30, 2018 is as follows:

Sr. No.	Name	Amount (Rs. In Lacs)
1.	COVESTERO (HONG KONG)LTD	1819.39
2.	SHREE GANESH PLAST PRODUCTS	1098.55
3.	POLY TOUGH TUBES LTD	1003.16
4.	LOTTE ADVANCED MATERIALS CO LTD	330.14
5.	CHEMPLAST SANMAR LTD	326.68
6.	SABIC ASIA PACIFIC PTE LTD	248.00
7.	OVERSEAS POLYMERS PVT LTD	194.60
8.	AROMA ORGANICS LIMITED	146.43
9.	SCG PLASTICS CO LTD	111.08
10.	POLY PIPES INDIA (P) LTD	103.48
11.	TOKEN INTERNATIONALBUSINESS PTE LTD	90.64
Total		5472.15

Power

The main utility required is Power. We have made necessary arrangements for regular uninterrupted power supply at our factory. We meet our power requirements from the connection taken from Puducherry Electricity Department at our factory premises. Details of Electricity connection is as follows:-

Name of Electric Supplying Company	Total meter in factory	Electricity Consumer No.	Sanctioned Electricity Load	
			Unit of measurement (HP/KHH/Others)	Quantity
Puducherry Electricity Department	1	216	KW/HR	1100KVA

Water

Our operations require water in the course of the production, Chillers (40 TR – 20 Nos. & 30 TR 1 No.) and cooling towers (100 TR – 2 Nos.) were installed for supply of water to the machines (40TR 2 .

The Company has also installed 1000 LPH RO plant Ltr per hour for the propose of drinking and chiller circulation water.

There is no effluent wastage of water from the production process, since until the last evaporation stage the water was recycled through the cooling towers and chillers. The water is supplied by PIPDIC (Pondicherry Industrial Promotion Development and Investment Corporation Ltd).

Manpower



Our Company is committed towards creating an organization that nurtures talent. We provide our employees an open atmosphere with a continuous learning platform that recognizes meritorious performance.

The detail of our employees as on September 30, 2018 is as follows-

Category	Company Pay Roll	Contract Labour	Total
Director	2	0	2
Skilled	73	0	73
Semi Skilled	51	1	52
Unskilled	15	30	45
Total	141	31	172

Intellectual Property

We have made application for following trademarks with the Trade Marks Registry. The details of which are as follows:

Trademark	Trademark Type	Classes	Application No.	Certificate No.	Date of Application	Valid Upto	Status
	DEVICE	19	1944716	1167343	April 01, 2010	April 01, 2020	Registered
	DEVICE	17	1790163	1031685	February 27, 2009	February 27, 2029	Registered
LOTUS	WORD	19	3413697	1577861	November 18, 2016	November 18, 2026	Registered
LOTUS	WORD	17	3413696	1578949	November 18, 2016	November 18, 2026	Registered

Registered domain names relating to Our Company-

Sr. No.	Domain Name	Valid up to
1.	lotusroofings.com	November 27, 2019

Insurance

S.NO.	POLICY NO.	NAME OF INSURANCE COMPANY	INSURANCE DETAILS	PROPERTY INSURED	SUM INSURED (In Rs.)	PREMIUM (In Rs.)	PERIOD OF INSURANCE
1.	OG-19-1501-1801-00021412	Bajaj Allianz General Insurance Company Limited	Motor Insurance	Maruti-Swift Dzire	350879	7005	11.01.2019 to 10.01.2020
2.	2311 2026 3263 2600 000	Hdfc Ergo General Insurance Company Limited	Motor Insurance	Toyota- In - Nova	1885900	37236	03.02.2019 to 02.02.2020
3.	OG-19-1501-1802-00006903	Bajaj Allianz General Insurance Company Limited	Motor Insurance	Honda Activa	25793	1090	13.03.2019 to 12.03.2020
4.	VPC07327 98000103	Royal Sundram General Insurance Co. Limited	Motor Insurance	Volkswagen	1166210	19996	27.03.2019 to 26.03.2020
5.	OG-19-1501-1803-00012659	Bajaj Allianz General Insurance Company Limited	Motor Insurance	Mahindra	421846	19182	28.03.2018 to 27.03.2019
6.	OG-19-1501-1802-00006904	Bajaj Allianz General Insurance Company Limited	Motor Insurance	Tvs Super	11165	599	28.03.2019 to 27.03.2020
7.	VGC0511 113000100	Royal Sundram General Insurance Company Limited	Motor Insurance	Bharat Benz	6,62,300	34172	29.04.2018 to 28.04.2019
8.	VGC0511 111000100	Royal Sundram General Insurance Co. Limited	Motor Insurance	Bharat Benz	6,59,200	38587	29.04.2018 to 28.04.2019
9.	FM001021 00000100	Royal Sundram General Insurance Co. Limited	Standard Fire And Special Perils Policy	Building, Schindler Elevators (Lift)	1,29,07,256	3839	14.05.2018 to 13.05.2019

10.	FM001020 98000100	Royal Sundram General Insurance Co. Limited	Standard Fire And Special Perils Policy	Solar Power Plant	1,47,52,000	17411	14.05.2018 to 13.05.2019
11.	2315 2022 2617 5300 000	Hdfc Ergo General Insurance Company Limited	Motor Insurance	Bharat Benz Truck	15,00,000	45648	18.05.2018 to 17.05.2019
12.	OG-19- 1501- 4001- 00001140	Bajaj Allianz General Insurance Company Limited	Standard Fire And Special Perils Policy	Solar Power Plant	1,14,93,757	5761	19.05.2018 to 18.05.2019
13.	OG-19- 1501- 4010- 00000335	Bajaj Allianz General Insurance Company Limited	Burglary Insurance	Solar Power Plant	1,14,93,757	2713	19.05.2018 to 18.05.2019
14.	FM000959 91000102	Royal Sundram General Insurance Co. Limited	Standard Fire & Special	Building	3,00,00,000	7730	07.06.2018 to 06.06.2019
15.	010100311 8P1029602 58	United India Insurance Company Limited	Motor Insurance	Mahendra & Mahendra Tuv	6,67,547	17298	02.06.2018 to 01.06.2019
16.	411401/31/ 2019/1048	The Oriental Insurance Company Limited	Motor Insurance	Truck	6,50,000	35601	10.06.2018 to 09.06.2019
17.	120321823 120149976	Reliance General Insurance Company Limited	Motor Insurance	Honda Unicorn	50,000	1653	17.06.2018 to 16.06.2019
18.	3003/1499 82086/00/0 00	Icici Lombard General Insurance Company Limited	Motor Insurance	Barath Benz Truck	6,99,000	32559	17.06.2018 to 16.06.2019
19.	OG-19- 1501- 4001- 00002214	Bajaj Allianz General Insurance Company Limited	Standard Fire And Special Perils Policy	Commercial Building	2,08,00,000	8806	22.06.2018 to 21.06.2019
20.	OG-19- 1501- 4001- 00002230	Bajaj Allianz General Insurance Company Limited	Standard Fire And Special Perils Policy	Building	2,88,00,000	6118	26.6.2018 to 25.06.2019

21.	OF-19-1501-4001-0002235	Bajaj Allianz General Insurance Company Limited	Standard Fire And Special Perils Policy	Building	4,70,87,000	9222	26.06.2018 to 25.06.2019
22.	OG-19-1501-1801-0007096	Bajaj Allianz General Insurance Company Limited	Motor Insurance	Porsche Cayenne	64,40,000	46682	29.06.2018 to 28.06.2019
23.	OG-19-1501-1802-00002506	Bajaj Allianz General Insurance Company Limited	Motor Insurance	Bajaj Discover	39,950	1334	23.07.2018 to 22.07.2019
24.	2315 2023 4895 8400 000	Hdfc Ergo General Insurance Company Limited	Motor Insurance	Bharat Benz Truck	8,00,000	30917	03.08.2018 to 06.08.2019
25.	OG-19-1501-1801-00010545	Bajaj Allianz General Insurance Company Limited	Motor Insurance	Maruti Ritz	3,28,050	5979	09.08.2018 to 08.08.2019
26.	3003/1539 58733/00/000	Icici Lombard General Insurance Company Limited	Motor Insurance	Bharatbenz	8,00,000	30924	25.08.2018 to 24.08.2019
27.	OG-19-1501-1802-00003358	Bajaj Allianz General Insurance Company Limited	Motor Insurance	Honda-Shine	22,130	1092	26.08.2018 to 25.08.2019
28.	FM001000 58000101	Royal Sundram General Insurance Co. Limited	Stock Insurance	Stocks At Factory And Branches	27,78,77,113	146133	07.09.2018 to 08.09.2019
29.	FM001000 52000101	Royal Sundram General Insurance Co. Limited	Standard Fire And Special Perils Policy	Buildings, Office Equipments Furniture And Fittings At Factory	20,10,34,599	93098	07.09.2018 to 06.09.2019
30.	FM001000 59000101	Royal Sundram General Insurance Co. Limited	Standard Fire And Special Perils Policy	Computer,Ac, Electrical,Furniture	25,09,580	803	07.09.2018 to 06.09.2019
31.	OG-19-1501-1802-	Bajaj Allianz General Insurance	Motor Insurance	Honda-Activa	18,217	1004	07.09.2018 to 06.09.2019

	00003596	Company Limited					019
32.	VGC0477 577000101	Royal Sundram General Insurance Co. Limited	Motor Insurance	Bharatbens	15,86,000	59719	05.10.2018 to 04.10.2019
33.	OG-19-1501-1802-00004238	Bajaj Allianz General Insurance Company Limited	Motor Insurance	Tvs-XI-Super	10,800	1537	07.10.2018 to 06.10.2019
34.	2311 2015 1363 8602 000	Hdfc Ergo General Insurance Company Limited	Motor Insurance	Bmw	29,16,000	53423	10.10.2018 to 09.10.2019
35.	12057393	Iffco-Tokio General Insurance Company Limited	Standard Fire And Special Perils Policy	Wind Mills	3,60,00,000	19351	28.11.2018 to 27.11.2019
36.	32113118	Iffco-Tokio General Insurance Company Limited	Machinery Breakdown	Wind Mills	3,60,00,000	169920	28.11.2018 to 27.11.2019
37.	44190056	Iffco-Tokio General Insurance Company Limited	Burglery & Housebreaking	Wind Mills	3,60,00,000	12140	28.11.2018 to 27.11.2019
38.	41043668	Iffco-Tokio General Insurance Company Limited	Public Liability	Wind Mills	30,00,000	11873	28.11.2018 to 27.11.2019
39.	201250040 118705417 400000	Liberty General Insurance Limited	Motor Insurance	Tvs Motors Apache	38,000	1493	22.12.2018 to 21.12.2019
40.	201250040 118705402 800000	Liberty General Insurance Limited	Motor Insurance	Honda Activa	45920	1442	22.12.2018 to 21.12.2019

PROPERTIES

Details of our properties are as follows:

Owned Properties

S.No .	Address of Property	Area	Name of The Seller	Consideration	Nature of Property	Status of use of the Property	Period of Lease
1	R.S.No.41/5a, Sedarapet, Puducherry 605 111	0.54 Hectare	Tmt.Lakshmambal And Tmt. Ramu Ammakl	Rs.35637/-	Land With Building	Pvc Roofing Sheets, Door Panels, Pipes And Polycorbante Sheets Manufacturing Factory	Own Property
2	R.S.No.40/3, Sedarapet, Puducherry 605 111	0.64 Hectare	Thiru. Jayaram Naidu	Rs.40673/-	Land With Building	Pvc Roofing Sheets,Door Panels, Pipes And Polycorbante Sheets Manufacturing Factory	Own Property
3	R.S.No.40/2, Sedarapet, Puducherry 605 111	0.64 Hectare	Tmt. Lakshmambal And Thiru.Ponnaji Naidu	Rs.40991/-	Land With Building	Pvc Roofing Sheets,Door Panels, Pipes And Polycorbante Sheets Manufacturing Factory	Own Property
4	S No. 62/2, 62/3, 62/4. No. 204, Madurantakam Taluk, Gst Road, Kolambakkam Village, Kanchipuram – 6033061	0.42 Hectare	Mr. Rakesh Goayl	Rs.10,01,000 /-	Land	Vacant Land	Own Property
4	R.S.No.37/5, Pt. And 37/6 Pt Sedarapet, Puducherry 605 111	4200 Sq. Mtr.	Pondicherry Industrial Promotion Development And Investment Corporation Limited	Rs.18,90,000	Land And Building	Pvc Sheets Storage Area	Lease Period 99 Years
5	Survey Number 48/1 And 48/2 At Tirunelveli District	0.40.49 And 0.40.49	Southern Estates	Rs.55,000/- And Rs.55000/-	Land	Two Nos. Of 250 Kw Capacity Weg Installed	Own Property

6	Survey Number 291/1 And 292/3 At Tenkasi Registration District	0.15.79 Hectare	Rrb Energy Limited	Rs.491991	Land	Installation Of Windmill 600 Kav	Own Property
7	No 135/1/D, 1/530, Thiruvellore High Road, Redhills, Chennai 600052	388 Sqft	Parthasarathy	Rs.2328000	Land	Vacant Land	Own Property

Leased Properties

Sr. No	Address of Property	Name of the Seller/Lessor	Consideration	Nature of Property	Status of use of the Property	Period of Lease
1.	Kannusamy Gounder Street Sanganoor Coimbatore-641 027	M/s.K Manimegalai & S P Sarvesh	Advance: Rs.1,85,000/- Rent: 31,950/pm	Rental	Godown	1-11-2017 to 30-9-2020
2.	Door New No.41/1198, Old No.18/794, Aiswarya, English Church Road Palakkad	E Kuttyraman Nair	Security Deposit: Rs.30,000/- Rent: Rs.12,663/pm	Rental	Regional Office	1-12-2018 to 31-10-2019
3.	Door No.1A Victory Field Road Opp. Arul Church Madhavaram Chennai-600 060	Rajesh Ramachandran Sreenivas & Company	Advance Rs.2,50,000/- Rent: Rs.50,253/pm	Rental	Godown	1-4-2017 to 31-3-2020
4.	Valayannad Amsom, East Kallayi Kozhikode Taluk, Ward No.19 Kozhikode Corporation	M Sunanda & V Chithra	Advance Rs.2,10,000/- Rent: Rs.73,500/pm	Rental	Godown	1-8-2018 to 31-7-2020
5.	8/462, Jeyam Buildings Sankuvarthode Kalpathy Road Palghat	R Aruna	Advance Rs.1,00,000/- Rent: Rs.54,800/pm	Rental	Godown	1-01-2019 to 31.12.2020

6.	1/2A, Samiar Thoppu Madurai-Ramnad Highways Road Viraganoor Madurai-625 009	T R Vivekanandan	Advance Rs.5,00,000/- Rent: Rs.72,000/p m	Rental	Godown	1-6-2016 to 31-5-2022
7.	No.3, 8th Cross, H Siddaiah Road Bangalore-560 027	Asadullah Khan Nasrullah Khan Sadathullah Khan	Security deposit- 172500 ,Lease rent 25875	Rental	Godown	1-12-18 to 30-11.2021
8.	IX/439A, Krishnapuram Road Karthikappalli Taluk Kayamkulam Alapuzha-690 533	Metro Agencies	Rent & Electricity - Rs.15,000/p m	C&F point	Stock Point	Since 2-6-2009
9.	No.C-45, Thiru-Vi-Ka Indl. Estate, Guindy Chennai-600 032	Precision Products	Rent Rs.9000/pm	Vacant land	Construction and use of Office Building	18-6-2018 to 17-6-2027
10.	Door No.VP IV 151 & IV 152 Vellanad Gramma Panchayath Nedumagad Taluk Tiruvananthapuram	Sivakumar	Lease Rent Rs.5000/pm	C&F point	Stock Point	1-8-2018 to 30-6-2019
11.	Muthamizh Nagar Sedarapet, Pondicherry 605002	Mr/Mrs Gopal Counder	Lease Rent Rs.3700/pm	House	Factory Staff	July 2018 to May 2019
12.	Building No XVIII/1138/2, Govt High School Stadium Road, Payyanur	Mr Suresh Shenoy	Lease Rent of Rs 3000/pm	Rental	Godown	1-6-2017 to 31-5-2019

13.	Plot No-4, Phase-1, I.D.A. Jeedimetla, Opp Sub Station, Shapoor Nagar, Hyderabad, Telangana - 500055	M/s. Mahalakshmi Spun Pipes Company	Lease Rent of Rs.67,000/- p.m.	Rental	Godown	01-10-2018 to 30-09- 2020
14.	XV/455, Mariyapady, Karumalloor , U.C College (Post) , Aluva, Ernakulam - 683102	Rafeesh Khan.P.M	Lease Rent Rs.25000/- p.m.	Rental	Godown	1-1-19 to 31-12-2021
15.	New No. 338 (Old No. 165), 4th Floor, Thambu Chetty Street, Chennai – 600001, India	Vasanadu Govind	12000 per month	Rental	Corporate office	10-09-2018 to 09-08- 2019
16.	New No. 338 (Old No. 165), 2nd Floor, Thambu Chetty Street, Chennai – 600001, India	Mycol International Agencies	18000 per month	Rental	Corporate office	03-09-2018 to 2-08- 2019
17.	No.B2-22, Navalur Village, Egattur Village, Chengalput Taluk, Kancheepura m District	Mrs. V. Nagaprasanna	Rent: Rs. 50000/- p.m.	Rental	Guest House	01-04-2018 to 31-01- 2020

KEY INDUSTRY REGULATIONS AND POLICIES

The business of our Company requires, at various stages, the sanction of the concerned authorities under the relevant Central, State legislation and local laws. The following description is an indicative summary of certain key industry laws, regulations and policies as notified by the Government of India or State Governments, which are applicable to our Company. The information set below has been obtained from various legislations including rules and regulations promulgated by the regulatory bodies that are available in the public domain. The regulations set below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice.

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

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

CORPORATE LAWS

The Companies Act, 1956 and the Companies Act, 2013

The consolidation and amendment in the law relating to the Companies Act, 1956 made way to the enactment of the Companies Act, 2013. The Companies Act 1956 is still applicable to the extent not repealed and the Companies Act, 2013 is applicable to the extent notified. The act deals with incorporation of companies and the procedure for incorporation and post incorporation. The conversion of private company into public company and vice versa is also laid down under the Companies Act, 2013. The procedure relating to winding up, voluntary winding up, appointment of liquidator also forms part of the act. The provision of this act shall apply to all the companies incorporated either under this act or under any other previous law. It shall also apply to banking companies, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force. A company can be formed by seven or more persons in case of public company and by two or more persons in case of private company. A company can even be formed by one person i.e., a One Person Company. The provisions relating to forming and allied procedures of One Person Company are mentioned in the act.

Further, Schedule V (read with sections 196 and 197), Part I lay down the conditions to be fulfilled for the appointment of a Managing or Wholetime Director or manager. It provides the list of acts under which if a person is prosecuted, he cannot be appointed as the Director or Managing Director or Manager of the firm. The provisions relating to remuneration of the Directors payable by the companies is under Part II of the said schedule.

In the functioning of the corporate sector, although freedom of companies is important, protection of the investors and shareholders, on whose funds they flourish, is equally important. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

INDUSTRIAL LAWS**The Industrial (Development and Regulation) Act, 1951**

In order to provide the Central Government with the means to implement its industrial policies, several legislations have been enacted and amended in response to the changing environment. Out of these several legislations, one of the most important is the Industries (Development and Regulation) Act, 1951 (IDRA) which was enacted in pursuance of the Industrial Policy Resolution, 1948. The Act was formulated for the purpose of development and regulation of industries in India by the Central Government.

The Factories Act, 1948

The Factories Act, 1948 (Factories Act) aims at regulating labour employed in factories. The main aim of the said Act is to ensure adequate safety measures and to promote the health and welfare of the workers employed in factories initiating various measures from time to time to ensure that adequate standards of safety, health and welfare are achieved at all the places.

Under the Factories Act, the State Government may make rules mandating approval for proposed factories and requiring licensing and registration of factories. The Factories Act makes detailed provision for ensuring sanitary conditions in the factory and safety of the workers and also lays down permissible working hours, leave etc. In addition, it makes provision for the adoption of worker welfare measures. The prime responsibility for compliance with the Factories Act and the rules there under rests on the occupier, being the person who has ultimate control over the affairs of the factory. The Factories Act states that save as otherwise provided in the Factories Act and subject to provisions of the Factories Act which impose certain liability on the owner of the factory, in the event there is any contravention of any of the provisions of the Factories Act or the rules made thereunder or of any order in writing given thereunder, the occupier and the manager of the factory shall each be guilty of the offence and punishable with imprisonment or with fine. The occupier is required to submit a written notice to the chief inspector of factories containing all the details of the factory, the owner, manager and himself, nature of activities and such other prescribed information prior to occupying or using any premises as a factory. The occupier is required to ensure, as far as it is reasonably practicable, the health, safety and welfare of all workers while they are at work in the factory.

The 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 for Legal Metrology (General) Rules, 2011, which may be followed for due compliance, if the respective State does not provide for Rules in this regard.

The Industrial Disputes Act, 1947 and Industrial Dispute (Central) Rules, 1957

Industrial Dispute Act, 1947 and the Rules made thereunder provide for the investigation and settlement of industrial disputes. The Industrial Disputes Act, 1947 (IDA) was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. Workmen under the IDA have been provided with several benefits and are protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond a prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. Employees may also be subject to the terms of their employment contracts with their employer, which contracts are regulated by the provisions of the Indian Contract Act, 1872. The IDA also sets out certain requirements in relation to the termination of the services of the workman. The IDA includes detailed procedure prescribed for resolution of disputes with labour, removal and certain financial obligations up on retrenchment. The Industrial Dispute (Central) Rules, 1957 specify procedural guidelines for lock - outs, closures, lay-offs and retrenchment.

EMPLOYMENT AND LABOUR LAWS**The Employees' Provident Fund and Miscellaneous Provisions Act, 1952**

The Employees Provident Funds and Miscellaneous Provisions Act, 1952, as amended from time to time ("EPF Act"), mandates provisioning for provident fund, family pension fund and deposit linked insurance in factories and other establishments for the benefits of the employees. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPF Act, the employers are required to contribute to the employees' provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution to the fund. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments require to be made under the above-mentioned schemes.

Under the EPF Act, the Central Government has framed the "Employees Provident Fund Scheme", "Employees Deposit Linked Insurance Scheme" and "the Employees Family Pension Scheme".

The Employees' State Insurance Act, 1948 (the "ESI Act")

The Employees State Insurance Act, 1948 (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. Employers of factories and establishments covered under the ESI Act are required to pay contributions to the Employees State Insurance Corporation, in respect of each employee at the rate prescribed by the Central Government. The return of the contribution made is required to be filed with the Employee State Insurance department. Companies which are controlled by the Government are exempt from this requirement if employees receive benefits similar or superior to the benefits prescribed under the ESI Act. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

The Equal Remuneration Act, 1976

Equal Remuneration Act, 1976 was enacted with the aim of state to provide Equal Pay and Equal Work as envisaged under Article 39 of the Constitution. The act provides for payment of equal remuneration to men and women workers and for prevention of discrimination, on the ground of sex, against female employees in the matters of employment and for matters connected therewith.

The Maternity Benefits Act, 1961

The Maternity Benefit Act, 1961, as amended from time to time ("Maternity Benefit Act"), is aimed at regulating the employment of women in certain establishments for certain periods before and after child birth and for providing for maternity benefit and certain other benefits. It provides inter-alia for payment of maternity benefits, medical bonus and enacts prohibition on dismissal, reduction of wages paid to pregnant women etc. The Maternity Benefit (Amendment) Bill 2016 (the "Amendment Bill"), an amendment to the Maternity Benefit Act, 1961 ("Act"), was passed in Lok Sabha on March 09, 2017, in Rajya Sabha on August 11, 2016 and received an assent from President of India on March 27, 2017.

It applies to all establishments which are factories, mines, plantations, Government establishments, shops and establishments under the relevant applicable legislations, or any other establishment as may be notified by the Central Government.

The Minimum Wages Act, 1948

The Minimum Wages Act came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. State Governments may stipulate the minimum wages applicable to a particular industry engaged to do any work skilled, unskilled, manual or clerical (including out-workers) in any employment listed in the schedule to the Minimum Wages Act. The minimum wages may consist of a basic rate of wages and a special allowance; or a basic rate of wages with or without the cost of living allowance and the cash value of the concessions in respect of supplies of essential commodities; or an all-inclusive rate allowing for the basic rate, the cost of living allowance and the cash value of the concessions, if any. Every employer is required to maintain such registers and records as prescribed by the Minimum Wages Act.

Workmen are to be paid for overtime at overtime rates stipulated by the appropriate State Government. The appropriate State Government may prescribe rules including the mode of calculating the cash value of wages, time and conditions of payment and permissible deductions from wages. The Minimum Wages Act prescribes penalties for non-compliance by employers for payment of the wages fixed.

The Payment of Bonus Act, 1965

Pursuant to the Payment of Bonus Act, 1965, as amended, an employee in a factory or in any establishment where 20 (twenty) or more persons are employed on any day during an accounting year, is eligible to be paid a bonus. It further provides for the payment of minimum and maximum bonus and linking the payment of bonus with the production and productivity.

The Payment of Gratuity Act, 1972

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

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

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

A shop or establishment to which this act has become applicable shall be continued to be governed by this act irrespective of the number of persons falling below ten at any day.

The Payment of Wages Act, 1936

Payment of Wages Act, 1936, as amended, (“**Wages Act**”) is aimed at regulating the payment of wages to certain classes of persons employed in certain specified industries and to ensure a speedy and effective remedy for them against illegal deductions or unjustified delay caused in paying wages to them. It contains provisions in relation to, *inter alia*, the responsibility for payment of wages, fixing of wage periods, time of payment of wages, and maintenance of registers and records. It applies to the persons employed in a factory, industrial or other establishment or in railway, either directly or indirectly, through a sub-contractor. The Government of India is responsible for enforcement of the Act in railways, mines, oilfields and air transport services, while the State Governments are responsible for its enforcement in factories and other industrial establishments.

The Child Labour (Prohibition and Regulation) Act, 1986

The Child Labour (Prohibition & Regulation) Act, 1986, as amended from time to time (“Child Labour Act”) was enacted to prohibit the engagement of children below the age of fourteen years in certain specified occupations and processes and to regulate their conditions of work in certain other employments. No child shall be required or permitted to work in any establishment in excess of such number of hours, as may be prescribed for such establishment or class of establishments. Every child employed in an establishment shall be allowed in each week, a holiday of one whole day, which day shall be specified by the occupier in a notice permanently exhibited in a conspicuous place in the establishment and the occupier shall not alter the day so specified more than once in three months.

Contract Labour (Regulation and Abolition) Act, 1970 (“CLRA”)

The Contract Labour (Regulation and Abolition) Act, 1970 has been enacted to regulate the employment of contract labour in certain establishments, the regulation of their conditions and terms of service and to provide for its abolition in certain circumstances. The CLRA applies to every establishment in which 20 or more workmen are employed or were employed on any day of the preceding 12 months as contract labour. The CLRA vests the responsibility on the principal employer of an establishment to which the CLRA applies to make an application to the registered officer in the prescribed manner for registration of the establishment. In the absence of registration, a contract labour cannot be employed in the establishment. Likewise, every contractor to whom the CLRA applies is required to obtain a license and not to undertake or execute any work through contract labour except under and in accordance with the license issued. To ensure the welfare and health of the contract labour, the CLRA imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal

employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA.

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

The Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("SHWPPR Act") provides for protection against sexual harassment at the workplace to women and prevention and redressal of complaints of sexual harassment. The Act defines "Sexual Harassment" to include any unwelcome sexually determined behaviour (whether directly or by implication). "Workplace" under the Act has been defined widely to include government bodies, private and public sector organizations, non-governmental organizations, organizations carrying on commercial, vocational, educational, entertainment, industrial, financial activities, hospitals and nursing homes, educational institutes, sports institutions and stadiums used for training individuals. The Act requires an employer to set up an "Internal Complaints Committee" at each office or branch, of an organization employing at least 10 employees. The Government in turn is required to set up a "Local Complaint Committee" at the district level to investigate complaints regarding sexual harassment from establishments where our internal complaints committee has not been constituted.

FOREIGN REGULATIONS

The Foreign Trade (Development and Regulation) Act, 1992 ("FTA")

In India, the main legislation concerning foreign trade is FTA. The FTA read along with relevant rules provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. As per the provisions of the Act, the Government:- (i) may make provisions for facilitating and controlling foreign trade; (ii) may prohibit, restrict and regulate exports and imports, in all or specified cases as well as subject them to exemptions; (iii) is authorized to formulate and announce an export and import policy and also amend the same from time to time, by notification in the Official Gazette; (iv) is also authorized to appoint a 'Director General of Foreign Trade' for the purpose of the Act, including formulation and implementation of the Export – Import(EXIM) Policy. FTA read with the Indian Foreign Trade Policy provides that no export or import can be made by a company without an Importer-Exporter Code number unless such company is specifically exempt. An application for an Importer-Exporter Code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce.

The Foreign Exchange Management Act, 1999 (the "FEMA") and Rules and Regulations made thereunder

Export of goods and services outside India is governed by the provisions of the FEMA, read with applicable regulations. The export is governed by these regulations which make various provisions such as declaration of exports, procedure of exports as well as exemption. 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 concerned authorities and/or 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. 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 thereunder, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India.

ENVIRONMENTAL LAWS

The Environment (Protection) Act of 1986 ("EPA")

The EPA has been formulated by the Government of India for the protection and improvement of the environment in India and for matters connected there with. The EPA is an umbrella legislation designated to provide a framework for the Government of India to co-ordinate activities of various state and central authorities established under previous environmental laws. The scope of the EPA is very broad with the term "environment" being defined to include water; air and land; human beings; and other living creatures, plant, micro-organisms and property. The EPA vests the Government of India with the power to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and for preventing, controlling and abating environmental pollution. This includes the power to make rules for among other things, determining the quality of environment, standards for emission or discharge of environmental pollutants from various sources, inspection of any premises, plant, equipment, machinery, examination of manufacturing processes and materials likely to cause pollution. The EPA also prohibits any person carrying on any industry, operation or process from discharging or emitting or permitting to be discharged or emitted any environmental pollutants in excess of such standards as may be prescribed.

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

The Act provides for the prevention and control of water pollution and the maintaining or restoring of wholesomeness of water, for the establishment, with a view to carrying out the purposes aforesaid, of Boards for the prevention and control of water pollution, for conferring on and assigning to such Boards powers and functions relating thereto and for matters connected therewith. The Act defines pollution as such contamination of water or such alteration of the physical, chemical or biological properties of water or such discharge of any sewage or trade effluent or of any other liquid, gaseous or solid substance into water (whether directly or indirectly) as may, or likely to create a nuisance or render such water harmful or injurious to public health or safety, or to domestic, commercial, industrial, agricultural or other legitimate uses, or to the life and health of animals or plants or of aquatic organisms. The Act envisages establishing a Central Board as well as State Board for Prevention and Control of Water Pollution.

Accordingly, the previous consent of the Board constituted under the Act must be obtained, for establishing or taking steps to establish operation or process, or any treatment and disposal system or any extension or addition thereto, which is likely to discharge sewage or trade effluent into a stream or well or sewer or on land. Such previous consent is required for bringing into use any new or altered outlet for the discharge of sewage or for the new discharge of sewage. If at any place where any industry, operation or process, or any treatment and disposal system or any extension or addition thereto is being carried on, due to accident or other unforeseen act or event, any poisonous, noxious or pollution matter is being discharged, or is likely to be discharged into a stream or well or sewer or on land and, as a result of such discharge, the water in any stream or well is being polluted, or is likely to be polluted, then the person in charge of such place shall forthwith intimate the occurrence of such accident, act or event to the Board constituted under the Act and such other authorities or agencies as may be prescribed.

The Air (Prevention and Control of pollution) Act, 1981

The Act provides for the prevention, control and abatement of air pollution, for the establishment, with a view to carrying out the aforesaid purposes of Boards for conferring on and assigning to such Boards powers and functions relating thereto and for matters connected therewith.

The Act envisages establishing a Central Board as well as State Pollution Control Boards in each State. The Central Board constituted under Water (Prevention and Control of Pollution) Act, 1974, shall, without prejudice to its powers and functions under this Act, shall also exercise the powers and perform the functions of the Central Board under the Prevention and Control of Air Pollution. Similarly, if in any State, the State Government has constituted for that State, a State Board for the Prevention and Control of Water Pollution, then such State Board shall be deemed to be the State Board for the Prevention and Control of Air Pollution and exercise the powers and perform the functions of the State Board for the Prevention and Control of Air Pollution also.

As per the Act, no person operating any industrial plant, in any air pollution control area (so declared under Section 19 of the Act) shall discharge or cause or permit to be discharged the emission of any air pollutant in excess of the standards laid down by the Board constituted under the Act. Further, no person shall, without the previous consent of the Board constituted under the Act, establish or operate any industrial plant in an air pollution control area.

The Act further prescribes certain compliances with regard to the reporting and prevention of accidents. Thus, where in any area the emission of any air pollutant into the atmosphere in excess of the standards laid down by the Board constituted under the Act occurs or is apprehended to occur due to accident or other unforeseen act or event, the person in charge of the premises from where such emission occurs or is apprehended to occur shall forthwith intimate the fact of such occurrence or the apprehension of such occurrence to such Board and to such authorities or agencies as may be prescribed by the Act.

The Noise Pollution (Regulation & Control) Rules 2000 ("Noise Regulation Rules")

The 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.

The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016

These rules require that the occupier and the operator of the facility, that treats hazardous wastes, must properly collect, treat, store or dispose the hazardous wastes without adverse effects on the environment.

The Public Liability Insurance Act, 1991

This Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability Act mandate that the employer has to contribute towards the environment relief fund, a sum equal to the premium paid on the insurance policies. The amount is payable to the insurer.

TAX RELATED LAWS**The Income Tax Act, 1961**

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

The Professional Tax

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

The Goods and Services Tax ("GST")

The Goods and Services Tax (GST) has replaced erstwhile taxes levied and collected by the Central Government: central excise duty, service tax, central surcharges, cesses so far as they relate to supply of goods and services etc. State taxes that have been subsumed by the GST are State VAT, central sales tax, luxury tax, taxes on advertisements, purchase tax, state surcharges, cesses so far as they relate to supply of goods and services etc. The GST would be now applicable on the supply of goods or services as against the present concept of tax on the manufacture and sale of goods or provision of services. It is a destination based consumption tax. It is dual GST with the Central and State Governments simultaneously levying it on a common tax base. The GST to be levied by the Centre on intra-State supply of goods and / or services is called the Central GST ("CGST") as provided by the CGST Act and that to be levied by the States is called the State GST ("SGST") as given under the SGST Acts. An Integrated GST ("IGST") under the IGST Act is to be levied and collected by the Centre on inter-State supply of goods and services.

The CGST and SGST is to be levied at rates to be jointly decided by the Centre and States. The rates are notified on the recommendations of the GST Council. There is a floor rate with a small band of rates within which the States may fix the rates for SGST. The list of exempted goods and services is common for the Centre and the States. Tax payers are allowed to take credit of taxes paid on inputs ('input tax credit') and utilize the same for payment of output tax. However, no input tax credit on account of CGST is to be utilized towards payment of SGST and vice versa. The credit of IGST is permitted to be utilized for payment of IGST, CGST and SGST in that order.

Every person liable to take registration under these Acts shall do so within a period of 30 days from the date on which he becomes liable to registration. The Central/State authority shall issue the registration certificate upon receipt of application. The Certificate shall contain fifteen digit registration numbers known as Goods and Service Tax Identification Number (GSTIN). In case a person has multiple business verticals in multiple locations in a state, a separate application will be made for registration of each and every location. The registered assessee is then required to pay GST as per the rules applicable thereon and file the appropriate returns as applicable thereon.

INTELLECTUAL PROPERTY RELATED LAWS

The Trademark Act, 1999

The Trade Marks Act provides for the application and registration of trademarks in India. Under the Trademarks Act, a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A 'mark' may consist of a device, brand, heading, label, ticket, name signature, word, letter, numeral, shape of goods, packaging or combination of colours or any combination thereof. Section 18 of the Trademarks Act requires that any person claiming to be the proprietor of a trade mark used or proposed to be used by him, must apply for registration in writing to the registrar of trademarks. The trademark, once applied for and which is accepted by the Registrar of Trademarks ("the Registrar"), is to be advertised in the trademarks journal by the Registrar. Oppositions, if any, are invited and, after satisfactory adjudications of the same, a certificate of registration is issued by the Registrar. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is 10 (ten) years, which may be renewed for similar periods on payment of a prescribed renewal fee.

Indian Patents Act, 1970

A patent is an intellectual property right relating to inventions and is the grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling, importing the patented product or process producing that product. The term invention means a new product or process involving an inventive step capable of industrial application.

Standards of Weights and Measures Act, 1976 ("Act") and Standards of Weights and Measures (Packaged Commodities) Rules, 1977 ("Rules")

The Act aims at introducing standards in relation to weights and measures used in trade and commerce. The rules made there under, lay down the norms to be followed, in the interests of consumer safety, when commodities are sold or distributed in packaged form in the course of inter-state trade or commerce. The Act and rules formulated thereunder regulate inter alia interstate trade and commerce in weights and measures and commodities sold, distributed or supplied by weights or measures.

COMMERCIAL LAWS

The Indian Contract Act, 1872

The Contract Act is the legislation which lays down the general principles relating to formation, performance and enforceability of contracts. The rights and duties of parties and the specific terms of agreement are decided by the contracting parties themselves, under the general principles set forth in the Contract Act. The Contract Act also provides for circumstances under which contracts will be considered as 'void' or 'voidable'. The Contract Act contains provisions governing certain special contracts, including indemnity, guarantee, bailment, pledge, and agency.

The Transfer of Property Act, 1882 ("TP Act")

The transfer of property, including immovable property, between living persons, as opposed to the transfer property by operation of law, is governed by the TP Act. The TP Act establishes the general principles relating to the transfer of property, including among other things, identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property. Transfer of property is subject to stamping and registration under the specific statutes enacted for the purposes which have been dealt with hereinafter.

The Specific Relief Act, 1963

The Specific Relief Act, 1963 is complimentary to the provisions of the Contract Act and the Transfer of Property Act, as the Act applies both to movable property and immovable property. The Act applies in cases where the Court can order specific performance of a contract. Specific relief can be granted only for purpose of enforcing individual civil rights and not for the mere purpose of enforcing a civil law. "Specific performance" means Court will order the party to perform his part of agreement, instead of imposing on him any monetary liability to pay damages to other party.

The Registration Act, 1908

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

The Indian Stamp Act, 1899

Under the Indian Stamp Act, 1899, stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. Stamp duty must be paid on all instruments specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. The applicable rates for stamp duty on instruments chargeable with duty vary from state to state. Instruments chargeable to duty under the Stamp Act, which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein and it also provides for impounding of instruments that are not sufficiently stamped or not stamped at all.

The 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. The provisions of the Competition Act relating to combinations were notified recently 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. A combination is defined under Section 5 of the Competition Act as an acquisition, merger or amalgamation of enterprise(s) that meets certain asset or turnover thresholds. There are also different thresholds for those categorized as Individuals and Group. The CCI may enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is Likely to have an appreciable adverse effect on competition in India. Effective June 1, 2011, all combinations have to be notified to the CCI within prescribed period of the execution of any agreement or other document for any acquisition of assets, shares, voting rights or control of an enterprise under Section 5 of the Competition Act (including any binding document conveying an agreement or decision to acquire control, shares, voting rights or assets of an enterprise); or the board of directors of a company (or an equivalent authority in case of other entities approving a proposal for a merger or amalgamation under Section 5 of the Competition Act. The obligation to notify a combination to the CCI falls upon the acquirer in case of an acquisition, and on all parties to the combination jointly in case of a merger or amalgamation.

The Consumer Protection Act, 1986 (COPRA)

The Consumer Protection Act, 1986 (COPRA) provides better protection to the interests of consumers. This is enabled with the establishment of consumer councils and other authorities for the settlement of consumers’ disputes and matters connected therewith. COPRA protects the consumers against any unfair/restrictive trade practice that has been adopted by any trader or service provider or if the goods purchased by him suffer from any defect or deficiency. In case of consumer disputes, the same can be referred to the redressal forums set up by the government such as the National Commission, the State Commission and the District Forums. Such redressal forums have the authority to grant the following reliefs, that is, removal of defects, replacement of goods, compensation to the consumer, etc. The COPRA provides for a three-tier consumer grievance redressal mechanism at the national, state and district levels.

The Arbitration and Conciliation Act, 1996

This act was enacted by Parliament in the Forty-seventh Year of the Republic of India to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law relating to conciliation and for matters connected therewith or incidental thereto. The main objectives of the Act is to comprehensively cover international and commercial arbitration and conciliation as also domestic arbitration and conciliation, to make provision for an arbitral procedure which is fair, efficient and capable of meeting the needs of the specific arbitration, to provide that the arbitral tribunal gives reasons for its arbitral award, to ensure that the arbitral tribunal remains within the limits of its jurisdiction, to minimise the supervisory role of courts in the arbitral process, to permit an arbitral tribunal to use mediation, conciliation or other procedures during the arbitral proceedings to encourage settlement of disputes, to provide that every final arbitral award is enforced in the same manner as if it were a decree of the court, to provide that a settlement agreement reached by the parties as a result of conciliation proceedings will have the same status and effect as an arbitral award on agreed terms on the substance of the dispute rendered by an arbitral tribunal and to provide that, for purposes of enforcement of foreign awards,

every arbitral award made in a country to which one of the two International Conventions relating to foreign arbitral awards to which India is a party applies, will be treated as a foreign award.

The Negotiable Instruments Act, 1881

In India, cheques are governed by the Negotiable Instruments Act, 1881, which is largely a codification of the English Law on the subject. 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. Section 138 of the Act, creates statutory offence in the matter of dishonour of cheques on the ground of insufficiency of funds in the account maintained by a person with the banker which is punishable with imprisonment for a term which may extend to two year, or with fine which may extend to twice the amount of the cheque, or with both.

The Indian Easements Act, 1882

The law relating to easements and licenses in property is governed by the Easements Act, 1882 (the "Easements Act"). The right of easement has been defined under the Easements Act to mean a right which the owner or occupier of any land possesses over the land of another for beneficial enjoyment of his land. Such right may allow the owner of the land to do and continue to do something or to prevent and continue to prevent something being done, in or upon any parcel of land which is not his own. Easementary rights may be acquired or created by (a) an express grant; or (b) a grant or reservation implied from a certain transfer of property; or (c) by prescription, on account of long use, for a period of twenty years without interruption; or (d) local customs.

The Sale of Goods Act, 1930 (Sale of Goods)

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. According to the provisions of this Act, a contract of sale is made by an offer to buy or sell the goods for a price and the acceptance of such offer. The Act further provides that the contract may provide for the immediate delivery of the goods or immediate payment of the price or both or for the delivery or payment by instalments or that the delivery or payment or both shall be postponed. Provisions are made in this Act for existing or future goods, perishable goods, ascertainment of price, conditions and warranties, effects of the contract, delivery to courier, duties of seller and buyer, buyer's right of examining the goods, liability of buyer for neglecting or refusing the delivery of goods, rights of unpaid seller, suits for breach of the contract, sale, etc.

The Shops and Establishments Acts of various States (collectively "S&E Acts")

The S&E Acts in India are promulgated by the state and may slight differ from state to state. As per the Act, all shops and commercial establishments operating within each state are covered by the respective S&E Acts. Shops are defined as premises where goods are sold either by retail or wholesale or where services are rendered to customers, and include an office, a store-room, godown, warehouse or workhouse or work place. Establishments are defined as shop, a commercial establishment, residential hotel, restaurant, eating-house, theatre or other places of public amusement or entertainment. Further, establishments as defined by the act may also include such other establishments as defined by the Government by notification in the Official Gazette.

The S&E Acts regulates a number of aspects relating to the operation of a shop or commercial establishment. Some of the key areas regulated by the shop and establishment act include: hours of work, interval for rest and meals, prohibition of employment of children, employment of young person or women, opening and closing hours, close days, weekly holidays, wages for holidays, time and conditions of payment of wages, deductions from wages, leave policy, dismissal, cleanliness, lighting and ventilation, precautions against fire, accidents and record keeping.

OTHERS

The Micro, Small and Medium Enterprises Development Act, 2006

The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) inter – alia provides for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. The Central Government is empowered to classify by notification, any class of enterprises including inter-alia, a company, a partnership, firm or undertaking by whatever name called, engaged in the manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 as micro, small or medium enterprise. The MSMED Act inter-alia stipulates that any person who intends to establish, a micro or small enterprise or a medium enterprise engaged in rendering of services, may at his discretion and a medium enterprise engaged in the manufacture or production of goods, file a memorandum of micro, small or medium enterprise, as the case may be, with the prescribed authority.

Approvals from Local Authorities

Setting up of a factory or manufacturing entails the requisite planning approvals to be obtained from the relevant Local Panchayat(s) outside the city limits and appropriate Metropolitan Development Authority within the city limits. Consents are also required from the state pollution control board(s), the relevant state electricity board(s), the state excise authorities, sales tax, among others, are required to be obtained before commencing the building of a factory or the start of manufacturing operations.

In addition to the above, our Company is also required to comply with other applicable provisions and statutes imposed by the Central or the State for its day-to-day operations.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History of our Company

Our Company was incorporated as Lotus Roofings Private Limited under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated April 26, 1984 issued by the Registrar of Companies, Pondicherry bearing Registration Number 259 of 1984. The name of our Company was subsequently changed to Lotus Roofings Limited pursuant to special resolution passed by the Shareholders at its Extra Ordinary General Meeting held on September 03, 2018 and a fresh certificate of incorporation consequent upon conversion from Private Company to Public Company was issued by the Registrar of Companies, Pondicherry dated September 27, 2018 bearing Corporate Identity Number U25209PY1984PLC000259.

Address of the Registered Office

Lotus Roofings Limited

Sedurapetauro Ville [Via]

Pondicherry-605111, India

CIN: U25209PY1984PLC000259

Website: www.lotusroofings.com

Email id: senthil@lotusroofings.com/ kalai@lotusroofings.com

Tel. No: 0413-2677347

Changes in Registered Office

There have been no changes in the registered office of our Company since its incorporation.

Major events and milestones of our Company

The table below sets forth the key events in the history of our Company:

Year	Details
1984	Incorporation of the Company
2011	<ul style="list-style-type: none"> • Purchase of Heater Cooler Mixer • Purchase of Twin Screw Extruder
2012	Purchase of Impact Pulveriser
2013	<ul style="list-style-type: none"> • Purchase of Plastic Scrap Granulator • Purchase of Air Compressor • Purchase of Kolsite Mixer Cooler • Purchase of Socketing Machine
2015	<ul style="list-style-type: none"> • Trading of Self Drilling Screws • Purchase of Twin Screw PVC PIPE Plant Machine
2016	<ul style="list-style-type: none"> • ISO 9001:2015 for manufacturing, exporting and trading • Crossed a turnover of Rs. 500 Lakhs
2017	<ul style="list-style-type: none"> • ISI certificate • Purchase of Plastic Extrusion Machine

2018	<ul style="list-style-type: none"> • Company's products on online business portals like Alibaba and Indiamart • ISO 9001 : 2015 for manufacturing, exporting and trading • Converted to Public Limited Company • Crisil MSE 2 rating for High credit worthiness in relation to MSE's • Crossed Turnover of Rs. 10,000 Lakhs • Purchase of PC Flat sheet extrusion line • Purchase of Hollow Sheet Extrusion machine • Purchase of Twin Screw Extruder with down streams • Purchase of Chiller
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Strategic Partners

Our Company does not have any strategic partners.

Financial Partners

Apart from the arrangements with bankers and lenders which our Company undertakes in the ordinary course of business, as on the date of this Draft Prospectus, our Company does not have any financial partner.

Time and cost overrun

Our Company has not experienced any significant time and cost overrun in relation to the setting up of our manufacturing facilities and godowns.

Defaults or rescheduling of borrowings

There have been no defaults or rescheduling of borrowings with financial institutions, banks or conversion of loans into equity in relation to our Company.

Main Objects of our Company

The main objects of our Company as contained in our Memorandum of Association are as follows:

1. *To carry on business of manufacturers of and dealers, including import, export, retail and wholesale in products based on Polyvinyl Chloride (PVC), Low Density Polyethylene (LDPE), High Density Polyethylene (HDPE), Polypropylene (PP), Polystyrene (PS), Acrylonitrile Butadiene Styrene (ABS), Nylon 6, Polyethylene Terephthalate (PETP), Polyethyl Methacrylat (PMMA), Polyurethane and Teflon.*
2. *To manufacture and manipulate PVC bases into sheets, corrugated and plain, cloth, wires, pipes and fittings tubings and hoses, rods, tills, lining materials, profiles for windows and furniture, door seats of automobiles, foot wear, aprons, films for packagings and agricultural operations, and in chemicals industry as construction material used in the fabrication of fans, tanks, towers and scrubbers and other like articles.*
3. *To manufacture injection moulded items of PVC base including trays, creates, fan blads, grills, bottles, cans, mugs, containers, general plastic consumables and engineering plastics materials.*

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out.

Changes in the Memorandum of Association

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

Sr. No.	Particulars of Changes in Memorandum of Association	Date of Meeting	AGM / EGM
	<p><u>Change in the Authorised Share Capital</u></p> <p>Clause V of the MoA was amended to reflect the Increase in Increase in Authorized Share Capital from [●] divided into [●] Equity shares of Rs. 10 each to Rs. 30,00,000 (Rupees Thirty Lakhs) divided into 3,00,000 (Three Lakhs) Equity Shares of Rs. 10/- each.</p>	2003-04#	#
1.	<p><u>Change in Clause III A of Memorandum of Association</u></p> <p>The existing clause III A of Memorandum of Association of the Company, pertaining to the Main Object of the Company was altered by addition of New Sub Clause as follows:</p> <p><i>To undertake, carry out, generate the Electrical power by setting up of Wind Mills, Gas based power system, Thermal plants, Hydro Electric Projects and setting upon non-conventional means of generating power like by Bio-Gas Plants, Solar Energy System and Electrical Power from other wastes like Rice husk etc., for own use and/or to State Electricity Board upon entering into necessary agreement.</i></p>	July 10, 2010	EGM
2.	<p><u>Change in Clause III B of Memorandum of Association</u></p> <p>The existing sub clause 30 of clause III B of Memorandum of Association of the Company, pertaining to incidental and ancillary Object of the Company was altered by addition of New Sub Clause 31 as follows:</p> <p><i>To guarantee the payment of the money and the performance of the contracts or engagements entered into by any Company or person and to secure the payment of the money and the performance of the Contracts or engagements entered into by this or any other Company or persons, and to discharge any debt or other obligation of or binding upon this or any other Company or person by mortgage or charge upon all or any part of the undertaking, property and rights of the Company (either present or future or both) including its uncalled capital or by the creation or issue of debentures, debenture – stock or other securities or by any other means.</i></p>	March 17, 2014	EGM
3.	<p><u>Change in the Authorised Share Capital</u></p> <p>Clause V of the MoA was amended to reflect the Increase in authorized share capital from Rs. 3,00,00,000 (Three Crores)</p>	January 11, 2016	EGM

Sr. No.	Particulars of Changes in Memorandum of Association	Date of Meeting	AGM / EGM
	divided into 30,00,000 (Thirty Lakhs) Equity Shares of Rs. 10/- each to Rs. 4,00,00,000 (Four Crores) divided into 40,00,000 (Forty Lakhs) Equity shares of Rs. 10/- each.		
4.	<u>Change in the Authorised Share Capital</u> Clause V of the MoA was amended to reflect the Increase in authorized share capital from Rs. 4,00,00,000 (Four Crores) divided into 40,00,000 (Forty Lakhs) Equity Shares of Rs. 10/- each to Rs. 17,00,00,000 (Seventeen Crores) divided into 1,70,00,000 (One Crore Seventy Lakhs) Equity shares of Rs. 10/- each.	September 03, 2018	EGM
5.	<u>Change in Clause 1 of Memorandum of Association</u> Clause 1 of Memorandum of Association was amended to reflect change in name from “Lotus Roofings Private Limited” to “Lotus Roofings Limited” pursuant to conversion of our Company from Private Limited to Public Limited Company.	September 03, 2018	EGM

#Our Company has relied on the limited information available in the annual reports of our Company, for the period from 2003 till 2015, and all details in respect of allotments made during that period have been ascertained from the same.

Our Holding Company

Our company does not have any other holding company as on the date of this Draft Prospectus.

Our Subsidiary Company

As on the date of this Draft Prospectus, our Company does not have any subsidiary.

Details regarding acquisition or disinvestment of business/undertakings, mergers, amalgamations

Our Company has neither acquired any entity, business or undertakings nor has undertaken any mergers or amalgamation during the last ten (10) years.

Revaluation of assets

Our Company has not revalued its assets since incorporation and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.

Shareholders' Agreements

As on the date of this Draft Prospectus, our Company has not entered into any shareholders' agreements that are subsisting.

Joint Venture and Other Agreements

As on the date of filing this Draft Prospectus, there is no existing joint venture or other material agreements entered into by our Company which is not in its ordinary course of business.

Agreements with Key Managerial Personnel, Directors, Promoters or any other employee

There are no agreements entered into by a Key Managerial Personnel or Directors or Promoters or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Guarantees given by Promoters offering its shares in the Issue

None of our Promoters are offering any of the Equity Shares held by the Promoters in the Company in the Issue.

Key terms of other subsisting material agreements

Our Company has not entered into any other subsisting material agreements including with strategic partners, joint venture partners, and/or financial partners other than in the ordinary course of business of our Company.

OUR MANAGEMENT

Board of Directors

In terms of the Articles of Association, our Company shall not appoint less than three (3) and more than fifteen (15) Directors. As on date of this Draft Prospectus, our Company has five (5) Directors. Out of five (5) directors, two (2) are Executive Directors; One (1) is a Non-Executive Director and two (2) are Independent Directors.

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

Name, DIN, Designation, Term, Date of Birth, Qualifications, Experience, Address, Occupation, Period of Directorship	Age (in years)	Other Directorships as on the date of this Draft Prospectus
Mr. Vasanadu Govind DIN: 00839391 Designation: Managing Director Term: Five (5) years w.e.f. from September 28, 2018 until September 27, 2023 Date of Birth: June 19, 1974 Qualifications: PG Diploma in Business Administration, B.Com Experience: 25 Years Address: 77/6, Gulmohar Avenue, Velacherry Main Road, Guindy Industrial Estate, Chennai-600032, Tamil Nadu, India. Occupation: Business Period of Directorship: Director since June 19, 1992	44	<u>Indian Companies:</u> <ul style="list-style-type: none"> The Devashola Nilgiri Tea Estates Company Limited Sanco Trans Limited Poly Tough Tubes Limited Vetri Pressings Plastics Components Private Limited Ten Square Realty Private Limited Ten Square Property Developers Private Limited Ten Square Estates Private Limited Mycol Distributors Private Limited Ten Square Chennai Developers Private Limited Tamara Hospitality Ventures Private Limited <u>Foreign Companies:</u> <ul style="list-style-type: none"> Nil

<p>Mrs. Vasanadu Nirmala</p> <p>DIN: 00839466</p> <p>Designation: Non-Executive Director</p> <p>Term: Liable to retire by rotation w.e.f. September 28, 2018</p> <p>Date of Birth: October 15, 1946</p> <p>Qualifications: B.A.</p> <p>Experience: 35 Years</p> <p>Address: 77/6, Velachery Main Road, Gulmohar Avenue, Guindy Industrial Estate, Chennai - 600032, Tamil Nadu, India.</p> <p>Occupation: Business</p> <p>Period of Directorship: Director since April 26, 1984</p>	<p>72</p>	<p><u>Indian Companies:</u></p> <ul style="list-style-type: none"> • Mycol Distributors Private Limited <p><u>Foreign Companies:</u></p> <ul style="list-style-type: none"> • Nil
<p>Mr. R Ramachandran Elango</p> <p>DIN: 05154443</p> <p>Designation: Whole-Time Director</p> <p>Term: Five (5) years w.e.f. from September 28, 2018 until September 27, 2023</p> <p>Date of Birth: August 17, 1967</p> <p>Qualifications: B.Com</p> <p>Experience: 27 Years</p> <p>Address: No. 3070 MIG 2nd Main Road, 2nd Cross Street, MMDA Mathur, Chennai-600068, Tamil Nadu, India.</p> <p>Occupation: Business</p> <p>Period of Directorship: Director since December 16, 2011</p>	<p>51</p>	<p><u>Indian Companies:</u></p> <ul style="list-style-type: none"> • Vetri Pressings Plastics Components Private Limited • Tamara Hospitality Ventures Private Limited <p><u>Foreign Companies:</u></p> <ul style="list-style-type: none"> • Nil

<p>Mr. Piyush Bhandari</p> <p>DIN:00362706</p> <p>Designation: Independent Director</p> <p>Term:Five (5) years w.e.f. from September 28, 2018 until September 27, 2023</p> <p>Date of Birth: December 21, 1981</p> <p>Qualifications: CA, M.Com</p> <p>Experience: 15 Years</p> <p>Address:Akshaya 36 Carat, 950/136, Poonamalle High Road, Opposite to hotel sudha, Flat no. A-42, Vepery, Chennai-600084, Tamil Nadu, India.</p> <p>Occupation: Business</p> <p>Period of Directorship: Director since September 28, 2018</p>	<p>37</p>	<p><u>Indian Companies:</u></p> <ul style="list-style-type: none"> Bon Fresh Foods Private Limited Intuit Management Consultancy Private Limited <p><u>Foreign Companies:</u></p> <ul style="list-style-type: none"> Nil <p><u>Others:</u></p> <ul style="list-style-type: none"> Intuit Management Consultancy LLP Intuit Trading LLP Proteam Ventures LLP
<p>Mr. Raghavendra Rao Srinivasan</p> <p>DIN: 08237386</p> <p>Designation: Independent Director</p> <p>Term:Five (5) years w.e.f. from September 28, 2018 until September 27, 2023</p> <p>Date of Birth: August 10, 1983</p> <p>Qualifications: M.B.A, M.C.A</p> <p>Experience: 10 Years</p> <p>Address:332/424-2, Krishnan Street, Coimbatore-641001, Tamil Nadu, India.</p> <p>Occupation: Professional</p> <p>Period of Directorship: Director since September 28, 2018</p>	<p>35</p>	<p><u>Indian Companies:</u></p> <ul style="list-style-type: none"> Nil <p><u>Foreign Companies:</u></p> <ul style="list-style-type: none"> Nil

Family Relationships between our Directors and KMPs

Except Mrs. Vasanadu Nirmala and Mr. Vasanadu Govind who are related to each other as Mother and Son, none of our directors are related to each other in terms of the definition of 'relative' under Section 2(77) of the Companies Act.

Brief Biographies of the Directors

1. **Mr. Vasanadu Govind**, aged 44years, is the Managing Director and Promoter of our Company. He holds a Post Graduation Diploma in Business Administration from Institute for Technology and Management, Government of India, Madras. He has more than 25 years of rich experience in the Roofing's industry. He is instrumental in project implementation, corporate finance, marketing and general administration.
2. **Mrs. Vasanadu Nirmala**, aged 72years, is the Non-Executive Director of our Company. She holds a bachelor degree in Arts from Stella Maris College, Chennai. She has been on the Board of our Company since its inception.
3. **Mr. R Ramachandran Elango**, aged 51 years, is the Whole-Time Director of our Company. He holds a Bachelor degree in commerce from University of Madras, Chennai. He has more 27 years of experience in Accounts and Finance. He has been associated with our Company since 1995 and is actively involved in handling the account and finance related matters of our company and recently he has been re-designated as the Whole Time Director of our Company.
4. **Mr. Piyush Bhandari**, aged 37 years, is the Independent Director of our Company. He is a Chartered Accountant by profession and also holds a Master's degree in Commerce from University of Madras, Chennai. He has more than fifteen (15) years of experience in market entry services, corporate advisory, international tax and outsourcing services.
5. **Mr. Raghvendra Rao Srinivasan**, aged 35 years, is the Independent Director of our Company. He holds a degree in Masters of Business Administration in financial markets from Indira Gandhi National Open University, New Delhi. He also holds a degree in Masters of Computer Applications from SNR Sons College, Coimbatore. He also holds certificate specializing in Financial Markets from BSE Institute Limited. He has 10 years of experience in project, quality, resource and product management.

Common directorships of the Directors in companies whose shares are/were suspended from trading on the BSE and/ or the NSE for a period beginning from five (5) years prior to the date of this Draft Prospectus

None of the Directors are/ were directors of any company whose shares were suspended from trading by Stock Exchange(s) or under any order or directions issued by the stock exchange(s)/ SEBI/ other regulatory authority in the last five (5) years.

Common directorships of the Directors in listed companies that have been/were delisted from stock exchanges in India

Except Mr. Vasanadu Govind who was a director on the board of directors of The Devashola Nilgiri Tea Estates Company Limited (“**Devashola**”), which was delisted from Madras Stock Exchange (“**MSE**”) as MSE was de-recognized by SEBI and moved to dissemination of NSE, which was subsequently removed from dissemination board *vide* NSE circular dated October 18, 2017. As Devashola provided an exit opportunity to its shareholders, none of our Directors are/ were directors of any entity whose shares were delisted from any Stock Exchange(s).

Sr. No.	Particulars	Details
1	Name of the company	The Devashola Nilgiri Tea Estates Company Limited
2	Name of the stock exchange(s) on which the company was listed	Madras Stock Exchange Limited & Dissemination Board of NSE
3	Date of delisting on stock exchanges	October 25, 2017 (date of removal from dissemination board of NSE)
4	Whether delisting was compulsory or voluntary	Voluntary
5	Reasons for delisting	De-recognition of MSE and removal from dissemination board of NSE pursuant to exit opportunity provided to shareholders
6	Whether company has been relisted	No
7	Date of relisting	Not Applicable
8	Term of directorship in the company	November 29, 2001 till date

Further, none of the directors are/ were directors of any entity which has been debarred from accessing the capital markets under any order or directions issued by the Stock Exchange(s), SEBI or any other regulatory authority.

Remuneration to Executive Directors

- Mr. Vasanadu Govind** is the Managing Director of our Company. He was appointed as Director of our Company on June 19, 1992. He was re-designated as Managing Director by way of a board resolution dated September 28, 2018 and a shareholder’s resolution dated October 01, 2018 for a period of five (5) years commencing from September 28, 2018 till September 27, 2023. The significant terms of his employment are set out below:

Particulars	Remuneration
Gross Salary	Upto Rs. 25 Lakhs per annum (inclusive of salary, perquisites, benefits, incentives and allowances) for a period of three years w.e.f. September 28, 2018 and on such other terms and conditions as specified in the resolution.
Appointment as a Managing Director	Five (5) years commencing from September 28, 2018 till September 27, 2023
Remuneration paid for Fiscal 2017-18	Rs. 13.84 Lakhs per annum

2. **Mr. R Ramachandran Elango** is the Whole-Time Director of our Company. He was appointed as Non-Executive Director of our Company on December 16, 2011. He was re-designated as Whole-Time Director by way of a board resolution dated September 28, 2018 and a shareholder's resolution dated October 01, 2018 for a period of five (5) commencing from September 28, 2018 till September 27, 2023. The significant terms of his employment are set out below:

Particulars	Remuneration
Gross Salary	Upto Rs. 15 Lakhs per annum (inclusive of salary, perquisites, benefits, incentives and allowances) for a period of three years w.e.f. September 28, 2018 and on such other terms and conditions as specified in the resolution.
Appointment as Whole-Time Director	Five (5) years commencing from September 28, 2018 till September 27, 2023
Remuneration paid for Fiscal 2017-18	Rs. 7.16 Lakhs per annum

Payment or benefit to Directors of our Company

The sitting fees/other remuneration of our Directors in Fiscal 2018 are as follows:

- Payment of non-salary related benefits**

Except as stated under Remuneration to Executive Directors and "*Remuneration to Non-Executive Directors*", Our Company has not paid, in the last two (2) years preceding the date of this Draft Prospectus, and nor does it intend to pay any non-salary related amount or benefits to our Directors.

- Remuneration to Non-Executive Directors:** Pursuant to the resolution passed by the board of directors of the Company in their meeting held on October 29, 2018, our non-executive Independent directors are entitled to receive a sitting fee of Rs.2,000 for attending each meeting of our Board and committees thereof.

Arrangements with major Shareholders, Customers, Suppliers or Others

There are no arrangements or understanding between major shareholders, customers, suppliers or others pursuant to which any of the Directors were selected as a Director or member of a senior management as on the date of this Draft Prospectus.

Service Contracts

Except for executive employment agreements with our executive directors, our Company has not executed any service contracts with its directors providing for benefits upon termination of their employment.

Shareholding of Directors in our Company

Except as mentioned below, none of the Directors hold Equity Shares in our Company as on the date of this Draft Prospectus:

Particulars	Pre-Issue		Post-Issue	
	Number of Shares	Percentage (%) holding	Number of Shares	Percentage (%) holding
Mr. Vasanadu Govind	46,31,335	38.59	46,31,335	[•]
Mrs. Vasanadu Nirmala	2752495	22.94	27,52,495	[•]
Total	73,83,830	61.53	73,83,830	[•]

Shareholding of Directors in our Subsidiaries

Our Company does not have any subsidiary as on the date of this Draft Prospectus.

Shareholding of Directors in our Associate companies

Our Company does not have any associate companies as on the date of this Draft Prospectus.

Appointment of relatives of our Directors to any office or place of profit

Except as mentioned above, none of the relatives of our Directors currently holds any office or place of profit in our Company.

Interests of our Directors

Our executive and non-executive directors may also be deemed as interested in our Company to the extent of the Equity Shares held by them or any Equity Shares that may be subscribed by or allotted to them from time to time. For further details, please refer to section titled *"Our Management – Shareholding of directors in our Company"* and *"Capital Structure"* beginning on pages 159 and 66 respectively. Our Directors may also be deemed to be interested to the extent of any dividend, if any, payable and other distributions in respect of the Equity Shares held by them.

Our independent directors may be deemed to be interested in our Company to the extent of fees payable to them for attending meetings of our Board or committees thereof and reimbursement of expenses payable pursuant to our Articles of Association.

Except as mentioned in the section titled *"Our Business"* beginning on page 115, our directors have no interest in any property acquired or proposed to be acquired by our Company two (2) years prior to the date of this Draft Prospectus.

Except Mr. Vasanadu Govind and Mrs. Vasanadu Nirmala, who are the Promoters and Promoter Group of our Company, none of our other Directors have any interest in the promotion of our Company other than in ordinary course of business. Except as disclosed above, no amount or benefit has been paid or given within

the two (2) preceding years or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered as Directors.

None of our Directors have availed any loan from our Company except as stated in the annexure titled *"Related Party Transactions"* under chapter titled *"Financial information of the Company"* beginning on page 185. None of the beneficiaries of loans, advances and sundry debtors are related to the Directors of our Company. Except as disclosed under section titled *"Our Management – Remuneration to Executive Directors"* beginning on page 159, none of our Directors is party to any bonus or profit sharing plan of our Company. Further, except statutory benefits upon termination of their employment in our Company on retirement, no officer of our Company, including our Directors and the Key Management Personnel have entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Changes in Our Company's Board of Directors during the last three (3) years

The changes in the Board of Directors during the last three years are as follows:

Sr. No.	Name of the Director	Date of Change	Reason for change
1.	Mrs. Vasanadu Nirmala	September 28, 2018	Re-designated as Non-Executive Director of our Company
2.	Mr. Vasanadu Govind	September 28, 2018	Re-designated as Managing Director of our Company
3.	Mr. R Ramachandran Elango	September 28, 2018	Re-Designated as Whole-Time Director of our Company
4.	Mr. Piyush Bhandari	September 28, 2018	Appointment as an Independent Director
5.	Mr. Srinivasan Rao	September 28, 2018	Appointment as an Independent Director

Borrowing Powers of the Board

The Articles, subject to the provisions of the Companies Act, 2013 authorize the Board to raise, borrow or secure the payment of any sum or sums of money for the purposes of our Company. The shareholders have, pursuant to a resolution passed at the Extra Ordinary General Meeting held on October 01, 2018 in accordance with the Companies Act, 2013 authorized the Board to borrow monies from time to time, borrowings of our Company shall not exceed Rs. 10,000 lakhs for the time being, including the money already borrowed by our Company.

Corporate Governance

The provisions of the SEBI Listing Regulations with respect to corporate governance will be applicable to our Company immediately upon the listing of Equity Shares on the Stock Exchange. Our Company is in compliance with the requirements of applicable regulations, specifically the SEBI Listing Regulations, the Companies Act, 2013 and the SEBI (ICDR) Regulations, in respect of corporate governance particularly in relation to constitution of the Board and committees of our Board.

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, each as required under law. Our Board of Directors is constituted in compliance with the Companies Act, 2013 and the SEBI Listing Regulations.

The Board of Directors functions either as a full board or through various committees constituted to oversee specific operational areas. Currently, our Company has five (5) Directors including Mr. Vasanadu Govind as a Managing Director. Out of five (5) directors, two (2) are Executive Directors, one (1) is Non-Executive Director and two (2) are Independent Directors. In compliance with the provisions of the Companies Act, 2013 at least two-third of our Directors, other than our Independent Directors, are liable to retire by rotation.

The details of i) Audit Committee; ii) Nomination and Remuneration Committee; and iii) Stakeholders Relationship Committee are set out below. In addition to the committees of the Board detailed below, our Board of Directors may, from time to time constitute committees for various functions.

1. Audit Committee:

Our Company has constituted the Audit Committee in accordance with Section 177 and other applicable provisions of Companies Act, 2013 read with rule 6 of the Companies (Meetings of Board and its Power) Rules, 2014 and applicable clauses of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable guidelines. Further, the Audit Committee was constituted by way of a Board resolution dated October 29, 2018. The audit committee presently consists of the following Directors of the Board:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Piyush Bhandari	Chairman	Non Executive-Independent Director
Mr. R Srinivasan	Member	Non Executive-Independent Director
Ms. Vasanadu Nirmala	Member	Non Executive Director

Mr. Seshadri Raghavan, our Company Secretary and Compliance Officer, is the secretary to Audit Committee.

The scope and function of the Audit Committee and its terms of reference shall include the following:

- A. Tenure:** The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.
- B. Meetings of the Committee:** The committee shall meet at least four times in a year and not more than four months shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two Independent members at each meeting. Meeting of the Audit Committee shall be called by at least seven days' notice in advance.
- C. Role and Powers of the Audit Committee:** The Role of Audit Committee together with its powers as Part C of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013 shall be as under:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
- Approving payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval;
- Reviewing, with the management, the half yearly financial statements before submission to the Board for approval, with particular reference to;
 - a. matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013 ;
 - b. changes, if any, in accounting policies and practices along with reasons for the same;
 - c. major accounting entries involving estimates based on the exercise of judgment by management;
 - d. significant adjustments made in the financial statements arising out of audit findings;
 - e. compliance with listing and other legal requirements relating to financial statements;
 - f. disclosure of any related party transactions; and
 - g. modified opinion(s) in the draft audit report.
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- Approving initial or any subsequent modification of transactions of the company with related parties;
- Scrutinizing inter-corporate loans and investments
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Monitoring the end use of funds raised through public offers and related matters
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

- Discussing with the internal auditors any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussing with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors;
- Reviewing the functioning of the Whistle Blower mechanism, in case the same is existing;
- Approving the appointment of the Chief Financial Officer (i.e. the whole time finance director or any other person heading the finance function) after assessing the qualifications, experience and background, etc., of the candidate; and
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee or containing into SEBI (LODR) Regulations, 2015.

Further, the Audit Committee shall mandatorily review the following:

- a) management discussion and analysis of financial condition and results of operations;
- b) statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- c) management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) internal audit reports relating to internal control weaknesses; and
- e) the appointment, removal and terms of remuneration of the chief internal auditor.
- f) statement of deviations: (a) half yearly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1). (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI (LODR) Regulations, 2015.

2. Nomination and Remuneration Committee:

Our Company has constituted Nomination and Remuneration Committee in terms of Section 178, Schedule V and other applicable provisions of Companies Act, 2013 read with rule 6 of the Companies (Meetings of Board and its Power) Rules, 2014 and applicable clauses of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable guidelines, in the meeting of the Board of Directors held on October 29, 2018. The Nomination and Remuneration Committee presently consists of the following Directors of the Board:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Piyush Bhandari	Chairman	Non Executive-Independent Director
Mr. R Srinivasan	Member	Non Executive-Independent Director

Ms. Vasanadu Nirmala	Member	Non Executive Director
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Mr. Seshadri Raghavan, our Company Secretary and Compliance Officer, is the secretary to Nomination and Remuneration Committee. The scope and function of the Committee and its terms of reference shall include the following:

a. Tenure:

The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

b. Meetings:

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

c. Terms of Reference:

1. Identify persons who are qualified to become directors and may be appointed in senior management in accordance with the Criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
2. Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the board a policy relating to the remuneration for directors, KMPs and other employees.
3. formulation of criteria for evaluation of performance of independent directors and our Board;
4. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
5. Determine our Company's policy on specific remuneration package for the Managing Director / Executive Director including pension rights.
6. Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors.
7. Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.
8. Decide the amount of Commission payable to the Whole time Directors.
9. Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc.

10. To formulate and administer the Employee Stock Option Scheme.

3. Stakeholders Relationship Committee:

Our Company has constituted the Stakeholders Relationship Committee in terms of Section 178 sub section (5) and other applicable provisions of Companies Act, 2013 read with rule 6 of the Companies (Meeting of Board and its Power) Rules, 2014 and applicable clauses of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in the meeting of Board of Directors dated October 29, 2018. The Stakeholders Relationship Committee presently consists of the following Directors of the Board:

Name of the Director	Status in Committee	Nature of Directorship
Ms. Vasanadu Nirmala	Chairperson	Non Executive Director
Mr. Vasanadu Govind	Member	Executive Director
Mr. R Elango	Member	Executive Director

Mr. Seshadri Raghavan, our Company Secretary and Compliance Officer, is the secretary to Stakeholders Relationship Committee.

The scope and function of the Shareholders / Investors Grievance Committee and its terms of reference shall include the following:

- A. **Tenure:** The Stakeholders Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholders Relationship as approved by the Board.
- B. **Meetings:** The Stakeholders Relationship Committee shall meet at least four times a year with maximum interval of four months between two meetings and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum shall be two members present.
- C. **Terms of Reference:** Redressal of shareholders' and investors' complaints, including and in respect of:
 - Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the cages in the reverse for recording transfers have been fully utilized.
 - Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
 - Review the process and mechanism of redressal of Shareholders /Investors grievance and suggest measures of improving the system of redressal of Shareholders /Investors grievances.
 - considering and resolving grievances of the security holders of the Company, including complaints related to the transfer of shares, non-receipt of annual report and non-receipt of declared dividends;

- Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them.
- Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of insider Trading) Regulations, 1992 as amended from time to time.
- Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting,
- Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

Policy on disclosure and internal procedure for prevention of Insider Trading

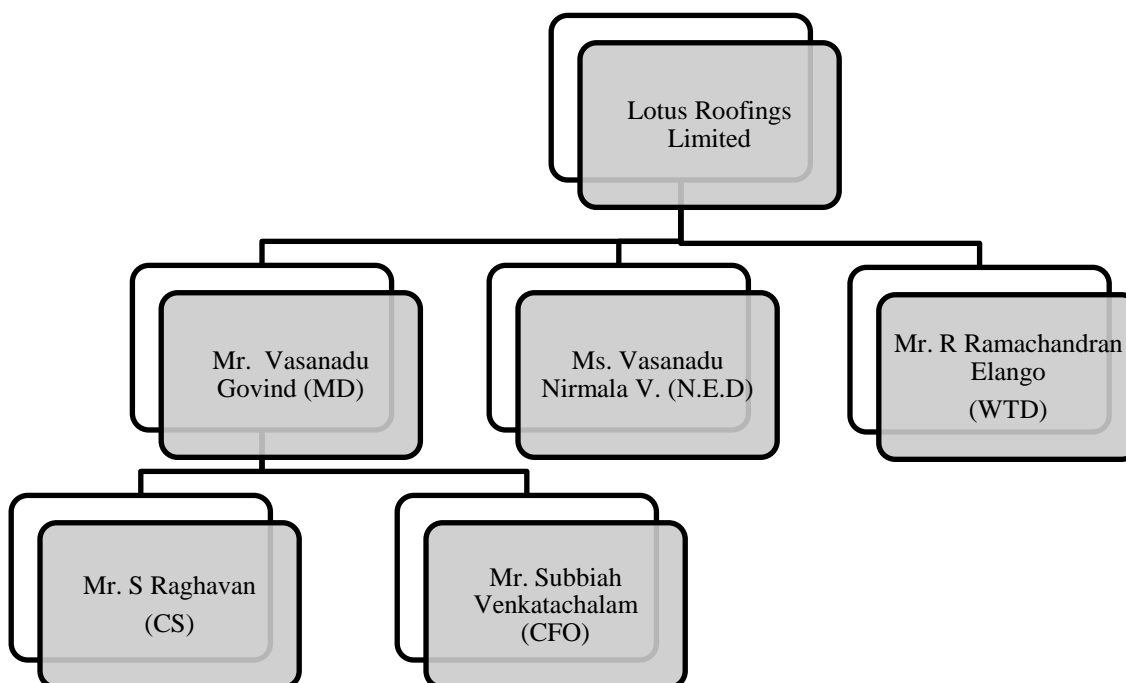
The provisions of Regulation 8 and 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the Emerge platform of NSE. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on Emerge platform of NSE. Further, Board of Directors at their meeting held on October 29, 2018 have approved and adopted the policy on insider trading in view of the proposed public issue.

Mr. Seshadri Raghavan, Company Secretary & Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the Board.

Policy for determination of materiality and materiality of related party transactions and on dealing with Related Party Transactions

The provisions of the SEBI (Listing Obligation and Disclosures) Regulations, 2015 will be applicable to our Company immediately upon the listing of Equity Shares of our Company on Emerge platform of NSE. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended on listing of Equity Shares on the Emerge Platform of NSE. The Board of Directors at their meeting held on October 29, 2018 have approved and adopted the policy for determination of materiality and determination of materiality of related party transactions and on dealing with related party transactions.

Management Organizational Structure



Profiles of our Key Managerial Personnel

In addition to our Managing Director, Mr. Vasnadu Govind and our Whole-Time Director, Mr. R Ramachandran Elango, whose details are provided under "*Brief biographies of the Directors*" beginning on page 159, the details of our other Key Managerial Personnel as on the date of this Draft Prospectus are set forth below. Except for certain statutory benefits, there are no other benefits accruing to the Key Managerial Personnel.

1. **Mr. Subbiah Venkatachalam**, 52 years, is the Chief Financial Officer (CFO) of our Company. He holds a degree in B.com from Bharathidasan University, Trichirapalli, Tamil Nadu. He joined our company from 2011. He has an overall experience of 32 years in Accounting and Compliance and was previously associated with Castwel Autoparts private limited. He was appointed as Chief Financial Officer of our Company on September 28, 2018.
2. **Mr. S Raghavan**, 65 years, is the Company Secretary and Compliance Officer of our Company. He holds a Company Secretary Degree from Institute of Company Secretaries of India (ICSI). He looks after the secretarial, legal and compliance matters of our Company and has Forty four (44) years of experience in this field and was previously associated with Tuticorin Alkali Chemicals and Fertilizers Limited. He was appointed as Company Secretary and Compliance Officer of our Company on September 28, 2018.

Status of Key Management Personnel in our Company

All our key managerial personnel are permanent employees of our Company.

Relationship amongst the Key Managerial Personnel of our Company

There is no family relationship amongst the any Key Managerial Personnel of our Company.

Shareholding of Key Management Personnel in our Company

Except as mentioned above in this chapter, none of the Key Management Personnel hold Equity Shares in our Company as on the date of this Draft Prospectus. For details in relation to their shareholding, please refer to section titled "*Capital Structure*" beginning on page 66.

Bonus or profit sharing plan of the Key Managerial Personnel

Our Company does not have a performance linked bonus or a profit sharing plans for the Key Management Personnel. However, our Company pays incentive to all its employees based on their performance including the Key Managerial Personnel of our Company.

Interests of Key Management Personnel

Other than as disclosed in this section under –"Interest of our Directors" and "Shareholding of Key Management Personnel" our Key Management Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

The Key Management Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares held by them.

The Key Management Personnel are not entitled to any contingent or deferred compensation.

Payment of benefits to officers of our Company (*non-salary related*)

Except as disclosed in this Draft Prospectus and any statutory payments made by our Company to its officers, our Company has not paid any sum, any non-salary related amount or benefit to any of its officers or to its employees including amounts towards super-annuation, ex-gratia/rewards.

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

Retirement Benefits

Except as provided for in the terms of appointment, our Company does not provide any specific retirement benefits.

Arrangement and Understanding with Major Shareholders/Customers/ Suppliers

None of the Key Managerial Personnel have been selected pursuant to any arrangement/understanding with major shareholders/customers/suppliers.

Details of Service Contracts of the Key Managerial Personnel

Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not entered into any other contractual arrangements with our Company for provision of benefits or payments of any amount upon termination of employment.

Loans availed by Directors / Key Managerial Personnel of our Company

None of the Key Managerial Personnel have availed loan from our Company which is outstanding as on the date of this Draft Prospectus.

Changes in our Company's Key Managerial Personnel during the last three (3) years

Except for the changes to our Board of Directors, as set forth under “*Our Management -Changes in the Board of Directors in the last three years*” herein above, the changes in the Key Management Personnel in the last three years prior to the date of filing of this Draft Prospectus are as follows:

Sr. No.	Name of the Key Managerial Personnel & Designation	Date of Appointment	Reason
1.	Mr. Venkatachalam Subbiah <i>Chief Financial Officer</i>	September 28, 2018	Appointment
2.	Mr. Seshadri Raghavan <i>Company Secretary and Compliance Officer</i>	September 28, 2018	Appointment

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.

Employees

The details about our employees appear under the paragraph titled “Our Business” beginning on page 115.


OUR PROMOTER & PROMOTER GROUP

Our Promoters

The Promoters of our Company are Mr. Vasanadu Govind and Poly Tough Tubes Limited. As on the date of this Draft Prospectus, the Promoters hold 88,95,515 Equity Shares in aggregate, which is equivalent to 74.13% of the pre-issued, subscribed and paid-up Equity Share capital of our Company.

For details of the build-up of our Promoters shareholding in our Company, please refer the chapter titled "*Capital Structure – Notes to Capital Structure*" beginning on page 66.

The brief profiles of our Promoters are as under:

	<p>Vasanadu Govind</p> <p>Mr.Vasanadu Govind,aged 44 years, is the Promoter and Managing Director of our Company.</p> <p>PAN: AAKPG6719Q</p> <p>Aadhar Card No.: 490193476382</p> <p>Driving License No.: TN01 19920009822</p> <p>Address: 77/6, Gulmohar Avenue, Velacherry Main Road, Guindy Industrial Estate, Chennai-600032, Tamil Nadu, India.</p> <p>For further details, please refer chapter titled "<i>Our Management</i>" beginning on page 159.</p>
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Poly Tough Tubes Limited

Corporate Information

Poly Tough Tubes Limited is the Corporate Promoter of our Company. The company was incorporated on June 22, 1989 under the Companies Act, 1956 with a certificate of incorporation issued by the Registrar of Companies, Tamil Nadu. Its corporate identity number is U25111TN1989PLC017576 and its registered office is located at New No.338, Thambu Chetty Street, Chennai, Tamil Nadu -600001, India. The Main objects of the company include manufacture, sale, import or export of tubes and pipes and related activities.

History of the Company

Management took over the company in 2008 by acquiring major shares and company has since then been under control of Mr. Vasanadu Govind.

In 2013, Poly Tough Tubes has started manufacturing of PVC doors and profiles

Change in activities

There has been no change in activities of the Company since its inception.

Board of Directors

The following table sets forth details regarding the board of directors of Poly tough tubes limited as on the date of this Draft Prospectus:

Sr.No.	Name of the director	Designation
1.	Vasanadu Govind	Director
2.	Nagaprasanna Vasanadu	Whole time director
3.	Mool Singh Shekhawat	Whole time Director

Capital Structure

The authorized share capital of Poly Tough Tubes Limited is Rs. 5,00,00,000 divided into 5,000,000 equity shares of Rs. 10 each . The issued, subscribed and paid up equity share capital of Poly Tough Tubes Limited is Rs. 4,59,47,000 divided into 4,594,700 equity shares of Rs. 10 each.

Shareholding pattern of Poly Tough Tubes Limited

The following table sets forth details of the summary statement of the shareholding pattern of Poly tough tubes limited as on September 30, 2018:

Category	Category of shareholder	Nos. of shareholder	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percent age of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form\$
								No. of Voting Rights			Total as a % of (A+B + C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Classes Equity Shares of Rs. 10 each ^	Class eg: y	Total								
I	II	III	IV	V	VI	VII = IV+V +VI	VIII	IX				X	XI=VII +X	XII		XIII	XIV	
(A)	Promoters & Promoter Group	4	4594670	-	-	4594670	100.00	4594670	-	4594670	100.00	-	-	-	-	-	-	
(B)	Public	3	30	-	-	30	Negligible	30	-	30	Negligible	-	-	-	-	-	-	
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C1)	Share	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

Category	Category of shareholder	Nos. of shareholder	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form\$
								No. of Voting Rights			Total as a % of (A+B + C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Classes Equity Shares of Rs. 10 each ^	Class eg: y	Total								
I	II	III	IV	V	VI	VII = IV+V +VI	VIII	IX				X	XI=VII +X	XII		XIII	XIV	
	s underlying DRs																	
(C2)	Shares held by Emp. Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Total	7	4594700	-	-	4594700	100.00	4594700	-	4594700	100.00	-	-	-	-	-	4594700	

Confirmations/Declarations

Our Company confirms that the details of the individual details of PAN, Bank Account Numbers, Corporate identity number(as applicable) of Poly Tough Tubes Limited and Mr. Vasanadu Govind and the address of the RoC Office with which the Corporate Promoter is registered and Passport Numbers of our Individual Promoter shall be have been submitted to National Stock Exchange of India Limited at the time of filing of this Draft Prospectus.

Change in Management or Control

There has been no change in control of the management of Poly tough Tubes Limited in the three years preceding the date of this Draft Prospectus

Other ventures of our Promoters

Except as disclosed herein below and in the chapter "*Our Management*" beginning on page 159, our Promoters are not involved with any other venture.

Change in control of Our Company

Our Promoters are the original promoters of our Company and there has not been any change in the control of our Company in the five years immediately preceding the date of this Draft Prospectus.

Interest of Promoters

Our Promoters are interested in our Company to the extent that they have promoted our Company, business transactions with our Company and to the extent of their respective shareholding in our Company, directorship in our Company and the dividend receivable, if any and other distributions in respect of their respective shareholding in our Company or the shareholding of his relatives in our Company. For details regarding shareholding of our Promoters in our Company, please refer to the chapter titled "*Capital Structure*" beginning on page 66. For further details of interest of our Promoters in our Company, please refer to the chapter titled "*Financial Information of the Company*" beginning on page 185.

Our Promoter may be deemed to be interested to the extent of remuneration, benefits and reimbursement of expenses payable to him as the Directors of our Company. For further details, please refer to the chapter titled "*Our Management*" beginning on page 159.

Except for Mr. Vasanadu Govind who is Promoter and Managing Director of our Company, none of our Directors or Group Companies have any interest in the promotion of our Company.

Interest of Promoters in the Properties of our Company

Except as disclosed in this Draft Prospectus, our Promoters, Directors and Group Companies have no interest, whether direct or indirect, in any property acquired by our Company within the preceding three years from the date of this Draft Prospectus or proposed to be acquired by it as on the date of this Draft Prospectus, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Our Promoters and Directors are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or shares or otherwise by any

person either to induce such person to become, or qualify him as a Director or Promoter, or otherwise for services rendered by him or by such firm or company in connection with the promotion or formation of our Company.

Except to the extent of the directorship and shareholding in our Group Companies, our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by our Company. For further details, please refer to the chapter titled "*Our Management*" beginning on page 159 and "*History and Certain Corporate Matters*" beginning on page 154.

Related Party Transactions

For details of related party transactions entered by our Promoters, members of our Promoter Group and our Company during the last financial year, the nature of transactions and the cumulative value of transactions, refer to the chapter titled "*Financial Information of the Company*" beginning on page 185.

Payment of benefits to our Promoters

Except as disclosed in this section and stated otherwise in "*Financial Information of the Company*" beginning on page 185 about the related party transactions entered into during the last three Fiscals and in "*Our Management*" beginning on page 159, there has been no payment or benefit to our Promoters or Promoter Group during the two years prior to the filing of this Draft Prospectus nor is there any intention to pay or give any benefit to our Promoters or members of the Promoter Group as on the date of this Draft Prospectus.

Disassociation by Promoters in the last three years

Except for Mr. Vasanadu Govind, our Promoter, who disassociated as a director from Mysore Fertiliser Company Private Limited with effect from June 13, 2015, our Promoters have not disassociated with any company or firm during the three years preceding the date of filing of this Draft Prospectus.

Material Guarantees

Except as stated in the "*Financial Information of the Company*" beginning on pages 185, our Promoters have not given any material guarantee to any third party with respect to the Equity Shares as on the date of this Draft Prospectus.

Our Promoter Group

Individuals and entities that form a part of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, 2018 are set out below:

Natural persons who are part of the Promoter Group

A. The natural persons who are part of the Promoter Group (due to their relationship with our individual Promoter), other than our Promoters, are as follows:

Relationship	VASANADU GOVIND
Father	Late V. Mohan Rao
Mother	Ms. Vasanadu Nirmala
Spouse	Ms. V.Nagaprasanna
Brother	Nil
Sister	Ms. Shalini Gupta
Son	Master Ruchir
Daughter	Nil
Spouse's Father	Dr. Nagajothi N
Spouse's Mother	Dr. Lavanya Nagajothi
Spouse's Brother	Dr. N.Nagaprasad Dr. N.Nagapradeep
Spouse's Sister	Nil

Entities forming part of our Promoter Group

The entities forming part of our Promoter Group are as follows:

Sr. No.	Particulars	Vasanadu Govind
1	Any body corporate in which 20% or more of the equity share capital is held by the Promoters or an immediate relative of the Promoters or a firm or HUF in which the Promoters or any one or more of their immediate relative is a member	<ul style="list-style-type: none"> • Mycol Distributors Pvt Ltd • Poly Tough tubes Ltd • Vetri Pressings Plastics Components Private Limited • Tamara Hospitality Ventures Private Limited
2	Any body corporate in which a body corporate as provided in (1) above, holds 20% or more of the equity share capital	-
3	Any HUF or firm in which the aggregate share of the Promoter and their relatives is equal to or more than 20% of the total capital	<ul style="list-style-type: none"> • Govind HUF • Mahaalakshmi Chemicals • Mycol International Agencies

Sr. No.	Particulars	Poly tough Tubes Limited
1	a subsidiary or holding company of such body corporate	-
2	anybody corporate in which the promoter holds twenty per cent. or more of the equity share capital; and/or anybody corporate which holds twenty per cent. or more of the equity share capital of the promoter	<ul style="list-style-type: none"> • Mycol Distributors Private Limited

3	anybody corporate in which a group of individuals or companies or combinations thereof acting in concert, which hold twenty per cent. or more of the equity share capital in that body corporate and such group of individuals or companies or combinations thereof also holds twenty per cent. or more of the equity share capital of the issuer and are also acting in concert	-
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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 the shareholders at the general meeting of our Company. The Articles of Association of our Company give our shareholders, the right to decrease, and not to increase, the amount of dividend recommended by the Board of Directors.

The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. No dividend shall be payable for any financial year except out of profits of our Company for that year or that of any previous financial year or years, which shall be arrived at after providing for depreciation in accordance with the provisions of Companies Act, 2013.

Our Company does not have any formal dividend policy for declaration of dividend in respect of the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and may depend on a number of factors, including the results of operations, earnings, Company's future expansion plans, capital requirements and surplus, general financial condition, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

Our Company has not declared any dividend on the Equity Shares in the past years. Our Company's corporate actions pertaining to payment of dividends in the past are not to be taken as being indicative of the payment of dividends by our Company in the future.

SECTION VI: FINANCIAL INFORMATION OF THE COMPANY

Independent Auditor's Report for the Restated Financial Statements of Lotus Roofings Limited

To,
The Board of Directors,
LOTUS ROOFINGS LIMITED
Sedurapetauro Ville [Via]
Pondicherry 605 111

Dear Sir,

1. We have examined the attached Restated Summary Statements along with Significant Accounting Policies and related notes of **Lotus Roofings Limited** (the "Company") as at and for the period / each of the years ended September 30, 2018, March 31, 2018, 2017 and 2016 annexed to this report and prepared for the purpose of inclusion in the Offer Document in connection with its proposed Initial Public Offering (IPO) on NSE Emerge.
2. These restated Financial statements have been prepared in accordance with the requirements of:
 - (i) Section 26 read with the applicable provisions within Rule-4 to 6 of Companies (Prospectus and Allotment of Securities) Rules 2014 of Companies Act, 2013 ("the Act"), as amended and;
 - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ("**ICDR Regulations**") issued by the Securities and Exchange Board of India ("**SEBI**") in pursuance to section 11 of Securities and Exchange Board of India Act, 1992 and related amendments / Clarifications from time to time;
 - (iii) The terms of reference to our engagement with the Company requesting us to carry out the assignment, in connection with the Draft Prospectus/ Prospectus being issued by the Company for its proposed Initial Public Offering of equity shares on SME Platform of NSE Limited; and
 - (iv) The Guidance Note on Reports in Company Prospectus (Revised 2016) issued by the Institute of Chartered Accountants of India ("**Guidance Note**").
3. The restated financial statements of the Company have been extracted and prepared by the management from the audited financial statements of the Company for the period/financial year ended on September 30, 2018 and for the financial year ended March 31, 2018, March 31 2017 and March 31, 2016 which have been approved by the Board of Directors
4. In accordance with the requirements of Act, ICDR Regulations, Guidance Note and the terms of our Engagement Letter, we further report that:
 - (i) The "**Restated Summary Statement of Asset and Liabilities**" as set out in **Annexure I** to this report, of the company as at September 30, 2018, March 31, 2018, March 31, 2017, and March 31, 2016 are prepared by company and approved by the Board of Directors. These Restated Summary Statement of Assets and Liabilities, have been arrived at after making such adjustments and

regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV (A)** to this Report.

- (ii) The “**Restated Summary Statement of Profit and Loss**” as set out in **Annexure II** to this report, of the Company for the period/year ended September 30, 2018, March 31, 2018, March 31, 2017 and March 31, 2016 are prepared by company and approved by the Board of Directors. These Restated Summary Statement of Profit and Loss, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described Significant Accounting Policies and notes to Accounts as set out in **Annexure IV (A)** to this Report.
 - (iii) The “**Restated Summary Statement of Cash Flows**” as set out in **Annexure III** to this report, of the Company for the period/year ended September 30, 2018, March 31, 2018, March 31, 2017, and March 31, 2016 are prepared by company and approved by the Board of Directors. These statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and notes to Accounts as set out in **Annexure IV (A)** to this Report.
5. Based on above and also as per reliance placed by us on the audited financial statements of the Company and report thereon given by statutory auditor of the Company for the period ended September 30, 2018 and for the financial year ended March 31, 2018, March 31, 2017, and March 31, 2016 we are of the opinion that:
- a) The Restated Summary Statements have been made after incorporating adjustments for the Changes in accounting policies retrospectively in respective financial period/years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any;
 - b) The Restated Summary Statements have been made after making adjustments for prior period and other material amounts in the respective financial years to which they relate and there are no qualifications which require adjustments;
 - c) Extra-ordinary items that need to be disclosed separately in the accounts has been disclosed wherever required;
 - d) There were no qualifications in the Audit Reports issued by the statutory auditor for the financial period/year ended on September 30, 2018, March 31, 2018, March 31, 2017, and March 31, 2016 which would require adjustments in this restated financial statements of the Company;
 - e) Statutory auditor of the Company without qualifying the audit report has emphasised on following matters in their Report on respective year/ period ended financial statements

Financial Year	Emphasis Of Matters
2017-18	The company has made GST reconciliation between books and GSTR 3B return whereas the Company could not reconcile the books with GSTR 2A return, where the GST input credit listed. We informed by the Company, that all the input credit has taken as per vendors Tax invoices and there could be

	slippages in the GSTR 2A return.
2018-19 (April to September)	The company has made GST reconciliation between books and GSTR 3B return whereas the Company could not reconcile the books with GSTR 2A return, where the GST input credit listed. We informed by the Company, that all the input credit has taken as per vendors Tax invoices and there could be slippages in the GSTR 2A return.

- f) Profits and Losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the significant accounting policies and Notes to Accounts as set out in Annexure IV (A) to this report;
- g) Adjustments in Restated Summary Statements have been made in accordance with the correct accounting policies, which includes the impact of provision of gratuity made on actuarial valuation basis in the Restated Summary Statements;
- h) There was no change in accounting policies, which needs to be adjusted in the Restated Summary Statements except mentioned in clause (f) above;
- i) There are no revaluation reserve, which needs to be disclosed separately in the Restated Summary Statements;
- j) The company has not paid any dividend on its equity shares till March 31, 2018

6. Opinion:

In our opinion and to the best of information and explanation provided to us, and also as per the reliance placed on reports submitted by previous auditor, the restated financials information of the company, read with significant accounting policies and notes to accounts as appearing in Annexure IV(A) are prepared after providing appropriate adjustments and regroupings as considered appropriate and disclosed in Annexure IV (B).

7. Emphasis of Matter:

Without qualifying our opinion attention is invited to the following notes to the financial statements:

The company has made GST reconciliation between books and GSTR 3B return whereas the Company could not reconcile the books with GSTR 2A return, where the GST input credit listed. We informed by the Company, that all the input credit has taken as per vendors Tax invoices and there could be slippages in the GSTR 2A return.

- 8. Financial statements for the period / financial year ended on September 30, 2018 and March 31, 2018 have been re-audited by us as per the relevant guidelines.
- 9. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the financial period / year ended on September 30, 2018, March 31, 2018, March 31, 2017, and March 31, 2016 proposed to be included in the Draft Red Herring Prospectus / Prospectus (“**Offer Document**”) for the proposed IPO.

10. Other Financial Information:

1. Annexure to Restated Financial Statements of the Company:-

- a) Significant accounting policies and notes to accounts as restated as appearing in ANNEXURE IV(A);
- b) Reconciliation of Restated Profit as appearing in ANNEXURE IV (B) to this report;
- c) Reconciliation of Restated Equity/Net Worth as appearing in Annexure IV (C) to this report.
- d) Details of share capital as Restated as appearing in ANNEXURE V to this report;
- e) Details of reserves and surplus as restated as appearing in ANNEXURE VI to this report;
- f) Details of long term borrowings as restated as appearing in ANNEXURE VII to this report;
- g) Nature of Security and terms of Repayment for Long term Borrowings as appearing in ANNEXURE VIIA to this report;
- h) Details of deferred tax Liabilities (Net) as restated as per ANNEXURE VIII to this report;
- i) Details of Long term Provisions as restated as appearing in ANNEXURE IX to this report;
- j) Details of short term borrowings as restated as appearing in ANNEXURE X to this report;
- k) Details of Trade Payables as restated as appearing in ANNEXURE XI to this report;
- l) Details of Other Current Liabilities as restated as appearing in ANNEXURE XII to this report;
- m) Details of Short Term Provisions as restated as appearing in ANNEXURE XIII to this report;
- n) Details of Fixed Assets as restated as appearing in ANNEXURE XIV to this report;
- o) Details of Non Current Investments as restated as appearing in ANNEXURE XV to this report;
- p) Details of Long term loans and advances as restated as appearing in ANNEXURE XVI to this report;
- q) Details of current investments as restated as appearing in ANNEXURE XVII to this report;
- r) Details of Inventories as restated as appearing in ANNEXURE XVIII to this report;
- s) Details of Trade Receivable as restated as appearing in ANNEXURE XIX to this report;
- t) Details of Cash And Cash Equivalents as restated as appearing in ANNEXURE XX to this report;
- u) Details of Short Term Loans And Advances as restated as appearing in ANNEXURE XXI to this report;
- v) Details of Other Current Assets as restated as appearing in ANNEXURE XXII to this report;
- w) Details of Revenue From Operations as restated as appearing in ANNEXURE XXIII to this report;
- x) Details of Other Income as restated as appearing in ANNEXURE XXIV to this report;
- y) Details of Cost of material consumed as restated as appearing in ANNEXURE XXV to this report;
- z) Details of Direct Operating Expenses as restated as appearing in ANNEXURE XXVI to this report;
- aa) Details of Changes in inventories as restated as appearing in ANNEXURE XXVII to this report;
- bb) Details of Employee Benefit Expenses as restated as appearing in ANNEXURE XXVIII to this report;
- cc) Details of Finance Cost as restated as appearing in ANNEXURE XXIX to this report;
- dd) Details of Depreciation and amortisation as restated as appearing in ANNEXURE XXX to this report;
- ee) Details of Other Expenses as restated as appearing in ANNEXURE XXXI to this report;
- ff) Details of Contingent Liabilities as restated as appearing in ANNEXURE XXXII to this report;
- gg) Statement of tax shelters as restated as appearing in ANNEXURE XXXIII to this report;
- hh) Capitalisation Statement as at September 30, 2018 as restated as appearing in ANNEXURE XXXIV to this report;
- ii) Details of Related Parties Transactions as restated as appearing in ANNEXURE XXXV to this report;

11. We, P. RAMANUJAM & CO., Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate issued by the “Peer Review Board” of the ICAI.
12. The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statement of the company and are in accordance with provisions of the Act and ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the management of the company.
13. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other firm of chartered accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.
14. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
15. In our opinion, the above financial information contained in Annexure I to XXXV of this report read with the respective significant accounting policies and notes to restated summary statements as set out in Annexure IV (A) are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note.
16. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the SME IPO. Our report should not be used, referred to or adjusted for any other purpose except with our consent in writing.
17. **Auditor’s Responsibility**

Our responsibility is to express an opinion on these restated consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

For **P. RAMANUJAM & CO.**

Chartered Accountants

Firm Registration no: **002950S**

Sd/-

CA K Sahayaraj

Partner

Membership No.: 026682

Place: Chennai,

Date: March 23, 2019

ANNEXURE-I
RESTATED STANDALONE STATEMENT OF ASSETS AND LIABILITIES

(Rs. In Lakhs)

Particulars	Annexure	For the period ended on September 30, 2018	For the year ended March 31		
			2018	2017	2016
I. EQUITY AND LIABILITIES					
(1) Shareholder's Funds					
(a) Share Capital	V	1,200.00	400.00	400.00	379.64
(b) Reserves and Surplus	VI	894.01	1,517.30	1,104.91	888.48
(2) Share Application Money Pending Allotment		-	-	-	-
(3) Non-Current Liabilities					
(a) Long-Term Borrowings	VII	1,077.31	1,155.83	302.77	351.87
(b) Other Long Term Liabilities		-	-	-	-
(c) Deferred Tax Liability(Net)	VIII	80.66	113.42	98.75	91.42
(d) Long Term Provisions	IX	85.62	82.34	72.71	61.10
(4) Current Liabilities					
(a) Short-Term Borrowings	X	2,770.53	2,227.38	1,870.49	876.96
(b) Trade Payables	XI	1,424.10	2,209.88	1,223.30	1,354.68
(c) Other Current Liabilities	XII	303.75	328.36	324.06	351.08
(d) Short-Term Provisions	XIII	282.07	132.93	267.38	216.86
TOTAL		8,118.06	8,167.63	5,664.37	4,572.10
II.ASSETS					
(1) Non-Current Assets					
(a) Fixed Assets	XIV				
- Tangible Assets		2,093.73	2,157.42	1,151.01	1,285.47
- Intangible Assets		2.32	3.34	0.35	0.45
- Capital Work in Progress		167.31	139.89	52.02	-
(b) Non-Current Investments	XV	165.30	165.30	386.49	386.49
(c) Deferred Tax Assets (Net)		-	-	-	-
(d) Other non-current assets		-	-	-	-
(e) Long Term Loans & Advances	XVI	9.52	3.75	4.20	64.52
(2) Current Assets					
(a) Current Investments	XVII	-	64.01	51.95	33.94
(b) Inventories	XVIII	2,625.96	2,712.13	1,854.34	1,007.41
(c) Trade receivables	XIX	2,327.30	1,764.66	1,691.76	1,309.53
(d) Cash and Cash Equivalents	XX	235.71	592.42	175.32	188.65
(e) Short-Term Loans And Advances	XXI	473.15	564.41	296.95	295.64
(f) Other Current Assets	XXII	17.75	-	-	-
TOTAL		8,118.06	8,167.63	5,664.37	4,572.10

ANNEXURE - II
RESTATED STANDALONE STATEMENT OF PROFIT AND LOSS AS RESTATED

(Rs. in Lakhs)

Sr. No.	Particulars	Annexure	For the period ended on September 30, 2018	For the year ended March 31		
				2018	2017	2016
A	Revenue:					
	Revenue From Operations	XXIII	7,172.42	10,240.07	8,402.48	6,722.67
	Other Income	XXIV	44.25	36.84	31.96	57.37
	Total Revenue		7,216.66	10,276.90	8,434.44	6,780.04
B	Expenses:					
	Cost of Materials Consumed	XXV	6,610.08	7,283.22	5,627.59	4,300.50
	Direct Operating Expenses	XXVI	321.14	418.70	413.80	330.22
	Changes in Inventories of Finished Goods, Stock-in-process and Stock-in-trade	XXVII	(1,142.25)	(169.32)	32.56	(69.89)
	Employee benefit expenses	XXVIII	322.91	506.66	430.74	419.26
	Finance Cost	XXIX	257.93	263.20	219.27	247.31
	Depreciation and amortization expenses	XXX	207.15	268.41	264.48	265.97
	Others Expenses	XXXI	432.71	1,103.00	1,097.20	1,070.59
	Total Expenses		7,009.69	9,673.88	8,085.64	6,563.97
C	Profit before exceptional ,extraordinary items and tax		206.98	603.02	348.80	216.07
	Less: Exceptional Items		-	-	-	-
	Profit before extraordinary items and tax (A-B)		206.98	603.02	348.80	216.07
	Prior Period Items		-	-	-	-
	Extra ordinary items		-	-	-	-
D	Profit before tax		206.98	603.02	348.80	216.07
	<i>Tax expense :</i>					
	Current tax		62.92	176.06	135.22	66.74
	Deferred Tax		32.66	14.57	7.33	71.98
	Profit/(Loss) for the period		176.72	412.39	206.25	77.35

ANNEXURE – III
RESTATED STATEMENT OF CASH FLOW

(Rs. in Lakhs)

Particulars	For the period ended on September 30, 2018	For the year ended March 31		
		2018	2017	2016
Cash Flow From Operating Activities:				
Net Profit before tax as per Profit And Loss A/c	206.98	603.02	348.80	216.07
Adjustments for:				
Depreciation & Amortisation Expense	207.15	268.41	264.48	265.97
Interest on FDRs	(2.97)	(15.20)	(10.90)	(34.54)
Dividend Income	(0.02)	(0.33)	(0.21)	(0.53)
Profit on Sale of Investments	(34.06)	(20.15)	(20.28)	(21.29)
Profit on Sale Of fixed Assets	-	-	-	(1.01)
Finance Cost	257.93	263.20	219.27	247.31
Operating Profit Before Working Capital Changes	635.01	1,098.96	801.18	671.98
Adjusted for (Increase)/ Decrease in:				
(a) Trade Payables	(785.78)	986.58	(131.38)	(2.80)
(b) Other Current Liabilities	(24.61)	4.29	(27.02)	261.75
(c) Short-Term Provisions	149.15	(134.46)	50.52	(10.63)
(d) Inventories	86.17	(857.80)	(846.93)	(83.31)
(e) Trade receivables	(562.64)	(72.90)	(382.24)	(454.31)
(f) Short-Term Loans And Advances	91.26	(267.46)	(1.31)	34.95
(g) Other Current Assets	(17.75)	-	-	-
Cash Generated From Operations	(1,064.21)	(341.74)	(1,338.35)	(254.35)
Net Income Tax paid/ refunded	(62.92)	(176.06)	(135.22)	(67.42)
Net Cash Flow from/(used in) Operating Activities: (A)	(492.12)	581.16	(672.40)	350.21
Cash Flow From Investing Activities:				
Net (Purchases)/Sales of Fixed Assets (including capital work in progress)	(169.87)	(1,365.69)	(181.93)	(458.70)
Net (Increase)/Decrease in Long Term Loans & Advances	(5.77)	0.44	60.32	326.90
Net (Increase)/Decrease in Other Non-Current Assets	-	-	-	(0.75)
Interest Income	2.97	15.20	10.90	34.54
Profit on sale of Investments	34.06	20.15	20.28	21.29
Dividend Received	0.02	0.33	0.21	0.53
Purchase OF Investments	64.01	209.13	(18.00)	57.49
Net Cash Flow from/(used in) Investing Activities: (B)	(74.57)	(1,120.44)	(108.23)	(18.70)
Cash Flow from Financing Activities:				
Proceeds From issue of Share Capital	-	-	30.53	142.37
Net Increase/(Decrease) in Long Term Borrowings	(78.52)	853.07	(49.10)	(64.73)
Net Increase/(Decrease) in Short Term Borrowings	543.15	356.89	993.53	(138.72)
Net Increase/(Decrease) in Long Term Provisions	3.28	9.63	11.61	46.69

Interest on Borrowings	(257.93)	(263.20)	(219.27)	(247.31)
Net Cash Flow from/(used in) Financing Activities (C)	209.97	956.38	767.29	(261.70)
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(356.71)	417.10	(13.33)	69.81
Cash & Cash Equivalents As At Beginning of the Year	592.42	175.32	188.65	118.84
Cash & Cash Equivalents As At End of the Year	235.71	592.42	175.32	188.65

(Rs. In Lakhs)

Components of Cash & Cash Equivalents:				
Particulars	For the period ended on September 30, 2018	For the year ended March 31		
		2018	2017	2016
Cash on Hand	2.55	1.99	2.69	4.24
Balance with Banks				
In Current Accounts	57.83	173.78	29.68	44.26
In Deposit Accounts	175.33	188.00	142.95	140.16
Cheques on Hand		228.66		
Total Cash & Cash Equivalents	235.71	592.42	175.32	188.65

ANNEXURE – IV A**SIGNIFICANT ACCOUNTING POLICY AND NOTES TO THE RESTATED SUMMARY STATEMENTS****A. BACKGROUND**

Our Company was incorporated as Lotus Roofings Private Limited under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated April 26, 1984 issued by the Registrar of Companies, Puducherry bearing Registration Number 259 of 1984. The name of our Company was subsequently changed to Lotus Roofings Limited pursuant to special resolution passed by the Shareholders at its Extra Ordinary General Meeting held on September 03, 2018 and a fresh certificate of incorporation consequent upon conversion from Private Company to Public Company was issued by the Registrar of Companies, Puducherry dated September 27, 2018 bearing Corporate Identity Number U25209PY1984PLC000259.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**1. Accounting Policy**

The Restated Summary Statement of Assets and Liabilities of the Company as on September 30, 2018, March 31, 2018, March 31, 2017 and March 31, 2016 and the Restated Summary Statement of Profit and Loss and Restated Summary Statements of Cash Flows for the same period mentioned above and the annexure thereto (collectively, the “Restated Financial Statements” or “Restated Summary Statements”) have been extracted by the management from the Financial Statements of the Company for the year ended on September 30, 2018, March 31, 2018, March 31, 2017 and March 31, 2016.

The financial statements are prepared and presented under the historical cost convention and evaluated on a going-concern basis using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirements of the

Companies Act, 2013, and notified sections, schedules and rules of the Companies Act 2013, including the Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006 as per section 211(3C) of the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of Companies (Accounts) Rules, 2014).

2. Presentation and disclosure of financial statements

The Restated Summary Statements for the period ended 30 September 2018, March 31, 2018, March 31, 2017 and March 31, 2016 has been prepared in accordance with schedule III notified under the Companies act, 2013, that has become applicable for the preparation and presentation of financial statements with effect from the year 2014-15. The adoption of the schedule III does not impact recognition and measurement principles followed for preparation of financial statements.

3. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

4. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured and there exist on mercantile basis.

Income from Sale of Materials is inclusive of GST in respect of all the goods.

Wind mill Income is earned from related party Company on par with market rate and related expenses on wind mill generation accounted as direct expenses. Solar Income is earned from related party Company on par with rate fixed with other parties.

Rent Income and Interest on deposits is recognised on time proportion basis and dividend income is recognised when the right to receive the dividend is established.

During the period, the Company also recognized revenue from renting out utility vehicle at amusement park at the fixed rate.

5. Fixed Assets and Depreciation

All items of fixed assets are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent cost are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance expenses are charged to profit or loss during the reporting period in which they are incurred.

Fixed Assets are stated at revalued cost for revalued assets and at cost for other assets less accumulated depreciation. Such costs include cost of acquisition or construction / erection including taxes, duties, freight and other incidental expenses related to acquisition and installation.

Depreciation on tangible and intangible assets is provided on the Written Down Value Method over the estimated useful lives of assets estimated by the Management commencing from the date the asset is available to the Company as described under Part C of Schedule II of The Companies Act, 2013. Depreciation for assets purchased/sold during the year is proportionately charged. The Management estimates the useful lives of the Tangible Fixed Assets as follows:

Buildings - Factory	30 years
Plant & Machinery	8 & 15 years
Wind Mill	15 years
Computers	3 years
Software	3 years
Furniture	10 years
Electrical Installations	10 years
Fire Equipments	5 years
Office Equipments	5 years
Vehicles - Cars	8 years
Vehicles – Other than cars	10 years

The company has reviewed & recognized the useful life of the plant & machinery based on the certification by chartered engineers and accordingly useful life determined as 8 & 15 years. Few types of machinery, whose life determined earlier as 8 years and during the period under review has been changed to 15 years. Consequent of this change of useful life of the asset, the excess depreciation charged in earlier years has been accounted as prior period item and disclosed in the profit and loss account under exceptional items.

6. Intangible Assets

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated depreciation. The life of this asset has been considered as 3 years.

7. Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of amount.

8. Investments

Investments, which are readily realizable and intended to be held for not more than 12 months from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

Fixed Deposits are made against Non-fund based limits with banks and as such not treated as investments.

Further the Company had maintained Demat account with IIFL Wealth Finance Limited and traded both in Equities and Mutual fund. At period ended 30th September, 2018, the Company sold all the

investment and Gain / (Loss) on sale of these investments are recorded separately as long term and short-term gain and arrived Income Tax accordingly.

9. Inventories

Items of Inventory are valued as per the basis given below:

- Raw Materials, Stores & Spares are valued at cost or Net realizable value whichever is lower.
- Work-in-Progress is valued at direct cost and an appropriate absorption of relevant overheads.
- Finished Goods are valued at Cost or Net Realizable Value, whichever is lower.
- Closing stock of Trading Materials is valued at cost or Net Realizable Value, whichever is lower.

10. Employee Benefits

a. Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as Salaries, Wages, Performance Incentive, Paid Annual Leave, Bonus, Medical Allowance, Contributions to Provident Fund etc., are recognized as actual amounts due in the period in which the employee renders the related service.

b. Defined Benefit plans

The Company's liability towards gratuity of eligible employees is covered under the Group Gratuity cum Life Assurance (Cash Accumulation) scheme of the Life Insurance Corporation of India (LIC) and the annual contributions are paid / provided in accordance with the actuarial valuation certificate received from Ashok Kumar Garg for the period ended 30.09.2018.

c. Defined contribution plans

Payments made to defined contribution plans such as Provident Fund are charged as an expense as these fall due.

11. Borrowing Costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur

12. Taxation

(i) Tax expenses comprise current tax (amount of tax for the period determined in accordance with the Income Tax Regulations in India) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

(ii) The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet

date, Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, when there is unabsorbed depreciation or carry forward losses under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each Balance Sheet date and written down or written up to reflect the amount that is reasonably / virtually certain, as the case may be, to be realised.

The working of Deferred Tax is as under:

Particulars	For the Period ended September 30, 2018	For the period ended March 31		
		2017-18	2016-17	2015-16
Timing Difference				
WDV as per Companies Act	20,96,04,459	21,60,75,666	11,51,35,616	12,85,91,936
WDV as per Income Tax Act	18,05,95,393	18,17,70,318	8,52,22,443	10,08,81,151
Total Timing Difference of Current year	2,90,09,066	3,43,05,348	2,99,13,173	2,77,10,785
Preliminary Expenses	15,000	30,000	45,000	60,000
Rate	28	33	33	33
Deferred Tax Liabilities/(Asset) Closing	80,66,149	1,13,32,458	98,75,314	91,42,179
Deferred Tax through P&L	32,66,309	(14,57,144)	(7,33,135)	(71,97,689)

(iii) Tax credit is recognised in respect of Minimum Alternate Tax (MAT) as per the provisions of Section 115JAA of the Income Tax Act, 1961 based on convincing evidence that the Company will pay normal income tax within the statutory time frame and is reviewed at each Balance Sheet date.

13. Foreign Currency Transactions

Foreign exchange transactions are recognized in the books based on the prevailing rate on the date of the transaction. The difference between the actual payment / receipt and the amount recognized in the books is taken to revenue in the case of current assets/liabilities and adjusted to carrying cost in the case of fixed assets. Where the transaction is not settled within the period, gains/losses arising on conversion at period end rates are recognized in the profit and loss account if relating to current assets / liabilities and adjusted in the carrying cost in the case of transactions relating to fixed assets.

14. GST credit

Input Credit on GST is accounted on accrual basis on purchase and service of eligible inputs and capital goods.

15. Contingent liabilities and provisions

Depending upon the facts of each case and after due evaluation of legal aspects, claims against the Company not acknowledged as debts are treated as contingent liabilities. In respect of statutory dues disputed and contested by the Company, contingent liabilities are provided for and disclosed as per original demand without considering any interest or penalty that may accrue thereafter. The Company makes a provision when there is a present obligation as a result of a past event where the

outflow of economic resources is probable and a reliable estimate of the amount of obligation can be made. Possible future or present obligations that may but will probably not require outflow of resources or where the same cannot be reliably estimated, has been made as a contingent liability in the Financial Statements.

16. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equities shares outstanding during the period.

17. Segment Reporting

In accordance with Accounting Standard-17 – “Segment Reporting” issued by the Institute of Chartered Accountants of India, the Company has identified its business segment as "manufacturing PVC pipes and PC sheets ".The risks return vis-à-vis nature of products, nature of production, processes, type or class of customers, methods used to distribute the products and nature of regulatory environment for the products etc. are of similar nature and no material distinction can be drawn. The geographical segmentation is not relevant as exports are insignificant. Further, the market in India for the Company's Products cannot be demarcated with any degree of certainty. There are no other primary reportable segments. The activities of the company are restricted to only one geographical segment i.e. India, hence the secondary segment disclosures are also not applicable.

18. Cash Flow

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly.

C. CHANGES IN ACCOUNTING POLICIES IN THE PERIODS/YEARS COVERED IN THE RESTATED FINANCIALS

There is no change in significant accounting policies adopted by the Company except the following

- a) Accounting of Gratuity which was previously done on cash basis, has now been accounted based on mercantile system as certified by Independent Actuary.

D. NOTES ON RESTATEMENTS MADE IN THE RESTATED FINANCIALS

A. The financial statements including financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.

B. The amounts due to Micro, Small and Medium Enterprises suppliers defined under "The Micro Small and Medium Enterprises Development Act 2006" have been identified on the basis of information available with the Company.

C. Contingent liabilities and commitments (to the extent not provided for) - A disclosure for a contingent liability is also made when there is a possible obligation that may, require an outflow of the Company's resources.

D. Figures have been rearranged and regrouped wherever practicable and considered necessary.

E. The management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required to be provided for.

F. The balances of trade payables, trade receivables, loans and advances are unsecured and considered as good are subject to confirmations of respective parties concerned.

G. Related Party Disclosure (AS 18) Related party transactions are reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Annexure XXXV of the enclosed financial statements.

H. We have included the standalone financials for the financial year ended March 31, 2016 and March 2017 along with the consolidated financials for the financial year ended March 31, 2016 and March 2017 for the purpose of comparison only.

I. Employee Benefits: The Company has adopted the Accounting Standard 15 (revised 2005) on Employee Benefits as per an actuarial valuation carried out by an independent actuary. The disclosures as envisaged under the standard are as under:

Particulars	For the period ended on September 30, 2018	(Rs. in Lakh) For the year ended March 31		
		2018	2017	2016
The Company has classified the various benefits provided to employees as under :-				
I. Present Value of Obligations				
a. Present Value of Obligations at the beginning of the period	89.88	84.21	68.66	
b. Interest Cost	3.71	6.53	5.32	
c. Current Service cost	3.50	6.74	6.14	
d. Past Service cost	-	-	-	-
e. Benefits paid (if any)	(2.90)	(7.37)	(5.53)	
f. Actuarial (gain)/ loss	(0.60)	(0.22)	9.63	
g. Present value of the obligation at the end of the period	93.59	89.88	84.21	68.66
II. Amount recognized in Balance sheet				
Present value of the obligation at the end of the period	93.59	89.88	84.21	68.66
Fair value of plan assets at end of period	76.47	65.38	69.07	58.39
Net liability/(asset) recognized in Balance Sheet and related analysis	17.12	24.50	15.14	10.27
Funded Status – Surplus / (Deficit)	(17.12)	(24.50)	(15.14)	(10.27)
III. Expenses to be recognized in Profit and Loss				
Interest cost	3.71	6.53	5.32	-
Current service cost	3.50	6.74	6.14	-
Past Service Cost	-	-	-	-
Expected return on plan asset	(2.86)	(6.01)	(4.55)	-
Net actuarial (gain)/loss recognized in the period	2.19	(0.62)	8.57	-
Expenses recognized in P&L	6.54	7.87	15.47	-

IV. Experience Adjustment				
Experience Adjustment (Gain) / loss for Plan liabilities	2.55	(0.22)	9.63	-
Experience Adjustment Gain / (loss) for Plan assets	(2.79)	(0.84)	1.06	-
V. Assumptions employed for the calculations are tabulated				
Discount rate %	8.25	7.75	7.75	7.75
Salary Growth Rate %	5	5	5	5
Expected rate of return %	8.25	7.75	7.75	7.50
VI. Current Liability (*Expected payout in next year as per schedule III of the Companies Act, 2013)				
Current Liability (Short Term)*	7.97	7.54	11.50	7.55
Non-Current Liability (Long Term)	85.62	82.34	72.71	61.11
Total Liability	93.59	89.88	84.21	68.66

Defined Contribution Plans

The Company's contribution to Provident Fund and Employees State Insurance Scheme is determined based on a fixed percentage of the eligible employees' salary and charged to the Statement of Profit and Loss on accrual basis.

I. Realizations

In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets and loans and advances are approximately of the same value as stated.

J. Contractual liabilities

All other contractual liabilities connected with business operations of the Company have been appropriately provided for.

K. Amounts in the financial statements

Amounts in the financial statements are rounded off to nearest lakhs. Figures in brackets indicate negative values.

RECONCILIATION OF RESTATED PROFIT
ANNEXURE – IV B

(Rs. in Lakh)

Adjustments for	For the period ended on September 30, 2018	For the year ended March 31		
		2018	2017	2016
Net Profit/(Loss) after Tax as per Audited Profit & Loss Account	174.90	395.40	245.88	180.88
Adjustments for:				
Provision for Tax	21.76	(4.83)	(28.96)	(53.71)
Depreciation and Amortization	-	14.60	7.51	3.26
Preliminary Expenses	1.85	0.15	0.15	0.15
Provision for Gratuity	(2.16)	7.06	(18.34)	(53.22)
Prepaid Expenses	5.74	-	-	-
Exceptional Item	(25.37)	-	-	-
Net Profit/ (Loss) After Tax as Restated	176.72	412.39	206.25	77.35

Explanatory notes to the above restatements made in the audited financial statements of the Company for the respective years.

Adjustments having impact on Profit

1. Provision For Deferred Tax – Deferred Tax has been calculated taking into account timing differences arising in one period and capable of reversal in another accounting period and so profit for the periods under restatement have been adjusted accordingly taking into account deferred tax profit /loss.
2. Provision For Taxation- Provision for Taxation has been adjusted for Items like Income Tax related to Earlier Years and Short Provision for Earlier Years and Mat Credit Availed.
3. Provision for Gratuity – The Company has not been following the provisions of Accounting Standard – 15 “Employee Benefits” issued by the Institute of Chartered Accountants of India in respect of recording provision for Gratuity in its Books of Accounts for the FY, 2015-16, 2016-17 and 2017-18. However, in restated financial statements, the Company has made the necessary provision for gratuity as per the actuarial valuation reports obtained by them.
4. Depreciation and Exceptional Item – The Company has excess charged depreciation in prior period has now been rectified and effect has been given in the respected years.
5. Preliminary Expenses – The Company has charged the IPO related to expenses in preliminary expenses however the same will be adjusted against Share Premium on Initial Public Offer.

Adjustments having no impact on Profit**Material Regrouping**

W.e.f, April 1 2014, Schedule III notified under the Companies Act, 2013 has become applicable to the Company for preparation and presentation of its financial statements. Revised Schedule VI notified under the Companies Act, 1956 became applicable to the Company from April 1, 2011, for preparation and presentation of its financial statements. The adoption of Schedule III / Revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements.

There is no significant impact on the presentation and disclosures made in the financial statements on adoption of Schedule III as compared to Revised Schedule VI. Appropriate adjustments have been made in the restated summary statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financial statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

RECONCILIATION OF RESTATED EQUITY / NETWORTH
ANNEXURE – IV C

Adjustments for	For the period ended on September 30, 2018	(Rs. In Lakh)		
		For the year ended March 31		
		2,018	2017	2016
Equity / Net worth As per Audited Financials	2,219.81	2,044.90	1,649.50	1,373.08
Adjustments for:				
Prior Period Adjustments (Refer note 1)	(1.43)	(1.43)	(1.43)	(1.43)
Differences pertaining to changes in Profit / Loss due to restated effect for the period covered in Restated Financial	(124.37)	(126.17)	(143.16)	(103.52)
Equity / Net worth As Restated	2,094.01	1,917.30	1,504.91	1,268.13

Explanatory notes to the above restatements made in the audited financial statements of the Company for the respective years.

Adjustments having impact on Profit:**Note: 1**

Amounts relating to the prior period have been adjusted in the year to which the same relates to and the same amount is arrived on account of change in Opening Balance of Reserve and Surplus due to the restated effect on the profit / (loss) of prior period.

To give Explanatory Notes regarding Adjustments

Appropriate adjustments have been made in the restated financial statements, wherever required, by reclassification of the corresponding items of Income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financial of the company for all the years and requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018.

**DETAILS OF SHARE CAPITAL AS RESTATED
ANNEXURE – V**

(Rs. in Lakh)

Particulars	For the period ended on September 30, 2018	For the year ended March 31		
		2018	2017	2016
EQUITY SHARE CAPITAL :				
AUTHORISED:				
4000000 Equity Shares of Rs. 10 each/-	-	400.00	400.00	400.00
17000000 Equity Shares of Rs. 10 each/-	1,700.00	-	-	-
	1,700.00	400.00	400.00	400.00
ISSUED, SUBSCRIBED AND PAID UP				
3796440 Equity Shares of Rs. 10 each	-	-	-	379.64
4000000 Equity Shares of Rs. 10 each	-	400.00	400.00	-
12000000 Equity Shares of Rs. 10 each	1,200.00	-	-	-
	1,200.00	400.00	400.00	379.64
Reconciliation of number of shares outstanding at the end of the year:				
Equity Shares at the beginning of the year	40.00	40.00	37.96	28.47
Add: Shares issued during the year	-	-	2.04	9.49
Add: Bonus shares issued during the year	80.00	-	-	-
TOTAL	120.00	40.00	40.00	37.96

Details of Shareholders holding more than 5% of the aggregate shares of the company:

Particulars	As at 30 September 2018		As at 31 March 2018		As at 31 March 2017		As at 31 March 2016	
	No.	% of Holding	No.	% of Holding	No.	% of Holding	No.	% of Holding
Vasanadu Nirmala	27,52,495	22.94%	11,89,110	29.73%	11,89,110	29.73%	11,89,110	31.32%
Vasanadu Govind	46,31,335	38.59%	17,07,330	42.68%	17,07,330	42.68%	17,07,330	44.97%
M/s Poly Tough Tubes Limited	42,64,180	35.53%	10,53,560	26.34%	10,53,560	26.34%	7,50,000	19.76%
Total	1,16,48,010	97.07%	39,50,000	98.75%	39,50,000	98.75%	36,46,440	96.05%

Notes:

1. Issue of Bonus Shares

The Company issued 80,00,000 Equity Shares as fully paid up Bonus Shares by capitalization of Reserves & Surplus during FY 18-19.

2. Terms / Rights attached to Equity Shares

The company has only one class of equity shares having a par value of Rs.10 per share which does not enjoy any preferential right or bear any restriction with regard to distribution of dividend or repayment of capital. Each holder of equity shares is entitled to one vote per share

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

3. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

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

**DETAILS OF RESERVE AND SURPLU AS RESTATED
ANNEXURE – VI**

(Rs. In Lakh)

Particulars	For the period ended on September 30, 2018	For the year ended March 31		
		2018	2017	2016
Capital Reserve	98.42	98.42	98.42	98.42
Share Premium	57.63	57.63	57.63	47.46
Surplus (Profit & Loss Account)				
Balance brought forward from previous year	1,361.25	948.86	742.61	666.69
Add: Earlier Preliminary expenses	-	-	-	(0.75)
Add: Earlier IT Provision	-	-	-	(0.68)
Add: Profit for the current period	176.72	412.39	206.25	77.35
Sub Total	1,537.96	1,361.25	948.86	742.61
TOTAL	1,694.01	1,517.30	1,104.91	888.48

**DETAILS PF LONG TERM BORROWING AS RESTATED
ANNEXURE - VII**

(Rs. In Lakh)

Particulars	For the period ended on September 30, 2018	For the year ended March 31		
		2018	2017	2016
Secured:				
Term Loans				
From Banks	1,077.31	1,155.83	302.77	343.13
From Others	-	-	-	8.74
TOTAL	1,077.31	1,155.83	302.77	351.87

Notes:

1. The terms and conditions and other information in respect of Secured Loans are given in Annexure-VIIA
2. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

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

**STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS
SECURITY
ANNEXURE VIIA**

Name of Lender	Purpose	Sanction Amount in Lakhs	Rate of interest	Securities offered*	Re-payment	Moratorium	As At
Secured Borrowings							30-09-18
DBS Bank Ltd	LC Facility	240.00	<u>17-18 and till 30-09-18</u> Present MCLR is 8.50% p.a for O/N, 8.05% p.a for one month, 8.05% p.a for three months, 8.70% p.a for six months & 8.90% p.a for 12 months maturity. The MCLR is subject to change from time to time.	First Charge on Hypothecation of Current Assets	On Demand / Revolving	NA	1277.76
DBS Bank Ltd	Working Capital (OD - sub limit)	900.00		Exclusive Charge on Commercial Property	Max up to 180 days	NA	875.64
DBS Bank Ltd	Working Capital (WC Loan / FC)	50.00		Personal Guarantee of Directors 10% cash margin on LC facility.	Max up to 180 days Max up to 1 year (Including claim Period)	NA	
YES Bank	C C	900.00	<u>17-18 and till 30-09-18</u> CC - MCLR+0.60% Applicable rate of interest is 10.20% pa.	Property - R S No.40/2 & 40/3 & 41/5 Extn of 3rd Cross Street, Sedurapet I ndl.Esrtate , Pondicher ry - 605 111	Valid up to 12 months	NA	885.74
YES Bank	Working Capital Demand Loan (WC DL)	900.00	<u>17-18 and till 30-09-18</u> CC - MCLR+0.60% Applicable rate of interest is 10.20% pa.		Valid up to 12 months		0.00
YES Bank	LC	900.00	Commission: 0.5% + applicable taxes	Personal Guarantee of Directors			0.00

				10% cash margin on LC facility.			
YES Bank	FCNB Loan sublimit of CC	900.00	Libor + Spread				0.00
YES Bank	BG	800.00	0.75% on per day basis + applicable taxes				0.00
YES Bank	Term loan	280.00					0.00
IIFL	Business	400.00	11% upto 31.10.2018 and 11.50% from 1.11.2018	Investments held by Promoters & Promoter group	24 months	NA	374.00
HDFC BANK	Vehicle loan	593500.00	9.00%		36 Months		3.33
HDFC BANK	Vehicle loan	780700.00	8.50%		36 Months		4.79
HDFC BANK	Vehicle loan	500000.00	11.00%		35 Months		2.62
HDFC BANK	Vehicle loan	8900000.00	9.71%		60 Months		36.14
HDFC BANK	Vehicle loan	1482000.00	8.45%		35 Months		10.55
HDFC BANK	Vehicle loan	283000.00	8.52%		35 Months		2.02
HDFC BANK	Vehicle loan	2300000.00	8.05%		37 Months		14.01
HDFC BANK	Vehicle loan	1559000	9.01%		35 Months		2.39
HDFC BANK	Vehicle loan	265500	9.01%		35 Months		19.07
SIDBI	Term Loan	2,04,00,000	10.50% upto Oct 2018, 12.50%	Exclusiv charge on Lands situated @Kolamb akkam	60 M	0	88.40
SIDBI		20,00,000	10.50% upto Oct 2018, 12.50%		60 M	0	8.78
SIDBI		80,00,000	9.95%		60 M	3 M	40.80
SIDBI		10,00,000	9.35%		60 M	3 M	5.10

SIDBI		1,00,00,000	9.90%	village	60 M	3 M	68.50
SIDBI		1,00,00,000	9.90%	Kanchipur	60 M	3 M	79.00
SIDBI		8,10,00,000	9.90%	amDist,Pa	60 M	6M	810.00
SIDBI				nagudi			
				Village			
				Thriunelv			
				elidist&O			
				ormealala			
				giyan			
				village,			
				Tenkasi .			
				Specific			
				charge on			
				Fixed			
				assests			
				funded by			
				SIDBI			
SIDBI		1,50,00,000	8.60%		60 M	6M	133.20

DETAILS OF DEFERRED TAX ASSET/(LIABILITY) AS RESTATED

ANNEXURE – VIII

(Rs. In Lakh)

Particulars	For the period ended on September 30, 2018	For the year ended March 31		
		2,018	2,017	2,016
Opening Balance	113.32	98.75	91.42	19.44
Current Year	(32.66)	14.57	7.33	71.98
TOTAL	80.66	113.32	98.75	91.42

DETAILS OF LONG TERM PROVISIONS AS RESTATED

ANNEXURE – IX

(Rs. in Lakh)

Particulars	For the period ended on September 30, 2018	For the year ended March 31		
		2018	2017	2016
Provision for Gratuity	85.62	82.34	72.71	61.10
TOTAL	85.62	82.34	72.71	61.10

DETAILS OF SHORT TERM BORROWING AS RESTATED
ANNEXURE – X

(Rs. in Lakh)

Particulars	For the period ended on September 30, 2018	As at March 31		
		2018	2017	2016
Secured Loans				
(a) Loans Repayable on Demand				
From Banks	1,810.39	1,607.86	1,426.12	459.16
From Financial Institutions	374.00	125.00	-	-
Un-secured Loans				
Loans & Advances from Directors and Related Parties	308.31	336.44	403.99	366.39
Loans & Advances from Others	277.83	158.08	40.38	51.40
TOTAL	2,770.53	2,227.38	1,870.49	876.96

DETAILS OF TRADE PAYABLES AS RESTATED
ANNEXURE – XI

(Rs. in Lakh)

Particulars	For the period ended on September 30, 2018	As at March 31,		
		2018	2017	2016
Sundry Creditors of Materials / Supplies	1,264.00	1,981.00	1,010.23	1,198.18
Sundry Creditors of Expenses	142.02	204.68	172.83	144.27
Sundry Creditors of Other	18.07	24.20	40.25	12.23
TOTAL	1,424.10	2,209.88	1,223.30	1,354.68

DETAILS OF OTHER CURRENT LIABILITIES AS RESTATED
ANNEXURE – XII

(Rs. in Lakh)

Particulars	For the period ended on September 30, 2018	For the year ended March 31		
		2018	2017	2016
Current Maturities of Long Term Borrowings	251.39	244.60	154.10	256.45
Rent Advance Received	24.60	-	-	-

Advance from Customers	-	44.50	67.46	-
Vat / CST Payable	-	-	68.74	61.93
TDS Payable	1.75	13.26	7.53	5.67
Trade Advance Received (Dealership Deposit)	26.00	26.00	26.23	27.03
TOTAL	303.75	328.36	324.06	351.08

**DETAILS OF SHORT TERM PROVISION AS RESTATED
ANNEXURE – XIII**

(Rs. in Lakh)

Particulars	For the period ended on September 30, 2018	As at March 31,		
		2018	2017	2016
Provision For Employees Benefits:				
ESI Payable	0.11	0.16	0.14	0.06
EPF Payable	2.02	1.96	1.66	1.52
Salary payable	16.04	8.06	7.44	27.01
Bonus Payable	55.50	34.43	44.65	34.44
Gratuity Payable	7.97	7.54	11.50	7.55
Interest payable	0.19	0.24	2.40	1.75
Expenses Payable	112.93	28.17	32.73	87.92
Audit Fee Payable	0.45	0.45	0.53	0.50
Provision for Income Tax (net off advance tax & TDS)	86.86	51.92	166.34	56.12
TOTAL	282.07	132.93	267.38	216.86

**DETAILS OF FIXED ASSETS AS RESTATED
ANNEXURE – XIV**

(Rs. In Lakh)

Particulars	For the period ended on September 30, 2018	For the year ended March 31		
		2018	2017	2016
Tangible Assets				
Land	210.39	210.39	210.39	210.39
Building and Roads	414.12	348.29	211.49	178.40
Plant & Machinery	912.90	986.09	237.50	271.75
Wind Mill	182.44	199.64	254.81	318.88
Electrical Installation	63.97	73.68	10.17	14.20
Furniture & Fittings	4.41	5.28	7.75	11.06
Computers	3.96	4.61	2.12	3.14
Vehicles	106.18	113.98	115.88	157.26
Office Equipment's	9.08	9.15	8.31	7.33
Solar Panel	186.28	206.32	92.59	113.06

Sub Total (A)	2,093.73	2,157.42	1,151.01	1,285.47
Intangible Assets				
Software	2.32	3.34	0.35	0.45
Sub Total (B)	2.32	3.34	0.35	0.45
Capital Work-in-Progress				
Construction of Office Complex at Guindy	114.24	139.89	52.01	-
Construction of Building for PC Project	53.07	-	-	-
Sub Total (C)	167.31	139.89	52.01	-
TOTAL (A+B+C)	2,263.36	2,300.65	1,203.37	1,285.92

**DETAILS OF NON- CURRENT INVESTMENTS AS RESTATED
ANNEXURE – XV**

(Rs. in Lakh)

Particulars	For the period ended on September 30, 2018	For the year ended March 31		
		2018	2017	2016
Investment in Equity Instruments				
Poly Tough Tubes Limited	-	-	116.19	116.20
Vetri Pressings Plastics Components Private Limited	-	-	105.00	105.00
Investment in Partnership Firm				
Precesion Products	165.30	165.30	165.30	165.30
TOTAL	165.30	165.30	386.49	386.49

**DETAILS OF LONG TERM LOANS & ADVANCES AS RESTATED
ANNEXURE – XVI**

(Rs. in Lakh)

Particulars	For the period ended on September 30, 2018	For the period ended March 31		
		2018	2017	2016
Loans and Advances to related parties				
Poly Tough Tubes P Ltd	-	-	-	60.64
Precision Products	9.52	3.75	4.20	3.88
TOTAL	9.52	3.75	4.20	64.52

**DETAILS OF CURRENT INVESTMENT AS RESTATED
ANNEXURE – XVII**

(Rs. In Lakh)

Particulars	For the period ended on September 30, 2018	As at March 31		
		2018	2017	2016
Current Investments (quoted)				
Investment in Equity Instruments	-	64.01	51.95	33.94
TOTAL	-	64.01	51.95	33.94
Aggregate Market Value of above mutual funds	-	90.49	80.85	54.96

**DETAILS OF INVENTORIES AS RESTATED
ANNEXURE – XVIII**

(Rs. In Lakh)

Particulars	For the period ended on September 30, 2018	As at March 31		
		2018	2017	2016
Raw Material & Trading Material	889.32	2,117.74	1,429.26	443.70
Work-in-Progress	9.00	8.05	7.06	14.74
Finished Goods	1,727.64	586.34	418.01	442.89
Goods-in-transit	-	-	-	106.08
TOTAL	2,625.96	2,712.13	1,854.34	1,007.41

**DETAILS OF TRADE RECEIVABLES AS RESTATED
ANNEXURE – XIX**

(Rs. In Lakh)

Particulars	For the period ended on September 30, 2018	As at March 31		
		2018	2017	2016
Outstanding for a period more than 6 months:				
a) Unsecured, Considered Good :	109.91	109.91	391.31	116.98
b) Provision for Doubtful Debts	-16.34	-28.50	-25.31	-16.34
Others				
a) Unsecured, Considered Good :	2,233.73	1,683.25	1,325.76	1,208.88
TOTAL	2,327.30	1,764.66	1,691.76	1,309.53

**DETAILS OF CASH & CASH EQUIVALENTS AS RESTATED
ANNEXURE – XX**

(Rs. In Lakh)

Particulars	For the period ended on September 30, 2018	As at March 31		
		2018	2017	2016
Cash on hand	2.55	1.99	2.69	4.24
Balance with Banks	-	-	-	-
(i) In current accounts	57.83	173.78	29.68	44.26
(ii) In deposit accounts	175.33	188.00	142.95	140.16
Cheques in Hand	-	228.66	-	-
Total	235.71	592.42	175.32	188.65

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the restated statement of assets and liabilities, restated statement of profit and loss, cash flow statement, significant accounting policies and notes to restated summary statements as appearing in Annexures I, II, III and IV respectively.

**DETAILS OF SHORT TERM LOAN AND ADVANCES AS RESTATED
ANNEXURE – XXI**

(Rs. In Lakh)

Particulars	For the period ended on September 30, 2018	As at March 31		
		2018	2017	2016
Unsecured, Considered Good:				
Interest accrued on Fixed Deposits	0.34	2.21	2.43	2.43
Container Movement Deposit	-	-	0.33	0.33
Deposits (Security Deposits etc.)	62.13	62.36	46.48	28.60
Advances				
Salary Advances	4.07	3.37	5.19	3.44
Other loans and advances	14.79	10.71	15.38	6.06
Others	-	-	-	-
<i>Advance Recoverable in cash or in kind or for value to be considered good</i>				
Advance to Suppliers	124.85	43.09	24.61	64.50
Goods & Service Tax Credit	162.47	319.64	-	-
Excise Cenvat Credit Carryover	-	-	8.18	12.71
Interest Receivable on Unsecured Loan	53.11	53.11	50.83	49.70

Service Tax Credit Carry over	0.89	5.41	0.85	2.77
Special Additional Duty Receivable	2.69	24.78	49.58	86.81
Advance Income Tax & TDS (net off provision for income tax)	15.30	14.88	69.04	16.93
Rent Advance	24.73	18.91	18.16	12.10
Prepaid Expenses	7.77	5.93	5.90	9.25
TOTAL	473.15	564.41	296.95	295.64

**DETAILS OF OTHER CURRENT ASSETS AS RESTATED
ANNEXURE – XXII**

(Rs. In Lakh)

Particulars	For the period ended on September 30, 2018	As at March 31		
		2018	2017	2016
IPO Related Expenditure	17.75	-	-	-
TOTAL	17.75	-	-	-

**DETAILS OF REVENUE FROM OPERATION AS RESTATED
ANNEXURE – XXIII**

(Rs. In Lakh)

Particulars	For the period ended on September 30, 2018	For the year ended March 31		
		2018	2017	2016
SALE OF PRODUCTS				
SALES	8,315.19	11,522.91	8,675.53	7,016.93
Wind Mill Income	35.07	64.10	69.05	40.07
Solar Energy Income	16.22	23.53	7.74	0.03
Sub Total	8,366.48	11,610.54	8,752.32	7,057.03
Less:Duties & Taxes				
GST	1,194.07	-	-	-
Excise Duty	-	1,370.48	349.84	334.36
Sub Total	1,194.07	1,370.48	349.84	334.36
Total	7,172.42	10,240.07	8,402.48	6,722.67

**DETAILS OF OTHER INCOME AS RESTATED
ANNEXURE – XXIV**

(Rs. In Lakh)

Particulars	For the period ended on September 30, 2018	For the year ended March 31		
		2018	2017	2016
Recurring Income:				
Interest Received	2.97	15.20	10.90	34.54
Rental Income	6.76	1.04	-	-
Dividend Received	0.02	0.33	0.21	0.53
Non-Recurring Income:				
Profit/(Loss) on Sale Of Investment Shares	34.06	20.15	20.28	21.29
Other Income (Cargo Misc.)	0.44	0.12	0.57	-
Profit on Sale Of Assets	-	-	-	1.01
Total	44.25	36.84	31.96	57.37

**DETAILS OF COST OF MATERIAL CONSUMED AS RESTATED
ANNEXURE – XXV**

(Rs. In Lakh)

Particulars	For the period ended on September 30, 2018	For the year ended March 31		
		2018	2017	2016
Opening Stock of Raw Material & Trading Material	2,117.74	1,429.26	443.70	472.68
Purchases of Raw Materials - Local and Imports	4,191.83	3,788.39	4,279.77	2,644.47
Purchases of Trading Materials	1,189.83	4,183.31	2,333.38	1,651.01
Less: Discount Received on Purchase Raw Mat.	-	-	-	23.96
Sub Total	7,499.41	9,400.96	7,056.85	4,744.20
Less: Closing Stock of Raw Materials & Stores	277.18	391.19	90.61	96.06
Less: Closing Stock of Trading Materials	612.14	1,726.55	1,338.66	347.64
Total	6,610.08	7,283.22	5,627.59	4,300.50

**DETAILS OF DIRECT OPERATING EXPENSES
ANNEXURE – XXVI**

(Rs. In Lakh)

Particulars	For the period ended on September 30, 2018	For the year ended March 31		
		2018	2017	2016
Power & Fuel	130.18	104.41	119.16	118.70
Spares & maintenance	107.14	80.35	52.28	78.78
Carriage Inward	49.80	140.54	166.69	47.75
Import Clearance & Forwarding	23.33	63.73	49.98	62.41

Will Mill Operating Expenses	10.69	13.44	5.06	6.84
Will Mill Wheeling Charges	-	15.85	20.63	15.74
Sports Vehicle Maintenance Charges	-	0.40	-	-
Total	321.14	418.70	413.80	330.22

**DETAILS OF CHANGES IN INVENTORIES AS RESTATED
ANNEXURE – XXVII**

(Rs.In Lakh)

Particulars	For the period ended on September 30, 2018	For the year ended March 31		
		2018	2017	2016
Inventories at close				
Finished Goods	1,727.64	586.34	418.01	442.89
Work in Progress	9.00	8.05	7.06	14.74
Inventories at commencement				
Finished Goods	586.34	418.01	442.89	377.59
Work in Progress	8.05	7.06	14.74	10.15
Total	1,142.25	169.32	(32.56)	69.89

**DETAILS OF EMPLOYEE BENEFIT EXPENSES AS RESTATED
ANNEXURE – XXVIII**

(Rs. In Lakh)

Particulars	For the period ended on September 30, 2018	For the year ended March 31		
		2018	2017	2016
Salaries & Wages	231.87	375.81	303.33	246.06
ESI Contribution (Employer)	2.55	4.37	2.26	1.46
Staff Welfare Expenses	28.31	46.24	35.95	36.74
Gratuity	8.70	13.86	20.45	58.25
Conveyance Allowance	13.65	27.12	19.50	11.54
PPF	11.24	20.68	18.59	17.59
Bonus & Incentives	26.59	18.57	30.65	47.63
Total	322.91	506.66	430.74	419.26

**DETAILS OF FINANCE COST AS RESTATED
ANNEXURE – XXIX**

(Rs. In Lakh)

Particulars	For the period ended on September 30, 2018	For the year ended March 31		
		2018	2017	2016
Interest on Cash Credit Facility	71.75	91.86	73.40	50.51
Interest on Term Loan	140.77	204.10	153.13	161.61
Bank Charges	6.85	5.52	11.81	13.24
Applicable net gain/loss on foreign currency transactions	31.39	(54.29)	(19.07)	21.95
Other Borrowing Costs	7.18	16.01	-	-
Total	257.93	263.20	219.27	247.31

**DETAILS OF DEPRECIATION AND AMORTIZATION AS RESTATED
ANNEXURE – XXX**

(Rs. In Lakh)

Particulars	For the period ended on September 30, 2018	For the year ended March 31		
		2018	2017	2016
Depreciation	207.15	268.41	264.48	265.97
Total	207.15	268.41	264.48	265.97

**DETAILS OF OTHER EXPENSES AS RESTATED
ANNEXURE – XXXI**

(Rs. In Lakh)

Particulars	For the period ended on September 30, 2018	For the year ended March 31		
		2018	2017	2016
Director Remuneration	1.50	13.00	3.00	13.00
Rent	30.25	55.05	41.05	21.29
Rate & Taxes	10.40	12.70	9.69	11.42
Insurance	9.75	17.88	14.55	11.00
Vehicle Maintenance	15.86	28.60	22.73	34.54
Computer Maintenance	2.44	3.74	0.90	0.65
Auditors Remuneration				
For statutory & Tax Audit	-	0.45	0.58	0.50
For Certification	0.78	1.45	1.32	1.19
Legal and Professional Charges	6.34	14.27	21.28	8.01

Printing and Stationary	2.11	5.81	4.58	3.33
Advertisement, Publicity and Sales Promotion	-	-	15.72	27.41
Charity & Donation	-	2.20	-	27.53
Postage & Courier	1.62	1.85	1.83	1.62
Security Expenses	11.66	23.73	24.15	19.47
Business Promotion	-	-	-	2.42
Office Expenses(incl. maintenance)	12.26	32.32	31.49	38.28
Travelling Expenses	35.41	89.54	63.89	75.35
Telephone Expenses	5.08	13.48	12.65	11.16
Bad Debts Written Off	-	12.75	8.34	31.02
Repairs & Maintenance	42.71	78.11	97.73	84.71
Selling Expenses	244.54	696.07	716.70	646.61
Loss on Sales of Fixes Assets	-	-	5.03	0.07
Total	432.71	1,103.00	1,097.20	1,070.59

**DETAILS OF CONTINGENT LIABILITES AS RESTATED
ANNEXURE – XXXII**

(Rs. In Lakh)

Particulars	For the period ended on September 30, 2018	For the Year Ended March 31		
		31-03- 18	31-03- 17	31-03- 16
Letter of Credit by Bank	1025.74	818.29	557.46	471.25
Cases filed with Statutory Authority	16.30	16.42	-	-
Total	1042.04	834.71	557.46	471.25

**STATEMENT OF TAX SHELTERS
ANNEXURE - XXXIII**

(Rs. In Lakh)

Particulars	Period ended Sept 30, 2018	For year ended March 31		
		2018	2017	2016
Restated Profit before tax (A)	206.98	603.02	348.80	216.07
Tax Rate (%)	27.82%	33.06%	33.06%	33.06%
MAT Rate	20.39%	20.39%	20.39%	20.39%
Adjustments :				
Permanent Differences(B)				
Donation	-	2.20	-	27.53
Dividend	(0.02)	(0.33)	(0.21)	(0.53)
Profit on sale of Investments	(34.06)	(20.15)	(20.28)	(21.29)
Gratuity provision	2.16	(7.06)	18.34	53.22
Total Permanent Differences(B)	(31.91)	(25.34)	(2.14)	58.93
Timing Differences (C)				

Preliminary Exp. Allowed	(1.85)	(0.15)	(0.15)	(0.15)
Difference between tax depreciation and book depreciation	52.96	(43.92)	62.48	(62.37)
Total Timing Differences (C)	51.11	(44.07)	62.33	(62.52)
Net Adjustments D = (B+C)	19.20	(69.42)	60.18	(3.59)
Incomes Considered Separately				
Deduction under chapter VI A	-	1.10	-	10.62
Taxable Income/(Loss) (A+D)	226.17	532.51	409.14	201.01
Restated Profit for The Purpose of MAT	209.14	595.96	367.14	269.29
Taxable Income/(Loss) as per MAT	209.14	595.96	367.14	269.29
Income Tax as returned/computed	62.92	176.06	135.27	66.79
Tax paid as per normal or MAT	Income Tax	Income Tax	Income Tax	Income Tax

**CAPITALISATION STATEMENT
ANNEXURE – XXXIV**

(Rs. In Lakh)

Particulars	Pre Issue	Post Issue
Borrowings		
Short term debt (A)	2,770.53	2,770.53
Long Term Debt (B)	1,328.70	1,328.70
Total debts (C)	4,099.24	4,099.24
Shareholders' funds		
Equity share capital	1,200.00	[●]
Reserve and surplus - as restated	894.01	[●]
Total shareholders' funds	2,094.01	[●]
Long term debt / Shareholders funds	0.63	[●]
Total debt / Shareholders funds	1.96	[●]

OTHER FINANCIAL INFORMATION

Statement of Other Financial Information's:

(Rs. In Lakhs)

Particulars	For the period ended on September 30, 2018	For the year ended March 31		
		2018	2017	2016
Restated PAT as per P& L Account	176.72	412.39	206.25	77.35
Restated Earnings Before Interest Tax Depreciation and Amortisation (EBITDA)	672.06	1134.64	832.56	729.35
Weighted Average Number of Equity Shares at the end of the Year/Period*	1,20,00,000	1,20,00,000	1,19,64,865	1,10,13,749
Number of Equity Shares outstanding at the end of the Year/Period	1,20,00,000	40,00,000	40,00,000	37,96,440
Net Worth	2,094.01	1,917.30	1,504.91	1,268.13
Basic & Diluted Earnings per Share based on Weighted Average Number of Shares (with Impact of Bonus Shares)	1.47	3.44	1.72	0.70
Return on Net Worth (%)	8.44%	21.51%	13.71%	6.10%
Net Asset Value Per Share (Rs) without impact of bonus issue	17.45	47.93	37.62	33.40
Net Asset Value Per Share (Rs) with impact of bonus issue	17.45	15.98	12.58	11.51
Current Assets	5,679.87	5,697.63	4,070.31	2,835.17
Current Liabilities	4,780.45	4,898.54	3,685.24	2,799.58
Current Ratio	1.19	1.16	1.10	1.01
Nominal Value per Equity share (Rs.)	10.00	10.00	10.00	10.00

DETAILS OF RELATED PARTY TRANSACTIONS RESTATED
ANNEXURE - XXXV

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

Sr.No.	Name of the Person / Entity	Relation
1	Mr. Vasanadu Govind	Director
2	Mrs. Vasanadu Nirmala	Director
3	Mr. V Nagaprasanna	Relative of Director
4	Mrs. V Shalini	Shareholder / Relative
5	Poly Tough Tubes Limited	Entity owned & significantly influenced by directors
6	Mycol Distributors P Ltd.	Entity owned & significantly

		influenced by directors/ relatives of Director
7	Ten Square Reality Properties P Ltd.	Entity owned & significantly influenced by directors/ relatives of Director
8	Tamara Hospitality P Ltd.	Entity owned & significantly influenced by directors/ relatives of Director
9	Precision Product	Entity owned & significantly influenced by directors/ relatives of Director
10	V Govind HUF	Entity owned & significantly influenced by directors

b) Transactions with Companies / Entities owned / significantly influenced by directors or relatives of directors

(Rs. In Lakhs)

Sr. No	Nature of Transactions	For the period Ended			
		For the period ended on September 30, 2018	31-03-18	31-03-17	31-03-16
A	Transaction During the Year				
	Sales of Services (net off discount)	117.67	936.50	431.26	176.80
	Energy Wheeling Income	30.69	59.81	56.16	24.37
	Purchase of Fixed Assets	19.85	38.02	-	199.54
	Purchases	978.71	1051.38	824.41	758.77
	Loan & Advances Received	169.87	329.83	283.90	773.38
	Interest Paid	15.70	11.55	2.55	9.83
	Loan & Advances Paid	55.89	213.08	234.53	327.10
	Share Capital & Premium	-	-	30.53	-
	Rent	0.54	1.08	0.27	-
	Interest Received		2.51	1.25	-
B	Closing Balance Dr/(Cr)				
	Trade Payables	13.34	588.54	9.88	64.50
	Trade Receivables	133.60	449.27	601.99	249.36
	Loans & Advances Given	9.52	3.75	4.20	61.09
	Loans & Advances Received	288.31	168.27	40.37	51.40

c) Transactions with key management personnel / Share Holders and their relatives

Sr. No	Nature of Transactions	For the Period Ended			
		For the period ended on September 30, 2018	2018	2017	2016
A	Transaction During the Year				
	Director Remuneration	1.50	3.00	3.00	3.00
	Incentive	-	10.00	-	10.00
	Rent	3.52	0.04	5.96	0.96
	Share Application money	-	-	-	142.37
	Sales	-	13.00	0.05	0.08
	Interest Paid	16.30	49.42	39.93	43.58
	Loan & Advances paid	552.87	571.18	427.55	297.63
	Loan & Advances received	521.75	503.63	464.63	214.40
	Professional Charges	-	-	6.30	-
	Purchases	-	0.96	-	-

RESTATED CONSOLIDATED FINANCIAL STATEMENT

**Independent Auditor's Report for the Consolidated Restated Financial Statements of
Lotus Roofings Limited**

To,
The Board of Directors,
LOTUS ROOFINGS LIMITED
Sedurapetauro Ville [Via]
Pondicherry 605 111

Dear Sir,

1. We have examined the attached Consolidated Restated Summary Statements along with Significant Accounting Policies and related notes of **Lotus Roofings Limited** (the "Company") as at and for the each of the years ended March 31, 2017 and 2016 annexed to this report and prepared for the purpose of inclusion in the Offer Document in connection with its proposed Initial Public Offering (IPO) on NSE Emerge.
2. These restated Financial statements have been prepared in accordance with the requirements of:
 - (i) Section 26 read with the applicable provisions within Rule-4 to 6 of Companies (Prospectus and Allotment of Securities) Rules 2014 of Companies Act, 2013 ("the Act"), as amended and;
 - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ("**ICDR Regulations**") issued by the Securities and Exchange Board of India ("**SEBI**") in pursuance to section 11 of Securities and Exchange Board of India Act, 1992 and related amendments / Clarifications from time to time;
 - (iii) The terms of reference to our engagement with the Company requesting us to carry out the assignment, in connection with the Draft Prospectus/ Prospectus being issued by the Company for its proposed Initial Public Offering of equity shares on NSE Emerge.
 - (iv) The Guidance Note on Reports in Company Prospectus (Revised 2016) issued by the Institute of Chartered Accountants of India ("**Guidance Note**").
3. The restated financial statements of the Company have been extracted and prepared by the management from the audited financial statements of the Company for the financial year ended on March 31 2017 and March 31, 2016 which have been approved by the Board of Directors
4. In accordance with the requirements of Act, ICDR Regulations, Guidance Note and the terms of our Engagement Letter, we further report that:
 - (i) The "**Consolidated Restated Summary Statement of Asset and Liabilities**" as set out in **Annexure I** to this report, of the company as at March 31, 2017, and March 31, 2016 are prepared

by Company and approved by the Board of Directors. These Restated Summary Statement of Assets and Liabilities, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV (A)** to this Report.

- (ii) The “**Consolidated Restated Summary Statement of Profit and Loss**” as set out in **Annexure II** to this report, of the Company for the year ended March 31, 2017 and March 31, 2016 are prepared by company and approved by the Board of Directors. These Restated Summary Statement of Profit and Loss, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described Significant Accounting Policies and notes to Accounts as set out in **Annexure IV (A)** to this Report.
 - (iii) The “**Consolidated Restated Summary Statement of Cash Flows**” as set out in **Annexure III** to this report, of the Company for the year ended March 31, 2017, and March 31, 2016 are prepared by company and approved by the Board of Directors. These statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and notes to Accounts as set out in **Annexure IV (A)** to this Report.
5. Based on above and also as per reliance placed by us on the audited financial statements of the Company and report thereon given by statutory auditor of the Company for the financial years ended March 31, 2017, and March 31, 2016 we are of the opinion that:
- a) The Consolidated Restated Summary Statements have been made after incorporating adjustments for the Changes in accounting policies retrospectively in respective financial period/years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any;
 - b) The Consolidated Restated Summary Statements have been made after making adjustments for prior period and other material amounts in the respective financial years to which they relate and there are no qualifications which require adjustments;
 - c) Extra-ordinary items that need to be disclosed separately in the accounts has been disclosed wherever required;
 - d) There were no qualifications in the Audit Reports issued by the statutory auditor for the financial period/year ended on March 31, 2017, and March 31, 2016 which would require adjustments in this restated financial statements of the Company;
 - e) Profits and Losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the significant accounting policies and Notes to Accounts as set out in Annexure IV (A) to this report;

- f) Adjustments in Consolidated Restated Summary Statements have been made in accordance with the correct accounting policies, which includes the impact of provision of gratuity made on actuarial valuation basis in the Consolidated Restated Summary Statements;
- g) There was no change in accounting policies, which needs to be adjusted in the Consolidated Restated Summary Statements except mentioned in clause (f) above;
- h) There are no revaluation reserve, which needs to be disclosed separately in the Consolidated Restated Summary Statements;
- i) The company has not paid any dividend on its equity shares till March 31, 2017

6. Opinion:

In our opinion and to the best of information and explanation provided to us, and also as per the reliance placed on reports submitted by previous auditor, the restated financials information of the Company, read with significant accounting policies and notes to accounts as appearing in Annexure IV (A) are prepared after providing appropriate adjustments and regroupings as considered appropriate and disclosed in Annexure IV (B).

7. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the financial year ended on March 31, 2017, and March 31, 2016 proposed to be included in the Draft Prospectus / Prospectus ("**Offer Document**") for the proposed IPO.

8. Other Financial Information:

Annexure to Restated Financial Statements of the Company:-

- a) Significant accounting policies and notes to accounts as restated as appearing in ANNEXURE IV (A);
- b) Reconciliation of Restated Profit as appearing in ANNEXURE IV (B) to this report;
- c) Reconciliation of Restated Equity/Net Worth as appearing in Annexure IV (C) to this report.
- d) Details of share capital as Restated as appearing in ANNEXURE V to this report;
- e) Details of reserves and surplus as restated as appearing in ANNEXURE VI to this report;
- f) Details of long term borrowings as restated as appearing in ANNEXURE VII to this report;
- g) Details of deferred tax Liabilities (Net) as restated as per ANNEXURE VIII to this report;
- h) Details of Long term Provisions as restated as appearing in ANNEXURE IX to this report;
- i) Details of short term borrowings as restated as appearing in ANNEXURE X to this report;
- j) Details of Trade Payables as restated as appearing in ANNEXURE XI to this report;
- k) Details of Other Current Liabilities as restated as appearing in ANNEXURE XII to this report;
- l) Details of Short Term Provisions as restated as appearing in ANNEXURE XIII to this report;
- m) Details of Fixed Assets as restated as appearing in ANNEXURE XIV to this report;
- n) Details of Non Current Investments as restated as appearing in ANNEXURE XV to this report;
- o) Details of Long term loans and advances as restated as appearing in ANNEXURE XVI to this report;

- p) Details of current investments as restated as appearing in ANNEXURE XVII to this report;
 - q) Details of Inventories as restated appearing in ANNEXURE XVIII to this report;
 - r) Details of Trade Receivable as restated as appearing in ANNEXURE XIX to this report
 - s) Details of Cash And Cash Equivalents as restated as appearing in ANNEXURE XX to this report;
 - t) Details of Short Term Loans And Advances as restated as appearing in ANNEXURE XXI to this report;
 - u) Details of Revenue From Operations as restated as appearing in ANNEXURE XXII to this report;
 - v) Details of Other Income as restated as appearing in ANNEXURE XXIII to this report;
 - w) Details of Cost of material consumed as restated as appearing in ANNEXURE XXIV to this report;
 - x) Details of Direct Operating Expenses as restated as appearing in ANNEXURE XXV to this report;
 - y) Details of Changes in inventories as restated as appearing in ANNEXURE XXVI to this report;
 - z) Details of Employee Benefit Expenses as restated as appearing in ANNEXURE XXVII to this report;
 - aa) Details of Finance Cost as restated as appearing in ANNEXURE XXVIII to this report;
 - bb) Details of Depreciation and amortisation as restated appearing in ANNEXURE XXIX to this report;
 - cc) Details of Other Expenses as restated as appearing in ANNEXURE XXX to this report;
 - dd) Details of Contingent Liabilities as restated as appearing in ANNEXURE XXXI to this report;
 - ee) Details of Related Parties Transactions as restated as appearing in ANNEXURE XXXII to this report
9. We, P. RAMANUJAM & CO., Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate issued by the “Peer Review Board” of the ICAI.
10. The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statement of the company and are in accordance with provisions of the Act and ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the management of the company.
11. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other firm of chartered accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.
12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
13. In our opinion, the above financial information contained in Annexure I to XXXII of this report read with the respective significant accounting policies and notes to Consolidated Restated Summary Statements as set out in Annexure IV (A) are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note.
14. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the SME IPO. Our report should not be used, referred to or adjusted for any other purpose except with our consent in writing.

15. Auditor's Responsibility

Our responsibility is to express an opinion on these restated consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

For **P. RAMANUJAM & CO.**

Chartered Accountants

Firm Registration no: **002950S**

Sd/-

CA K Sahayaraj

Partner

Membership No.: **026682**

Place: Chennai,

Date: March 23, 2019

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS RESTATED
ANNEXURE – I

(Rs In Lakh)

Particulars	Annexure	For the year ended March 31	
		2017	2016
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	V	400.00	379.64
(b) Reserves and Surplus	VI	1083.80	840.65
(2) Share Application Money Pending Allotment		-	-
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	VII	302.77	351.87
(b) Other Long Term Liabilities		-	-
(c) Defferd Tax Liability(Net)	VIII	98.75	91.42
(d) Long Term Provisions	IX	72.71	61.10
(4) Current Liabilities			
(a) Short-Term Borrowings	X	1,870.49	876.96
(b) Trade Payables	XI	1,223.30	1,354.68
(c) Other Current Liabilities	XII	324.06	351.08
(d) Short-Term Provisions	XIII	267.38	216.86
Total		5643.27	4524.27
II.ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	XIV		
- Tangible Assets		1,151.01	1,285.47
- Intangible Assets		0.35	0.45
- Capital Work in Progress		52.02	-
(b) Non-Current Investments	XV	365.39	338.66
(c) Deferred Tax Assets (Net)		-	-
(d) Other non-current assets		-	-
(e) Long Term Loans & Advances	XVI	4.20	64.52
(2) Current Assets			
(a) Current Investments	XVII	51.95	33.94
(b) Inventories	XVIII	1,854.34	1,007.41
(c) Trade receivables	XIX	1,691.76	1,309.53
(d) Cash and Cash Equivalents	XX	175.32	188.65
(e) Short-Term Loans And Advances	XXI	296.95	295.64
(f) Other Current Assets		-	-
Total		5643.27	4524.27

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AS RESTATED
ANNEXURE – II

(Rs. In Lakh)

Sr. No.	Particulars	Annex.	For the year ended March 31	
			2017	2016
A	Revenue:			
	Revenue From Operations (Net of Taxes)	XXII	8,402.48	6,722.67
	Other Income	XXIII	31.96	57.37
	Total Revenue		8,434.44	6,780.04
	Expenses:			
B	Cost of Materials Consumed	XXIV	5,627.59	4,300.50
	Direct Operating Expenses	XXV	413.80	330.22
	Changes in Inventories of Finished Goods, Stock-in-process and Stock-in-trade	XXVI	32.56	-69.89
	Employee benefit expenses	XXVII	430.74	419.26
	Finance Cost	XXVIII	219.27	247.31
	Depreciation and amortization expenses	XXIX	264.48	265.97
	Others Expenses	XXX	1097.20	1070.59
	Total Expenses		8,085.64	6,563.97
C	Profit before exceptional ,extraordinary items and tax		348.80	216.07
	Less: Exceptional Items		-	-
	Profit before extraordinary items and tax (A-B)		348.80	216.07
	Prior Period Items		-	-
	Extra ordinary items		-	-
D	Profit before tax		329.73	238.02
	Tax expense :			
	Current tax		135.22	66.74
	Deferred Tax		7.33	71.98
	Profit/(Loss) for the period After Tax- PAT		206.25	77.35
	Add: Profit From Associates		26.73	21.63
	Profit Transfer to Reserve		232.98	98.98

CONSOLIDATED STATEMENT OF CASH FLOW AS RESTATED
ANNEXURE – III

(Rs. In Lakh)

Particulars	For the year ended March 31	
	2017	2016
Cash Flow From Operating Activities:		
Net Profit before tax as per Profit And Loss A/c	348.80	216.07
Adjustments for:		
Depreciation & Amortisation Expense	264.48	265.97
Interest on FDRs	(10.90)	(34.54)
Dividend Income	(0.21)	(0.53)
Profit on Sale of Investments	(20.28)	(21.29)
Profit on Sale Of fixed Assets	-	(1.01)
Finance Cost	219.27	247.31
Operating Profit Before Working Capital Changes	801.17	671.98
Adjusted for (Increase)/ Decrease in:		
(a) Trade Payables	(131.38)	(2.80)
(b) Other Current Liabilities	(27.02)	261.75
(c) Short-Term Provisions	50.52	(10.63)
(d) Inventories	(846.93)	(83.31)
(e) Trade receivables	(382.24)	(454.31)
(f) Short-Term Loans And Advances	(1.31)	34.95
(g) Other Current Assets	-	-
Cash Generated From Operations	(1,338.35)	(254.35)
Net Income Tax paid/ refunded	(135.22)	(67.42)
Net Cash Flow from/(used in) Operating Activities: (A)	(672.40)	350.21
Cash Flow From Investing Activities:		
Net (Purchases)/Sales of Fixed Assets (including capital work in progress)	(181.93)	(458.70)
Net (Increase)/Decrease in Long Term Loans & Advances	60.32	326.90
Net (Increase)/Decrease in Other Non-Current Assets	-	(0.75)
Interest Income	10.90	34.54
Profit on sale of Investments	20.28	21.29
Dividend Received	0.21	0.53
Purchase OF Investments	(18.00)	57.49
Net Cash Flow from/(used in) Investing Activities: (B)	(108.23)	(64.73)
Cash Flow from Financing Activities:		
Proceeds From issue of Share Capital	30.53	142.37
Net Increase/(Decrease) in Long Term Borrowings	(49.10)	(64.73)
Net Increase/(Decrease) in Short Term Borrowings	993.53	(138.72)
Net Increase/(Decrease) in Long Term Provisions	11.61	46.69
Interest on Borrowings	(219.27)	(247.31)

Net Cash Flow from/(used in) Financing Activities (C)	767.29	(261.70)
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(13.33)	69.81
Cash & Cash Equivalents As At Beginning of the Year	188.65	118.84
Cash & Cash Equivalents As At End of the Year	175.32	188.65
Components of Cash & Cash Equivalents:		
Particulars	31-03-2017	31-03-2016
Cash on Hand	2.69	4.24
Balance with Banks		
In Current Accounts	29.68	44.26
In Deposit Accounts	142.95	140.16
Cheques on Hand		
Total Cash & Cash Equivalents	175.32	188.65

ANNEXURE – IV A

SIGNIFICANT ACCOUNTING POLICY AND NOTES TO THE CONSOLIDATED RESTATED SUMMARY STATEMENTS

I. BACKGROUND

Our Company was incorporated as Lotus Roofings Private Limited under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated April 26, 1984 issued by the Registrar of Companies, Puducherry bearing Registration Number 259 of 1984. The name of our Company was subsequently changed to Lotus Roofings Limited pursuant to special resolution passed by the Shareholders at its Extra Ordinary General Meeting held on September 03, 2018 and a fresh certificate of incorporation consequent upon conversion from Private Company to Public Company was issued by the Registrar of Companies, Puducherry dated September 27, 2018 bearing Corporate Identity Number U25209PY1984PLC000259.

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**1. Accounting Policy**

The Consolidated Restated Summary Statement of Assets and Liabilities of the Company as on March 31, 2017 and March 31, 2016 and the Consolidated Restated Summary Statement of Profit and Loss and Consolidated Restated Summary Statements of Cash Flows for the same period mentioned above and the annexure thereto (collectively, the “Consolidated Restated Financial Statements” or “Consolidated Restated Summary Statements”) have been extracted by the management from the Financial Statements of the Company for the year ended on March 31, 2017 and March 31, 2016.

The Consolidated financial statements are prepared and presented under the historical cost convention and evaluated on a going-concern basis using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirements of the Companies Act, 2013, and notified sections, schedules and rules of the Companies Act 2013, including the Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006 as per section 211(3C) of the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 (“the Act”) read with Rule 7 of Companies (Accounts) Rules, 2014).

2. Presentation and disclosure of financial statements

The Consolidated Restated Summary Statements for the period ended March 31, 2017 and March 31, 2016 has been prepared in accordance with schedule III notified under the Companies act, 2013, that has become applicable for the preparation and presentation of financial statements with effect from the year 2014-15. The adoption of the schedule III does not impact recognition and measurement principles followed for preparation of financial statements.

3. Use of estimates

The preparation of Consolidated financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

4. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured and there exist on mercantile basis.

Income from Sale of Materials is inclusive of GST in respect of all the goods.

Wind mill Income is earned from related party Company on par with market rate and related expenses on wind mill generation accounted as direct expenses. Solar Income is earned from related party Company on par with rate fixed with other parties.

Rent Income and Interest on deposits is recognised on time proportion basis and dividend income is recognised when the right to receive the dividend is established.

During the period, the Company also recognized revenue from renting out utility vehicle at amusement park at the fixed rate.

5. Fixed Assets and Depreciation

All items of fixed assets are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent cost are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance expenses are charged to profit or loss during the reporting period in which they are incurred.

Fixed Assets are stated at revalued cost for revalued assets and at cost for other assets less accumulated depreciation. Such costs include cost of acquisition or construction / erection including taxes, duties, freight and other incidental expenses related to acquisition and installation.

Depreciation on tangible and intangible assets is provided on the Written Down Value Method over the estimated useful lives of assets estimated by the Management commencing from the date the asset is available to the Company as described under Part C of Schedule II of The Companies Act, 2013. Depreciation for assets purchased/sold during the year is proportionately charged. The Management estimates the useful lives of the Tangible Fixed Assets as follows:

Buildings - Factory	30 years
Plant & Machinery	8 & 15 years
Wind Mill	15 years
Computers	3 years
Software	3 years
Furniture	10 years
Electrical Installations	10 years
Fire Equipments	5 years
Office Equipments	5 years
Vehicles - Cars	8 years
Vehicles – Other than cars	10 years

The company has reviewed & recognized the useful life of the plant & machinery based on the certification by chartered engineers and accordingly useful life determined as 8 & 15 years. Few types of machinery, whose life determined earlier as 8 years and during the period under review has been changed to 15 years. Consequent of this change of useful life of the asset, the excess depreciation charged in earlier years has been accounted as prior period item and disclosed in the profit and loss account under exceptional items.

6. Intangible Assets

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated depreciation. The life of this asset has been considered as 3 years.

7. Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of amount.

8. Investments

Investments, which are readily realizable and intended to be held for not more than 12 months from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

Fixed Deposits are made against Non-fund based limits with banks and as such not treated as investments.

9. Inventories

Items of Inventory are valued as per the basis given below:

- Raw Materials, Stores & Spares are valued at cost or Net realizable value whichever is lower.
- Work-in-Progress is valued at direct cost and an appropriate absorption of relevant overheads.
- Finished Goods are valued at Cost or Net Realizable Value, whichever is lower.
- Closing stock of Trading Materials is valued at cost or Net Realizable Value, whichever is lower.

10. Employee Benefits

a. Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as Salaries, Wages, Performance Incentive, Paid Annual Leave, Bonus, Medical Allowance, Contributions to Provident Fund etc., are recognized as actual amounts due in the period in which the employee renders the related service.

b. Defined Benefit plans

The Company's liability towards gratuity of eligible employees is covered under the Group Gratuity cum Life Assurance (Cash Accumulation) scheme of the Life Insurance Corporation of India (LIC) and the annual contributions are paid / provided in accordance with the actuarial valuation certificate received from Ashok Kumar Garg .

c. Defined contribution plans

Payments made to defined contribution plans such as Provident Fund are charged as an expense as these fall due.

11. Borrowing Costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur

12. Taxation

(i) Tax expenses comprise current tax (amount of tax for the period determined in accordance with the Income Tax Regulations in India) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

(ii) The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date, Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, when there is unabsorbed depreciation or carry forward losses under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each Balance Sheet date and written down or written up to reflect the amount that is reasonably / virtually certain, as the case may be, to be realised.

The working of Deferred tax is as under:

Particulars	2016-17	2015-16
Timing Difference		
WDV as per Companies Act	11,51,35,616	12,85,91,936
WDV as per Income Tax Act	8,52,22,443	10,08,81,151
Total Timing Difference of Current year	2,99,13,173	2,77,10,785
Preliminary Expenses	45,000	60,000
Rate	33	33
Deferred Tax Liabilities/(Asset) Closing	98,75,314	91,42,179
Deferred Tax through P&L	(7,33,135)	(71,97,689)

(iii) Tax credit is recognised in respect of Minimum Alternate Tax (MAT) as per the provisions of Section 115JAA of the Income Tax Act, 1961 based on convincing evidence that the Company will pay normal income tax within the statutory time frame and is reviewed at each Balance Sheet date.

13. Foreign Currency Transactions

Foreign exchange transactions are recognized in the books based on the prevailing rate on the date of the transaction. The difference between the actual payment / receipt and the amount recognized in the books is taken to revenue in the case of current assets/liabilities and adjusted to carrying cost in the case of fixed assets. Where the transaction is not settled within the period, gains/losses arising on conversion at period end rates are recognized in the profit and loss account if relating to current assets / liabilities and adjusted in the carrying cost in the case of transactions relating to fixed assets.

14. Contingent liabilities and provisions

Depending upon the facts of each case and after due evaluation of legal aspects, claims against the Company not acknowledged as debts are treated as contingent liabilities. In respect of statutory dues disputed and contested by the Company, contingent liabilities are provided for and disclosed as per original demand without considering any interest or penalty that may accrue thereafter. The Company makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of obligation can be made. Possible future or present obligations that

may but will probably not require outflow of resources or where the same cannot be reliably estimated, has been made as a contingent liability in the Financial Statements.

15. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equities shares outstanding during the period.

16. Segment Reporting

In accordance with Accounting Standard-17 – “Segment Reporting” issued by the Institute of Chartered Accountants of India, the Company has identified its business segment as " manufacturing PVC pipes and PC sheets ". The risks return vis-à-vis nature of products, nature of production, processes, type or class of customers, methods used to distribute the products and nature of regulatory environment for the products etc. are of similar nature and no material distinction can be drawn. The geographical segmentation is not relevant as exports are insignificant. Further, the market in India for the Company's Products cannot be demarcated with any degree of certainty. There are no other primary reportable segments. The activities of the company are restricted to only one geographical segment i.e. India, hence the secondary segment disclosures are also not applicable.

17. Cash Flow

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly.

III. CHANGES IN ACCOUNTING POLICIES IN THE PERIODS/YEARS COVERED IN THE RESTATED FINANCIALS

There is no change in significant accounting policies adopted by the Company except the following

- a) Accounting of Gratuity which was previously done on cash basis, has now been accounted based on mercantile system as certified by Independent Actuary.

IV. NOTES ON RESTATEMENTS MADE IN THE RESTATED FINANCIALS

- A. The financial statements including financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.
- B. The amounts due to Micro, Small and Medium Enterprises suppliers defined under "The Micro Small and Medium Enterprises Development Act 2006" have been identified on the basis of information available with the Company.

- C. Contingent liabilities and commitments (to the extent not provided for) (AS 29)- A disclosure for a contingent liability is also made when there is a possible obligation that may, require an outflow of the Company's resources.
- D. Figures have been rearranged and regrouped wherever practicable and considered necessary.
- E. The management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required to be provided for.
- F. The balances of trade payables, trade receivables, loans and advances are unsecured and considered as good are subject to confirmations of respective parties concerned.
- G. Employee Benefits: The Company has adopted the Accounting Standard 15 (revised 2005) on Employee Benefits as per an actuarial valuation carried out by an independent actuary. The disclosures as envisaged under the standard are as under:

Particulars	(Rs. In Lakh)	
	For the year ended March 31,	
	2017	2016
The Company has classified the various benefits provided to employees as under :-		
I. Present Value of Obligations		
a. Present Value of Obligations at the beginning of the period	68.66	-
b. Interest Cost	5.32	-
c. Current Service cost	6.14	-
d. Past Service cost	-	-
e. Benefits paid (if any)	(5.53)	-
f. Actuarial (gain)/ loss	9.63	-
g. Present value of the obligation at the end of the period	84.21	68.66
II. Amount recognized in Balance sheet		
Present value of the obligation at the end of the period	84.21	68.66
Fair value of plan assets at end of period	69.07	58.39
Net liability/(asset) recognized in Balance Sheet and related analysis	15.14	10.27
Funded Status – Surplus / (Deficit)	(15.14)	(10.27)
III. Expenses to be recognized in Profit and Loss		
Interest cost	5.32	-
Current service cost	6.14	-
Past Service Cost	-	-
Expected return on plan asset	(4.55)	-
Net actuarial (gain)/loss recognized in the period	8.57	-
Expenses recognized in P&L	15.47	-
IV. Experience Adjustment		
Experience Adjustment (Gain) / loss for Plan liabilities	9.63	-
Experience Adjustment Gain / (loss) for Plan assets	1.06	-
V. Assumptions employed for the calculations are tabulated		
Discount rate %	7.75	7.75
Salary Growth Rate %	5	5
Expected rate of return %	7.75	7.50

VI. Current Liability (*Expected payout in next year as per schedule III of the Companies Act, 2013)		
Current Liability (Short Term)*	11.50	7.55
Non-Current Liability (Long Term)	72.71	61.11
Total Liability	84.21	68.66

Defined Contribution Plans

The Company's contribution to Provident Fund and Employees State Insurance Scheme is determined based on a fixed percentage of the eligible employees' salary and charged to the Statement of Profit and Loss on accrual basis.

H. Realizations

In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets and loans and advances are approximately of the same value as stated.

I. Contractual liabilities

All other contractual liabilities connected with business operations of the Company have been appropriately provided for.

J. Amounts in the financial statements

Amounts in the financial statements are rounded off to nearest lakhs. Figures in brackets indicate negative values.

K. Related Party Disclosure (AS 18) Related party transactions are reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Annexure XXXV of the enclosed financial statements.

L. We have included the standalone financials for the financial year ended March 31, 2016 and March 2017 along with the consolidated financials for the financial year ended March 31, 2016 and March 2017 for the purpose of comparison only.

RECONCILIATION OF RESTATED PROFIT ANNEXURE – IV B

Adjustments for	(Rs. In Lakh)	
	For the year ended March 31	
	2017	2016
Net Profit/(Loss) after Tax as per Audited Profit & Loss Account	206.52	166.66
Adjustments for:		
Provision for Tax	(28.96)	(53.71)
Depreciation and Amortization	7.51	3.26
Provision for Gratuity	(18.34)	(53.22)
Preliminary Expenses	0.15	0.15
Changes Due to Consolidation of Associates	66.10	35.84
Net Profit/ (Loss) After Tax as Restated	232.98	98.98

Explanatory notes to the above restatements made in the audited financial statements of the Company for the respective years.

Adjustments having impact on Profit

1. Provision For Deferred Tax – Deferred Tax has been calculated taking into account timing differences arising in one period and capable of reversal in another accounting period and so profit for the periods under restatement have been adjusted accordingly taking into account deferred tax profit /loss.

2. Provision For Taxation - Provision for Taxation has been adjusted for Items like Income Tax related to Earlier Years and Short Provision for Earlier Years and Mat Credit Availed.

3. Provision for Gratuity – The Company has not been following the provisions of Accounting Standard – 15 “Employee Benefits” issued by the Institute of Chartered Accountants of India in respect of recording provision for Gratuity in its Books of Accounts for the FY, 2015-16, 2016-17 and 2017-18. However, in restated financial statements, the Company has made the necessary provision for gratuity as per the actuarial valuation reports obtained by them.

1. Depreciation and Amortization – The Company has excess charged depreciation in prior period has now been rectified and effect has been given in the respected years.

2. Changes Due to Consolidation:-

Adjustments having no impact on Profit

Material Regrouping

W.e.f, April 1 2014, Schedule III notified under the Companies Act, 2013 has become applicable to the Company for preparation and presentation of its financial statements. Revised Schedule VI notified under the Companies Act, 1956 became applicable to the Company from April 1, 2011, for preparation and presentation of its financial statements. The adoption of Schedule III / Revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements.

There is no significant impact on the presentation and disclosures made in the financial statements on adoption of Schedule III as compared to Revised Schedule VI. Appropriate adjustments have been made in the restated summary statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financial statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

**RECONCILIATION OF RESTATED EQUITY / NETWORTH
ANNEXURE – IV C**

Adjustments for	(Rs. In Lakh)	
	For the year ended March 31	
	2017	2016
Equity / Net worth As per Audited Financials	1354.70	1118.67
Adjustments for:		
Prior Period Adjustments (Refer note 1)	(1.43)	(1.43)
Differences pertaining to changes in Profit / Loss due to restated effect for the period covered in Restated Financial	(143.16)	(103.52)
Changes Due to Consolidation of Associates	273.79	206.57
Equity / Net worth As Restated	1483.80	1220.29

Explanatory notes to the above restatements made in the audited financial statements of the Company for the respective years.

Adjustments having impact on Profit:

Note: 1

Amounts relating to the prior period have been adjusted in the year to which the same relates to and the same amount is arrived on account of change in Opening Balance of Reserve and Surplus due to the restated effect on the profit / (loss) of prior period.

To give Explanatory Notes regarding Adjustments

Appropriate adjustments have been made in the consolidated restated financial statements, wherever required, by reclassification of the corresponding items of Income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financial of the company for all the years and requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018.

DETAILS OF SHARE CAPITAL AS RESTATED
ANNEXURE – V

Particulars	(Rs. In Lakh)	
	For the year ended March 31	
	2017	2016
EQUITY SHARE CAPITAL :		
AUTHORISED:		
4000000 Equity Shares of Rs. 10 each/-	400.00	400.00
17000000 Equity Shares of Rs. 10 each/-	-	-
	400.00	400.00
ISSUED, SUBSCRIBED AND PAID UP		
3796440 Equity Shares of Rs. 10 each	-	379.64
4000000 Equity Shares of Rs. 10 each	400.00	-
12000000 Equity Shares of Rs. 10 each	-	-
	400.00	379.64
Reconciliation of number of shares outstanding at the end of the year:		
Equity Shares at the beginning of the year	37.96	28.47
Add: Shares issued during the year	2.04	9.49
Add: Bonus shares issued during the year	-	-
TOTAL	40.00	37.96

Details of Shareholders holding more than 5% of the aggregate shares of the company:

Particulars	For the year ended March 2017		For the year ended March 2016	
	No.	% of Holding	No.	% of Holding
Vasanadu Nirmala	11,89,110	29.73%	11,89,110	31.32%
Vasanadu Govind	17,07,330	42.68%	17,07,330	44.97%
M/s Poly Tough Tubes Limited	10,53,560	26.34%	7,50,000	19.76%
Total	39,50,000	98.75%	36,46,440	96.05%

**DETAILS OF RESERVE AND SURPLUS AS RESTATED
ANNEXURE – VI**

Particulars	(Rs. In Lakh)	
	For the year ended March 31	
	2017	2016
Capital Reserve	98.42	98.42
Share Premium	57.63	47.46
Surplus (Profit & Loss Account)		
Balance brought forward from previous year	694.78	597.22
Add: Earlier Preliminary Exp.		(0.75)
Add: Earlier IT Provision		(0.68)
Add: Profit for the current period	218.73	99.98
Less: bonus share issued		
Sub Total	927.75	694.78
TOTAL	1083.80	840.65

**DETAILS OF LONG TERM BORROWING AS RESTATED
ANNEXURE – VII**

Particulars	(Rs. In Lakh)	
	For the year ended March 31	
	2017	2016
Secured:		
Term Loans		
From Banks	302.77	343.13
From Others	-	8.74
TOTAL	302.77	351.87

**DETAILS OF DEFERRED TAX ASSET/(LIABILITY) AS RESTATED
ANNEXURE – VIII**

Particulars	(Rs. In Lakh)	
	For the year ended March 31	
	2017	2016
Opening Balance	91.42	19.44
Current Year	7.33	71.98
TOTAL	98.75	91.42

**DETAILS OF LONG TERM PROVISIONS AS RESTATED
ANNEXURE – IX**

Particulars	(Rs. In Lakh)	
	For the year ended March 31	
	2017	2016
Provision for Gratuity	72.71	61.10
TOTAL	72.71	61.10

**DETAILS OF SHORT TERM BORROWING AS RESTATED
ANNEXURE – X**

Particulars	(Rs In Lakh)	
	For the year ended March 31	
	2017	2016
Secured Loans		
(a) Loans Repayable on Demand		
From Banks	1,426.12	459.16
From Financial Institutions	-	-
Un-secured Loans		
Loans & Advances from Directors and Related Parties	403.99	366.39
Loans & Advances from Others	40.38	51.40
TOTAL	1,870.49	876.96

**DETAILS OF TRADE PAYABLES AS RESTATED
ANNEXURE – XI**

Particulars	(Rs. In Lakh)	
	For the year ended March 31	
	2017	2016
Sundry Creditors of Materials / Supplies	1,010.23	1,198.18
Sundry Creditors of Expenses	172.83	144.27
Sundry Creditors of Other	40.25	12.23
TOTAL	1,223.30	1,354.68

**DETAILS OF OTHER CURRENT LIABILITIES AS RESTATED
ANNEXURE – XII**

(Rs. In Lakh)

Particulars	For the year ended March 31	
	2017	2016
Current Maturities of Long Term Borrowings	154.10	256.45
Advance from Customers	67.46	-
Vat / Cst Payable	68.74	61.93
TDS Payable	7.53	5.67
Trade Advance Received (Dealership Deposit)	26.23	27.03
TOTAL	324.06	351.08

**DETAILS OF SHORT TERM PROVISION AS RESTATED
ANNEXURE – XIII**

(Rs. In Lakh)

Particulars	For the year ended March 31	
	2017	2016
Provision For Employees Benefits:		
ESI Payable	0.14	0.06
EPF Payable	1.66	1.52
Salary payable	7.44	27.01
Bonus Payable	44.65	34.44
Provision for Gratuity	11.50	7.55
Interest payable	2.40	1.75
Expenses Payable	32.73	87.92
Audit Fee Payable	0.53	0.50
Provision for Income Tax (net off advance tax & TDS)	166.34	56.12
TOTAL	267.38	216.86

**DETAILS OF FIXED ASSETS AS RESTATED
ANNEXURE – XIV**

Particulars	(Rs. In Lakh)	
	For the year ended March 31	
	2017	2016
Tangible Assets		
Land	210.39	210.39
Building and Roads	211.49	178.40
Plant & Machinery	237.50	271.75
Wind Mill	254.81	318.88
Electrical Installation	10.17	14.20
Furniture & Fittings	7.75	11.06
Computers	2.12	3.14
Vehicles	115.88	157.26
Office Equipment's	8.31	7.33
Solar Panel	92.59	113.06
Sub Total (A)	1,151.01	1,285.47
Intangible Assets		
Software	0.35	0.45
Sub Total (B)	0.35	0.45
Capital Work-in-Progress		
Construction of Office Complex at Guindy	52.01	-
Construction of Building for PC Project	-	-
Sub Total (C)	52.01	-
TOTAL (A+B+C)	1,203.37	1,285.92

**DETAILS OF NON- CURRENT INVESTMENTS AS RESTATED
ANNEXURE – XV**

Particulars	(Rs. In Lakh)	
	For the year ended March 31	
	2017	2016
Investment in Equity Instruments	200.09	173.36
Investment in Partnership Firm	165.30	165.30
TOTAL	365.39	338.66

**DETAILS OF LONG TERM LOANS & ADVANCES AS RESTATED
ANNEXURE – XVI**

Particulars	(Rs. In Lakh)	
	For the year ended March 31	
	2017	2016
Loans and Advances to related parties		
Poly Tough Tubes P Ltd	-	60.64
Precision Products	4.20	3.88
TOTAL	4.20	64.52

**DETAILS OF CURRENT INVESTMENT AS RESTATED
ANNEXURE – XVII**

Particulars	(Rs In Lakh)	
	For the year ended March 31	
	2017	2016
Current Investments (quoted)		
Investment in Equity Instruments	51.95	33.94
TOTAL	51.95	33.94
Aggregate Market Value of above mutual funds	80.85	54.96

**DETAILS OF INVENTORIES AS RESTATED
ANNEXURE-XVIII**

Particulars	(Rs. In Lakh)	
	For the year ended March 31	
	2017	2016
Raw Material & Trading Material	1,429.26	443.70
Work-in-Progress	7.06	14.74
Finished Goods	418.01	442.89
Goods-in-transit	-	106.08
TOTAL	1,854.34	1,007.41

**DETAILS OF TRADE RECEIVABLES AS RESTATED
ANNEXURE - XIX**

Particulars	(Rs In Lakh)	
	For the year ended March 31	
	2017	2016
Outstanding for a period more than 6 months:		
a) Unsecured, Considered Good :	391.31	116.98
b) Provision for Doubtful Debts	-25.31	-16.34
Others		
a) Unsecured, Considered Good :	1,325.76	1,208.88
TOTAL	1,691.76	1,309.53

**DETAILS OF CASH & CASH EQUIVALENTS AS RESTATED
ANNEXURE – XX**

Particulars	(Rs. In Lakh)	
	For the year ended March 31	
	2017	2016
Cash on hand	2.69	4.24
Balance with Banks	-	-
(i) In current accounts	29.68	44.26
(ii) In deposit accounts	142.95	140.16
Cheques in Hand	-	-
Total	175.32	188.65

**DETAILS OF SHORT TERM LOAN AND ADVANCES AS RESTATED
ANNEXURE – XXI**

Particulars	(Rs. In Lakh)	
	For the year ended March 31	
	2017	2016
Unsecured, Considered Good:		
<u>Deposits</u>		
Interest accrued on Fixed Deposits	2.43	2.43
Container Movement Deposit	0.33	0.33
Other Deposit (Security)	46.48	28.60
<u>Advances</u>		
Salary Advances	5.19	3.44
Other loans and advances	15.38	6.06
<u>Others</u>	-	-

<i>Advance Recoverable in cash or in kind or for value to be considered good</i>		
Advance to Suppliers	24.61	64.50
Goods & Service Tax Credit	-	-
Excise Cenvat Credit Carryover	8.18	12.71
Interest Receivable	50.83	49.70
Service Tax Credit Carry over	0.85	2.77
Special Additional Duty Receivable	49.58	86.81
Advance Income Tax & TDS (net off provision for income tax)	69.04	16.93
Rent Advance	18.16	12.10
Prepaid Expenses	5.90	9.25
TOTAL	296.95	295.64

**DETAILS OF REVENUE FROM OPERATION AS RESTATED
ANNEXURE – XXII**

(Rs. In Lakh)

Particulars	For the year ended March 31	
	2017	2016
SALE OF PRODUCTS		
SALES	8,675.53	7,016.93
Wind Mill Income	69.05	40.07
Solar Energy Income	7.74	0.03
Sub Total	8,752.32	7,057.03
Less: Duties & Taxes		
GST	-	-
Excise Duty	349.84	334.36
Sub Total	349.84	334.36
Total	8,402.48	6,722.67

**DETAILS OF OTHER INOCME AS RESTATED
ANNEXURE–XXIII**

(Rs. In Lakh)

Particulars	For the year ended March 31	
	2017	2016
Recurring Income:		
Interest Received	10.90	34.54
Rental Income	-	-

Dividend Received	0.21	0.53
Non-Recurring Income:		
Profit/(Loss) on Sale Of Investment Shares	20.28	21.29
Other Income (Cargo Misc.)	0.57	-
Profit on Sale Of Assets	-	1.01
Total	31.96	57.37

**DETAILS OF COST OF MATERIAL CONSUMED AS RESTATED
ANNEXURE – XXIV**

(Rs. In Lakh)

Particulars	For the year ended March 31	
	2017	2016
Opening Stock of Raw Material & Trading Material	443.70	472.68
Purchases of Raw Materials - Local and Imports	4,279.77	2,644.47
Purchases of Trading Materials	2,333.38	1,651.01
Less: Discount Received on Purchase Raw Mat.	-	23.96
Sub Total	7,056.85	4,744.20
Less: Closing Stock of Raw Materials & Stores	90.61	96.06
Less: Closing Stock of Trading Materials	1,338.66	347.64
Total	5,627.59	4,300.50

**DETAILS OF DIRECT OPERATING EXPENSES
ANNEXURE – XXV**

(Rs In Lakh)

Particulars	For the year ended March 31	
	2017	2016
Power & Fuel	119.16	118.70
Spares & maintenance	52.28	78.78
Carriage Inward	166.69	47.75
Import Clearance & Forwarding	49.98	62.41
Will Mill Operating Expenses	5.06	6.84
Will Mill Wheeling Charges	20.63	15.74
Sports Vehicle Maintenance Charges	-	-
Total	413.80	330.22

**DETAILS OF CHANGES IN INVENTORIES AS RESTATED
ANNEXURE – XXVI**

(Rs In Lakh)

Particulars	For the year ended March 31	
	2017	2016
Inventories at close		
Finished Goods	418.01	442.89
Work in Progress	7.06	14.74
Inventories at commencement		
Finished Goods	442.89	377.59
Work in Progress	14.74	10.15
Total	-32.56	69.89

**DETAILS OF EMPLOYEE BENEFIT EXPENSES AS RESTATED
ANNEXURE – XXVII**

(Rs In Lakh)

Particulars	For the year ended March 31	
	2017	2016
Salaries & Wages	303.33	246.06
ESI Contribution (Employer)	2.26	1.46
Staff Welfare Expenses	35.95	36.74
Gratuity	20.45	58.25
Conveyance Allowance	19.50	11.54
PPF	18.59	17.59
Bonus & Incentives	30.65	47.63
Total	430.74	419.26

**DETAILS OF FINANCE COST AS RESTATED
ANNEXURE-XXVIII**

(Rs In Lakh)

Particulars	For the year ended March 31	
	2017	2016
Interest on Cash Credit Facility	73.40	50.51
Interest on Term Loan	153.13	161.61
Bank Charges	11.81	13.24

Applicable net gain/loss on foreign currency transactions	(19.07)	21.95
Total	219.27	247.31

**DETAILS OF DEPRECIATION AND AMORTIZATION AS RESTATED
ANNEXURE – XXIX**

(Rs. In Lakh)

Particulars	For the year ended March 31	
	2017	2016
Depreciation	264.48	265.97
Total	264.48	265.97

**DETAILS OF OTHER EXPENSES AS RESTATED
ANNEXURE – XXX**

(Rs. In Lakh)

Particulars	For the year ended March 31	
	2017	2016
Director Remuneration	3.00	13.00
Rent	41.05	21.29
Rate & Taxes	9.69	11.42
Insurance	14.55	11.00
Vehicle Maintenance	22.73	34.54
Computer Maintenance	0.90	0.65
Auditors Remuneration		
For statutory & Tax Audit	0.58	0.50
For Certification	1.32	1.19
Legal and Professional Charges	21.28	8.01
Printing and Stationary	4.58	3.33
Advertisement, Publicity and Sales Promotion	15.72	27.41
Charity & Donation	-	27.53
Postage & Courier	1.83	1.62
Security Expenses	24.15	19.47
Business Promotion	-	2.42
Office Expenses(incl. maintenance)	31.49	38.28
Travelling Expenses	63.89	75.35
Telephone Expenses	12.65	11.16
Bad Debts Written Off	8.34	31.02

Repairs & Mant.	97.73	84.71
Selling Expenses	716.70	646.61
Loss on Sales of Fixes Assets	5.03	0.07
Total	1097.20	1070.59

**DETAILS OF CONTINGENT LIABILITES AS RESTATED
ANNEXURE – XXXI**

Particulars	(Rs. In Lakh)	
	For the year ended March 31	
	2017	2016
Letter of Credit by Bank	557.46	471.25
Cases filed with Statutory Authority	-	-
Total	557.46	471.25

**DETAILS OF RELATED PARTY TRANSACTIONS RESTATED
ANNEXURE - XXXII**

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

Sr. No.	Name of the Person / Entity	Relation
1	Mr. Vasanadu Govind	Director
2	Mrs. Vasanadu Nirmala	Director
3	Mr. V Nagaprasanna	Relative of Director
4	Mrs. V Shalini	Shareholder / Relative
5	Poly Tough Tubes Limited	Entity owned & significantly influenced by directors
6	Mycol Distributors P Ltd.	Entity owned & significantly influenced by directors/ relatives of Director
7	Ten Square Reality Properties P Ltd.	Entity owned & significantly influenced by directors/ relatives of Director
8	Tamara Hospitality P Ltd.	Entity owned & significantly influenced by directors/ relatives of Director
9	Precision Product	Entity owned & significantly influenced by directors/ relatives of Director
10	V Govind HUF	Entity owned & significantly influenced by directors

Notes:-

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II and III.

3. List Company/entity owned or significantly influenced by directors/ KMP, Key Management Personnel's, and Relative of Key Management Personnel's have been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

e) Transactions with Companies / Entities owned / significantly influenced by directors or relatives of directors

(Rs. In Lakhs)

Sr. No	Nature of Transactions	For the year ended March 31	
		2017	2016
A	Transaction During the Year		
	Sales of Services (net off discount)	431.26	176.80
	Energy Wheeling Income	56.16	24.37
	Purchase of Fixed Assets	-	199.54
	Purchases	824.41	758.77
	Loan & Advances Received	283.90	773.38
	Interest Paid	2.55	9.83
	Loan & Advances Paid	234.53	327.10
	Share Capital & Premium	30.53	-
	Rent	0.27	-
	Interest Received	1.25	-
B	Closing Balance Dr/(Cr)		
	Trade Payables	9.88	64.50
	Trade Receivables	601.99	249.36
	Loans & Advances Given	4.20	61.09
	Loans & Advances Received	40.37	51.40

f) Transactions with key management personnel / Share Holders and their relatives

(Rs. In Lakhs)

Sr. No	Nature of Transactions	For the year ended March 31	
		2017	2016
A	Transaction During the Year		
	Director Remuneration	3.00	3.00
	Incentive	-	10.00
	Rent	5.96	0.96
	Share Application money	-	142.37
	Sales	0.05	0.08
	Interest Paid	39.93	43.58
	Loan & Advances paid	427.55	297.63
	Loan & Advances received	464.63	214.40
	Professional Charges	6.30	-
	Purchases	-	-

OTHER FINANCIAL INFORMATION

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

(Rs. in Lakhs)

Particulars	For Period Ended Sept 2018	For the year ended March 31		
		2018	2017	2016
Restated PAT as per P&L Account	176.72	412.39	206.25	77.35
Restated Earnings Before Interest Tax Depreciation and Amortisation (EBITDA)	672.06	1134.64	832.56	729.35
Weighted Average Number of Equity Shares at the end of the Year/Period*	1,20,00,000	1,20,00,000	1,19,64,865	1,10,13,749
Number of Equity Shares outstanding at the end of the Year/Period	1,20,00,000	40,00,000	40,00,000	37,96,440
Net Worth	2,094.01	1,917.30	1,504.91	1,268.13
Basic & Diluted Earnings per Share based on Weighted Average Number of Shares (with Impact of Bonus Shares)	1.47	3.44	1.72	0.70
Return on Net Worth (%)	8.44%	21.51%	13.71%	6.10%
Net Asset Value Per Share (Rs) without impact of bonus issue	17.45	47.93	37.62	33.40
Net Asset Value Per Share (Rs) with impact of bonus issue	17.45	15.98	12.58	11.51
Current Assets	5,679.87	5,697.63	4,070.31	2,835.17
Current Liabilities	4,780.45	4,898.54	3,685.24	2,799.58
Current Ratio	1.19	1.16	1.10	1.01
Nominal Value per Equity share (Rs.)	10.00	10.00	10.00	10.00

Notes:

1. The above ratios are calculated as under:

$$\text{a) Basic and Diluted Earnings per Share} = \frac{\text{Net Profit available for appropriation (as restated)}}{\text{Weighted average number of equity shares outstanding during the year}}$$

$$\text{b) Return on Net Worth(\%)} = \frac{\text{Net Profit available for appropriation (as restated)}}{\text{Net worth as at the year end}}$$

$$\text{c) Net Asset Value Per Equity Share} = \frac{\text{Net Worth as at the end of the period/year}}{\text{Number of equity shares outstanding at the end of the Year}}$$

2. Net Worth means the aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account;

3. Earnings Per Share (EPS) calculation are in accordance with the Accounting Standard 20 "Earnings Per Share" prescribed under the Companies (Accounting Standards) Rules, 2006.
4. The figures disclosed above are based on the Restated Financial Information of the Company.
5. Basic and Diluted EPS for the period ended 30th September, 2018 are not annualized.
6. The Company allotted 80,00,000 Equity Shares as fully paid up Bonus Shares by capitalization of Surplus on September 19, 2018. Accordingly, the number of equity shares considered for computation of basic and diluted earnings per share for the year ended on March 31, 2018, March 31, 2017 and March 31, 2016 has been adjusted for the impact of bonus issue.
7. EBITDA represents earnings (or profit / loss) before interest, income taxes, and depreciation and amortisation expenses.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our Restated Financial Statements as of and for the period ended September 30, 2018 and the three Financial Years ended March 31, 2018, 2017 and 2016, including the notes thereto and the report thereon, which appear elsewhere in this Draft Prospectus. You should also read the section titled "Risk Factors" beginning on page 26 and the section titled "Forward Looking Statements" beginning on page 18, which discusses a number of factors and contingencies that could affect our financial condition and results of operations. The following discussion relates to us, and, unless otherwise stated or the context requires otherwise, is based on our Restated financial Statements.

Our financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the ICDR Regulations and restated as described in the report of our auditor dated March 25, 2019 which is included in this Draft Prospectus under "Financial Statements". The Restated Financial Information has been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. Our financial year ends on March 31 of each year, and all references to a particular financial year are to the twelve-month period ended March 31 of that year.

CHANGES IN ACCOUNTING POLICIES IN THE PERIOD/YEARS COVERED IN THE RESTATED FINANCIALS

There is no change in significant accounting policies

Significant Developments Subsequent to the Last Financial Period

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 business or profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months.

Key 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 26. Our results of operations and financial conditions are affected by numerous factors including the following:

- General economic and business conditions in India and in the markets in which our company operate and in the local, regional, national and international economies;
- Changes in Government policies;
- Availability of skilled manpower;
- Changes in laws and regulations relating to the industry in which we operate;
- Our ability to compete with and adapt to the technological advances;
- Changes in political, economic and social conditions in India;
- Fluctuations in the operating costs;
- Changes in the foreign exchange control regulations, interest rates and tax laws in India;
- Our ability to attract and retain qualified personnel;
- Our ability to meet our capital expenditure requirements; and

- Any adverse outcome in the legal proceedings in which we may be involved.
- Market fluctuations and industry dynamics beyond our control;
- Occurrence of natural disasters or calamities affecting the areas in which we have operations;
- Conflicts of interest with affiliated companies, the promoter group and other related parties; and
- Contingent Liabilities, environmental problems and uninsured losses.

Discussion on Result of Operations

The following discussion on results of operations should be read in conjunction with the restated financial statements for the period ended September 30, 2018 and financial years ended March 2018, March, 2017 and March, 2016.

Sr. No.	Particulars	For the period ended September 30, 2018		For the year ended March 31,					
				2018		2017		2016	
		Amount (Rs. in Lakhs)	% of Total Income	Amount (Rs. in Lakhs)	% of Total Income	Amount (Rs. in Lakhs)	% of Total Income	Amount (Rs. in Lakhs)	% of Total Income
A	Revenue:								
	Revenue From Operations (Net of Taxes)	7,172.42	99.39	10,240.07	99.64	8,402.48	99.62	6,722.67	99.15
	Other Income	44.25	0.61	36.84	0.36	31.96	0.38	57.37	0.85
	Total Revenue	7,216.66	100.00	10,276.90	100.00	8,434.44	100.00	6,780.04	100.00
	Expenses:								
B	Cost of Materials Consumed	6,610.08	91.59	7,283.22	70.87	5,627.59	66.72	4,300.50	63.43
	Direct Operating Expnses	321.14	4.45	418.7	4.07	413.8	4.91	330.22	4.87
	Changes in Inventories of Finished Goods, Stock-in-proces and Stock-in-trade	-1,142.25	15.83	169.32	-1.65	32.56	0.39	69.89	-1.03
	Employee benefit expenses	322.91	4.47	506.66	4.93	430.74	5.11	419.26	6.18
	Finance Cost	257.93	3.57	263.2	2.56	219.27	2.60	247.31	3.65
	Depreciation and amortization expenses	207.15	2.87	268.41	2.61	264.48	3.14	265.97	3.92
	Others Expenses	432.71	6.00	1,103.00	10.73	1,097.20	13.01	1,070.59	15.79
	Total Expenses	7,009.69	97.13	9,673.88	94.13	8,085.64	95.86	6,563.97	96.81

C	Profit before exceptional ,extraordinary items and tax	206.98	2.87	603.02	5.87	348.8	4.14	216.07	3.19
	Less: Exceptional Items	-		-		-		-	
	Profit before extraordinary items and tax (A-B)	206.98	2.87	603.02	5.87	348.8	4.14	216.07	3.19
	Prior Period Items	-		-		-		-	
	Extra ordinary items	-		-		-		-	
D	Profit before tax	206.98	2.87	603.02	5.87	348.8	4.14	216.07	3.19
	<i>Tax expense :</i>								
	Current tax	62.92	0.87	176.06	1.71	135.22	1.60	66.74	0.98
	Deferred Tax	32.66	0.45	14.57	0.14	7.33	0.09	71.98	1.06
	Profit/(Loss) for the period After Tax- PAT	176.72	2.45%	412.39	4.01	206.25	2.45	77.35	1.14

Revenue from operations:

Our principal component of income is from Sale of Roofing sheets, PVC pipes, Self drilling screws, Windmill income and Solar Energy Income.

Other Income:

Our other income primarily comprises of fixed deposit interest, dividend, Rental Income and capital gain.

Cost of Material Consumed

Our cost of material consumed primarily comprises of cost of raw material used for manufacturing the final product and purchases of trading materials.

Direct Operating Expenses

Our direct operating expenses includes expenses incurred towards power & fuel, spares and maintenance, carriages, etc.

Employee benefits expense:

Our employee benefits expense primarily comprises of Salary and Wages, Contribution to PF & other funds and Staff Welfare Expenses.

Finance Costs

Our finance cost includes Interest Expenses and other Borrowing Cost.

Depreciation and Amortization Expenses

Depreciation includes depreciation on tangible assets like car, plant and machinery, windmill, furniture and computer.

Other Expenses

Other expenses include Legal and Professional fees, Rent & Maintenance expenses, Office Expenses, Insurance Charges, printing & stationery, security expenses, conveyance & travelling expenses, etc.

Financial Performance highlights for the Period ended on September 30, 2018

Revenue from operations:

The revenue from operations during the period ended September 30, 2018 was Rs. 7172.42 Lakhs. The revenue is from Sale of Roofing sheets, PVC pipes, Self drilling screws, Windmill income and Solar Energy Income which comprised 99.39% of Company's total revenue for the period ended September 30, 2018.

Total Expenses:

The total expenditure during period ended September 30, 2018 was Rs. 7009.69 Lakhs. The total expenditure represents 97.13% of the total revenue. The total expenses are represented by direct operating expense, finance costs, depreciation and amortization expenses, employee benefit expenses and Administrative & Other Expenses.

Profit/ (Loss) after Tax:

The restated net profit during the period ended September 30, 2018 was Rs.176.72 Lakhs representing 2.45% of the total revenue of our Company.

Financial Year 2018 Compared to Financial Year 2017

Total Income

Total Income for the financial year 2017-2018 stood at Rs.10276.90 Lakhs whereas in Financial Year 2016-2017 the same stood at Rs.8434.44 Lakhs representing an increase of 21.84%. This was majorly due to increase in revenue from operations and other income.

Revenue from Operations

During the financial year 2017-2018 the net revenue from operation of our Company increased to Rs. 10240.07 Lakhs as against Rs. 8402.48 Lakhs in the Financial Year 2016-2017 representing an increase of 21.87%. This increase was majorly due to increase in revenue from polycarbonate roofing sheets and solar energy income and marginal increase in pipe sales.

Other Income:

During the financial year 2017-2018 the other income of our Company increased to Rs.36.84 Lakhs as against Rs.31.96 Lakhs in the Financial Year 2016-2017 representing an increase of 15.27%. Such increase was primarily due to generation of rental income and increase in interest from Bank.

Total Expenses:

The Total Expenditure for the financial year 2017-2018 increased to Rs.9673.88 Lakhs from Rs.8085.64 Lakhs in the previous financial year representing a increase of 19.64%. This was majorly due to increase in cost of raw material consumed.

Employee benefits expense:

Our Company has incurred Rs.506.66 Lakhs as Employee benefits expense during the financial year 2017-2018 as compared to Rs.430.74 Lakhs in the financial year 2016-2017 representing an increase of 17.63%.

Finance costs:

These costs were for the financial Year 2017-2018 increased to Rs.263.2 Lakhs as against Rs.219.27 Lakhs during the previous financial year. The increase of 20.03% as compared to previous financial year was due to increase in interest cost due to increase in term loan and increase in working capital limits.

Depreciation and Amortization Expenses:

Depreciation for the financial year 2017-2018 stood at Rs.268.41 Lakhs as against Rs.264.48 Lakhs during the previous financial year. The increase of 1.49% was due to increase in our asset base.

Other Expenses:

Our Company has incurred Rs.1, 103.00 Lakhs during the Financial Year 2017-2018 on other expenses as against Rs.1, 097.20 Lakhs during the financial year 2016-2017. The decrease of 0.53 % was due to normal course of business.

Restated Profit before tax:

The Company reported Restated profit before tax for the Financial Year 2017-2018 of Rs.603.02 Lakhs in comparison to Restated profit of Rs.348.80 Lakhs in financial year 2016-2017 representing an increase of 72.88%.

Restated profit after tax:

Net Profit after tax for the Financial Year 2017-2018 increased to Rs. 412.39 lakhs as compared to Rs.206.25 Lakhs financial year 2016-2017. The increase in profit after tax by 99.95% was majorly due to factors mentioned above.

Financial Year 2017 Compared to Financial Year 2016

Total Income:

Total income for the financial year 2016-2017 stood at Rs.8434.44 Lakhs whereas in Financial Year 2015-2016 the same stood at Rs.6780.04 Lakhs representing an increase of 24.40%.

Revenue from Operations:

During the financial year 2016-2017 the net revenue from operation of our Company increased to Rs.8402.48 Lakhs as against Rs.6722.67 Lakhs in the Financial Year 2015-2016 representing an increase of 24.99%. This increase was due to normal course of business.

Other Income:

During the financial year 2016-2017 the other income of our Company decreased to Rs.31.96 Lakhs as against Rs.57.37 Lakhs in the Financial Year 2015-2016 representing a decrease of 44.29%. Such decrease was primarily due to decrease in interest income.

Total Expenses:

The Total Expenditure for the financial year 2016-2017 increased to Rs.8,085.64 Lakhs from Rs.6,563.97 Lakhs in the previous financial year representing an increase of 23.18%.

Employee benefits expense:

Our Company has incurred Rs.430.74 Lakhs as Employee benefits expense during the financial year 2016-2017 as compared to Rs.419.26 Lakhs in the financial year 2015-2016. The increase of 2.74% was due to increase in hiring of experienced staff and increase in Head Count with Annual Salary increment on account of production of new product.

Finance costs:

These costs for the financial Year 2016-2017 decreased to Rs.219.27 Lakhs as against Rs.247.31 Lakhs during the financial year 2015-16. The decrease of 11.34% as compared to previous financial year was due to decrease in term loan.

Depreciation and Amortization Expenses:

Depreciation for the financial year 2016-2017 stood at Rs.264.48 Lakhs as against Rs.265.97 Lakhs during the previous financial year reflecting an decrease of 0.56%.

Other Expenses:

Our Company has incurred Rs.1,097.20 Lakhs during the Financial Year 2016-2017 on other expenses as against Rs.1,070.59 Lakhs during the financial year 2015-2016. The increase of 2.49% was due to increase in normal course of business.

Restated Profit before tax:

Net Profit before tax for the financial year 2016-2017 increased to Rs.348.80 Lakhs as compared to Rs.216.07 Lakhs in the financial year 2015-2016 representing an increase by 61.42%.

Restated profit after tax:

The Company reported Restated profit after tax for the financial year 2016-2017 of Rs.206.25 Lakhs in comparison to Restated profit of Rs.77.35 Lakhs in the financial year 2015-2016 representing an increase of 166.65% majorly due to factors mentioned above.

OTHER MATTERS

1. Unusual or infrequent events or transactions

Except as described in this Draft Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations.

Other than as described in the section titled "*Risk Factors*" beginning on page 26 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.

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

Other than as disclosed in the "*Risk Factors*" beginning on page 26 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.

4. Future relationship between Costs and Income

Our Company's future costs and revenues will be determined by economic activity, government policies and availability of skilled manpower.

5. The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased prices.

The increase in revenue is by and large linked to increases in volume of business activity by the Company.

6. Total turnover of major player in the industry segment in which our Company operates.

7. Our Company is operating in PVC and Roofing Solutions. Total turnover of major player in the industry in which our Company operated has been included in the chapter titled "*Industry Overview*" beginning on page 102.

8. 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 Prospectus.

9. The extent to which the business is seasonal

Our business operations are not subject to significant seasonal trends.

10. Any significant dependence on a single or few suppliers or customers.

As on period ended September 30, 2018, our top 10 suppliers contributed approximately 53.24 % of our revenue from operations based on Standalone Audited Financial Statements. For further details, please refer "*Risk Factor*" beginning on page 26.

11. Competitive Conditions

We face competition from existing and potential organised and unorganized competitors which is common for any business. We have, over a period of time, developed certain competitive strengths which have been discussed in section titled "*Our Business*" beginning on page 115

CAPITALIZATION STATEMENT

(Rs. in Lakhs)

Particulars	Pre Issue	Post Issue
Borrowings		
Short term debt (A)	2,770.53	2,770.53
Long Term Debt (B)	1,328.70	1,328.70
Total debts (C)	4,099.24	4,099.24
Shareholders' funds		
Equity share capital	1,200.00	[●]
Reserve and surplus - as restated	894.01	*
Total shareholders' funds	2,094.01	*
Long term debt / Shareholders funds	0.63	*
Total debt / Shareholders funds	1.96	*

(*) The corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.

Notes:

1. Short term Debts represent which are expected to be paid / payable within 12 months and excludes instalments of term loans repayable within 12 months.
2. Long term Debts represent debts other than Short term Debts as defined above but includes instalment of term loans repayable within 12 months grouped under other current liabilities.
3. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at September 30, 2018.

SECTION VII: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below there is no outstanding

- A. (i) criminal litigation (ii) actions taken by statutory or regulatory authorities (iii) Disciplinary action including penalty imposed by SEBI or stock exchanges against the promoters in the last five financial years including outstanding action (iv) any direct and indirect tax liabilities; (v) material litigation(s) (as defined below); involving our Company, our Directors and our Promoter. Our Board, in its meeting held on October 29, 2018, determined that outstanding legal proceedings involving our Company, Directors and Promoters shall be considered material if that litigation by or against our Company/ its Promoter, Directors and its group companies/ entities shall be considered material if,
- the aggregate amount involved in such individual litigation exceeds 1% of profit after tax of the Company, as per the last audited financial statements; or
 - where the decision in one litigation is likely to affect the decision in similar litigations, even though the amount involved in such single litigation individually may not exceed 1% of profit after tax of the Company as per the last audited financial statements, if similar litigations put together collectively exceed 1% of the profit after tax of the Company; or
 - litigations whose outcome could have a material impact on the business, operations, prospects or reputations of the Company and the Board or any of its committees shall have the power and authority to determine the suitable materiality thresholds for the subsequent financial years on the aforesaid basis or any other basis as may be determined by the Board or any of its committees.
- B. Outstanding material dues (as defined below) to creditors of our Company and dues to micro, small and medium enterprises and other creditors.
- C. Our Board, in its meeting held on October 29, 2018, determined that outstanding dues in view of the nature and extent of outstanding dues of our Company and the nature and extent of the business operations undertaken by our Company, the dues owed by our Company to the micro, small and medium enterprises and other creditors exceeding 5% of the Company's trade payables for the last audited financial statements shall be considered as material dues for our Company. The details of outstanding dues to such micro, small and medium enterprises and other creditors shall be uploaded on the website www.lotusroofings.com of our Company as required under the SEBI ICDR Regulations.
- D. Our Company, Promoter and/or Directors, have not been declared as wilful defaulters by the RBI or any governmental authority, have not been debarred from dealing in securities and/or accessing capital markets by SEBI and no disciplinary action has been taken by SEBI or any stock exchange(s) against our Company, our Promoter or our Directors, that may have a material adverse effect on our business or financial position, nor, so far as we are aware, are there any such proceedings pending or threatened. There are no pending proceedings initiated against our Company for economic offences.
- E. Further, none of the Promoters or Directors are / were Promoters or directors of any entity which has been debarred from accessing the capital markets under any order or directions issued by the Stock Exchange(s), SEBI or any other regulatory authority.

I. LITIGATIONS INVOLVING OUR COMPANY

A. Litigation against our Company

1. Criminal matters:

a) Claim statement bearing No. 253/2013 filed before the II Additional Labour Court, Chennai against the Company by Mr. P. Subramanian:

Mr. P. Subramanian is the petitioner who has filed a claim statement bearing No. 253/2013 dated July 15, 2013 against our company under Section 2-A (2) of Industrial Dispute Act, 1947 before the II Additional Labour Court, Chennai. Our Company has conducted domestic enquiry and he was found guilty of dereliction of duty negligence at work which was pre-judicial to the reputation of the Company. . However, the petitioner denied the same and claims that a proper enquiry into the matter was not conducted and hence, filed a claim statement. Subsequently, a cross petition was filed by our company which states that enquiry could not be completed due to a situation brought in by the petitioner where in it became impossible to continue with the enquiry and the reason to dismiss the petitioner from his service was taken on the ground of loss of confidence. The case is pending before the Labour Court and the next hearing is decided to be held on April 11, 2019.

2. Litigation Involving Actions by Statutory/Regulatory Authorities: NIL

3. Litigation involving Tax Liabilities

a. Direct Tax Liabilities: NIL

b. Indirect Taxes Liabilities:

i) Notice bearing No. 32090205025/2011-12 received from Assistant Commissioner of State Tax, State GST Department, Palakkad, Kerala under Kerala Value Added Tax Act, 2003:

Our Company received notice issued by the Assistant Commissioner of State Tax, State GST Department, Palakkad, Kerala under Section 25(1) of the KVAT Act, 2003 stating the discrepancies noted in the Annual return for the year 2011-12 filed by the company and transactions recorded on Kerala Value added Tax Information System. The assessing officer issued a Demand notice bearing No. 198/2017-18 for Rs.2,51,615/- under KVAT Rules, 2005. Our Company submitted that the discrepancies noted are due to clerical mistakes. Subsequent to such submission, Assistant Commissioner stated that the evidence furnished by our Company was not satisfactory and therefore he issued a demand notice. Aggrieved by this decision, our Company filed a Form of Appeal/ Revision. The case is pending before the Deputy Commissioner (Appeals) Commercial Taxes, Palakkad.

ii) Order dated December 31, 2016 was issued by the Assistant Commissioner of State GST Department, Palakkad:

Our Company received a notice issued by the Assistant Commissioner of State GST Department, Palakkad alleging the discrepancies in the Annual Return filed by the Company for the financial year 2013-14 stating that Company had escaped turnover amounting to Rs. 1,70,67589/- in the said return. Aggrieved by this the

Company filed an appeal with Deputy Commissioner (Appeals), Palakkad which resulted in favour of the Company and the escape turnover was re-fixed as 5,49,911/-. The State being aggrieved by the order filed an appeal with the Appellant Tribunal. Thereafter, the Company filed a cross objection on the Appeal filed by the State. The case is pending with the Appellant Tribunal for further hearing and order.

4. Other Pending Litigations: NIL

B. Litigation filed by our Company

1. Criminal matters:

a) Complaint No. 2719 filed in the Court of VII Metropolitan Magistrate at George Town, Chennai against M/s Brothers Bowells Dev Sales Corporation and Mr. Abdul Rehman (hereinafter referred as “accused”):

Complaint bearing No. 2719 dated June 11, 2014 against M/S Brothers Bowells Dev Sales Corporation and Mr. Abdul Rehman, Proprietor of M/s Brothers Bowells Dev Sales Corporation for the violation of Section 200 of The Code of Criminal Procedure, 1973 read with section 138 (B) of the Negotiable Instrument Act, 1881. The accused was required to pay a sum of Rs. 8,78,967/- with respect to goods supplied by the Company. The accused issued a cheque dated March 6, 2014 of South Indian Bank Limited bearing No. 248625 for a sum of Rs. 3,00,000/- towards partial settlement of outstanding dues. The cheque was dishonoured and returned for the reason of insufficient funds and consequently the company filed the Criminal Complaint. The matter is currently pending and the next hearing date is May 9, 2019.

2. Litigation Involving Actions by Statutory/Regulatory Authorities: NIL

3. Litigation involving Tax Liabilities

a. **Direct Tax Liabilities: NIL**

b. **Indirect Taxes Liabilities: NIL**

4. Other Pending Litigations: NIL

II. LITIGATION INVOLVING OUR PROMOTERS

A. Litigation against our Promoters

1. Criminal matters:

POLY TOUGH TUBES LIMITED

a) Consumer Case bearing No. 225/2018 filed before the Consumer Disputes Redressal Forum, Civil Station, Kollam, Kerala by Ms. Charly Joseph:

Ms. Charly Joseph, the complainant had filed a case bearing No. 225/2018 under Section 12 of the Consumer Protection Act, 1986 dated September 19, 2018 against M/s Poly Tough Tubes Limited (hereinafter referred as “Company”) and 2 other parties named Mr. Krishnakumar, the Proprietor of Quilon Tubewells and Borewells and Mr. Prasad, a worker of Quilon Tubewells and Borewells at Consumer Disputes Redressal Forum, Civil station, Kollam, Kerala. A legal notice dated April 27, 2018 was issued on Company and the other 2 parties to compensate the complainant jointly and severally. The Complainant alleged that due to manufacturing defects along with the poor workmanship of the tube erected by Mr. Krishnakumar, the tubes broke down and collapsed which resulted in economic loss. Company has filed a reply statement stating that there was no manufacturing defect in the tubes which were availed by Mr. Krishnakumar for the purpose of erection of bore wells for the Complainant. The Company stated that the guidelines for using the tubes by Mr. Krishnakumar, who was liable to consider the thickness of the tube with the depth of the proportionate thickness of the tube on the basis of depth and erection was not properly followed. The matter is pending before the Consumer Disputes Redressal Forum and the next hearing is fixed to be held on May 8, 2019

2. Litigation Involving Actions by Statutory/Regulatory Authorities: NIL

3. Disciplinary action including penalty imposed by SEBI/ Stock exchanges against the promoters in the last five financial years including any outstanding action: NIL

4. Litigation involving Tax Liabilities

a. Direct Tax Liabilities:

MR. V GOVIND

a) Order dated March 31, 2015 was issued against V. Govind (HUF) by Assistant Commissioner of Income Tax, Chennai:

The Assistant Commissioner of Income Tax, Chennai had passed an order dated March 31, 2015 under Section 143(3) read with Section 147 of Income Tax Act, 1961 stating the difference in computation of V. Govind HUF’s (Karta – Mr. V Govind, promoter of our Company) share in Long term capital gains with respect to sale consideration received for a property owned by the HUF along with other co-owner. An appeal has been submitted to CIT (Appeals) – III by V. Govind on the ground that the Assessing officer has not considered various factors having depressing effect on the sale and marketability of the property concerned. The case is pending with the Commissioner of Income Tax (Appeals).

b. Indirect Taxes Liabilities:

POLY TOUGH TUBES LIMITED

a) Assessment Notice dated December 08, 2015 issued against Poly Tough Tubes Limited (hereinafter referred as “Company”) by Commercial Tax Officer, Palakkad:

Assessment Order dated December 08, 2015 by Commercial Tax Officer, Palakkad was issued against the Company under Section 25(1) of the KVAT Act, 2003 stating that the Company in the monthly return filed for the month of August 2015 has escaped turnover of Rs. 12,30,056/-. Aggrieved by the Order, Company filed an appeal stating that the Company has failed to account the escaped turnover in the month of August however, the

same was not intentional and the Company maintains proper books of account thereby order was issued in Company's favour. The Case is pending with the High Court of Kerala.

b) Assessment Order dated March 1, 2016 issued against Poly Tough Tubes Limited (hereinafter referred as "Company") by Commercial Tax Officer, Palakkad:

Assessment Order dated March 01, 2016 by Commercial Tax Officer, Palakkad was issued against the Company under Section 25(1) of the KVAT Act, 2003 stating that the Company in the Annual Return filed for the financial year 2014-15 had escaped turnover amounting to Rs. 23,91,260. Aggrieved by the Order, Company filed an appeal with Deputy Commissioner (Appeals) stating that the omissions are due to clerical mistakes and that the transaction was included in the Audit report and hence, there is no intention of evasion of tax. On hearing held thereafter, the department has partly allowed the appeal and the assessment is modified. The said case is pending with the department.

c) Notice dated June 4, 2018 was issued by State Tax Officer, Palakkad against M/s Poly Tough Tubes Limited (herein referred as "Company"):

State Tax Officer, Palakkad issued notice against Company under Section 25(1) of the KVAT Act, 2003 stating the discrepancies noted in the Annual return for the year 2013-14 filed by the company and transactions recorded on Kerala Value added Tax Information System. Considering the reply filed by the Company dated August 13, 2018, the State Tax Officer issued a Demand Notice dated November 22, 2018 bearing No 137/18-19 for Rs, 79,633/-. Aggrieved by the Demand Notice, the Company has filed an appeal with Assistant Commissioner (Appeals), Commercial taxes, Palakkad. The appeal is pending with Assistant Commissioner (Appeals) for further action.

1. Other Pending Litigations: NIL

B. Litigation filed by our Promoter:

1. Criminal matters:

POLY TOUGH TUBES LIMITED

a) Complaint No. 3375 filed in the Court of Hon'ble VII Metropolitan Magistrate at George Town, Chennai by M/s Poly Tough Tubes Limited (hereinafter referred as "*the Company*") against Mr. S Thiyaagu, Proprietor of Elim Enterprises (hereinafter referred as "*accused*"):

The Company had filed a Complaint bearing No. 3375 dated May 17, 2013 against the accused for the violation of Section 200 of the Code of Criminal Procedure, 1973 read with Section 138 of Negotiable Instrument Act, 1881. The accused was required to pay a sum in excess of Rs.1,12,975/- which was due towards the Company for the goods supplied by the Company. The accused issued a cheque dated March 26, 2013 drawn on Syndicate Bank bearing No. 706375 for a sum of Rs.1,12,975/- towards part-payment of outstanding dues. The cheque was dishonoured and returned for the reason of insufficient funds and consequently the company filed the Criminal Complaint. The matter is currently pending and the next hearing date is May 24, 2019.

b) Complaint dated September 16, 2016 filed in the Court of Metropolitan Magistrate at Egmore, Chennai by M/s Poly Tough Tubes Limited (hereinafter referred as “the Company”) against M/s Sri Bhavani Traders (hereinafter referred as “accused”):

The Company had filed a Complaint dated September 16, 2016 against the accused for the violation of Section 200 of the Code of Criminal Procedure, 1973 read with section 138 and 142 of the Negotiable Instrument Act, 1881. The accused was required to pay a sum of Rs.1,35,481/- which was due towards the Company for the goods supplied by the Company. The accused issued a cheque dated April 22, 2016 of Karur Vyasa Bank bearing No. 000273 for a sum of Rs.1,00,000/- towards part-payment of outstanding dues. The cheque was dishonoured and returned for the reason of insufficient funds and consequently the company filed the Criminal Complaint. The matter is currently pending for further action.

c) Complaint No. 1494 filed in the Court of VII Metropolitan Magistrate at George Town, Chennai by M/s Poly Tough Tubes Limited (hereinafter referred as “the Company”) against M/s Sri Bhavani Traders (hereinafter referred as “accused”):

The Company had filed a Complaint bearing No. 1494 dated May 29, 2017 against the accused for the violation of Section 200 of The Code of Criminal Procedure, 1973 read with Section 138 and 142 of Negotiable Instrument Act, 1881. The accused was required to pay a sum of Rs. 20,25,150/- which is outstanding as on March 31, 2017 in the books of the Company for the goods supplied by the Company. The accused issued a cheque dated April 11, 2017 of Indian Overseas Bank bearing No. 563786 for a sum of Rs. 20,25,150/- towards settlement of outstanding dues. The cheque was dishonoured and returned for the reason of insufficient funds and consequently the company filed the Criminal Complaint. The matter is currently pending and the next hearing date is May 27, 2019.

d) Complaint No. 2464 filed in the Court of IV Fast Track Judge, Metropolitan Magistrate at Chennai by M/s Poly Tough Tubes Limited (hereinafter referred as “the Company”) against M/s Quilon Tubewell and Borewell (hereinafter referred as “accused”):

The Company had filed a Complaint bearing No. 2464 dated September 26, 2018 against the accused for the violation of Section 200 of the Code of Criminal Procedure, 1973 read with Section 138 and 142 of Negotiable Instrument Act, 1881. The accused was required to pay a sum of Rs. 25,02,332/- which is outstanding as on March 31, 2018 in the books of the Company for the goods supplied by the Company. The accused issued a cheque dated June 6, 2018 of South Indian Bank Limited bearing No. 377168 for a sum of Rs. 10,00,000/- towards partial settlement of outstanding dues. The cheque was dishonoured and returned for the reason of insufficient funds and consequently the company filed the Criminal Complaint. The matter is currently pending and the next hearing date is June 10, 2019.

2. Litigation Involving Actions by Statutory/Regulatory Authorities: NIL

3. Litigation involving Tax Liabilities

a. **Direct Tax Liabilities: NIL**

b. **Indirect Taxes Liabilities: NIL**

4. Other Pending Litigations: NIL

III. LITIGATION INVOLVING OUR DIRECTORS OTHER THAN PROMOTERS:

A. Litigation against our Directors

1. **Criminal matters:** NIL
2. **Litigation Involving Actions by Statutory/Regulatory Authorities:** NIL
3. **Litigation involving Tax Liabilities**
 - a. **Direct Tax Liabilities:** NIL
 - b. **Indirect Taxes Liabilities:** NIL
4. **Other Pending Litigations:** NIL

B. Litigation filed by our Directors

1. **Criminal matters:** NIL
2. **Litigation Involving Actions by Statutory/Regulatory Authorities:** NIL
3. **Litigation involving Tax Liabilities**
 - a. **Direct Tax Liabilities:**
 - b. **Indirect Taxes Liabilities:** NIL
4. **Other Pending Litigations:**

MR. PIYUSH BANDHARI

- a) **Civil Suit No 818/2016 dated October 24, 2016 filed by Mr. Piyush Bhandari and 2 others against Sushen Constructions Private Limited and 10 others (hereinafter together referred as “accused”)**

Mr. Piyush Bhandari along with 2 other parties files a Civil Suit no 818/2016 against the accused on October 24, 2016 in High Court of Madras.

However, due to non-availability of the documents, further details of the case could not be provided.

Litigations or legal actions, pending or taken, by any Ministry or Department of the Government or a statutory authority against our Promoters during the last 5 (five) years.

There are no litigations or legal actions, pending or taken, by any Ministry or Department of the Government or a statutory authority against our Promoters during the last 5 (five) years.

Pending proceedings initiated against our Company for economic offences.

There are no pending proceedings initiated against our Company for economic offences.

Inquiries, investigations etc. instituted under the Companies Act, 2013 or any previous Companies enactment in the last 5 (five) years against our Company.

There are no inquiries, investigations etc. instituted under the Companies Act or any previous Companies enactment in the last 5 (five) years against our Company.

Material Fraud against our Company in the last 5 (five) years.

There has been no material fraud committed against our Company in the last 5 (five) years.

Non-Payment of Statutory Dues

There have been no defaults or outstanding defaults in the payment of statutory dues payable by our Company as of the date of the last audited financial statements of our Company.

Amounts owed to micro, small and medium enterprises and other creditors

As of September 30, 2018, our Company owes the following amounts to Micro, Small and Medium enterprises and other creditors:

(Rs. In Lakhs)

Particulars	Number of Creditors	Amount Involved
Micro, small and medium enterprises	-	-
Material Due to Creditors	5	977.14

Details in relation to the amount owed by our Company to material creditors, micro, small and medium enterprises and other creditors as on September 30, 2018 are also available on website www.lotusroofings.com

Complete details about outstanding overdues to material creditors along with name and the amount involved for each such material creditor along with the name and amount involved for each such material creditor as on September 30, 2018 are available on the website of the Company www.lotusroofings.com

Material Developments

In the opinion of the Board, there have been no material developments, since the date of the last balance sheet, included in this Draft Prospectus which affects the business and profitability of our Company.

GOVERNMENT AND OTHER APPROVALS

Our Company has received the necessary consents, licenses, permissions, registrations and approvals from the Central and State Governments and various other government agencies/ regulatory authorities/ certification bodies required to undertake this issue and to continue our present business activities.

We have set out below an indicative list of material approvals obtained by our Company and no further major approvals from any governmental/ regulatory authority or any other entity are required to be undertaken, in respect of the Issue or to continue our business activities. It must, however, be distinctly understood that in granting the below approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Draft Prospectus. For details in connection with the regulatory and legal framework within which we operate, see the section titled “*Other Regulatory and Statutory Disclosures*” beginning at page 289

The main objects clause of the Memorandum of Association of our Company and the objects incidental, enable our Company to carry out its activities.

The Company has got following licenses/ registrations/ approvals/ consents/ permissions from the Government and various other Government agencies required for IPO issue and to continue its present business:

I. APPROVALS FOR THE ISSUE

Corporate Approvals

1. Our Board of Directors pursuant to Section 62(1)(c) of the Companies Act, 2013, by a resolution passed at their meeting held on September 28, 2018 authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of our Company pursuant to Section 62(1)(c) of the Companies Act, 2013, by a Special Resolution passed in their Extra Ordinary General Meeting held on October 01, 2018 authorized the Issue subject to the approval of such other authorities as may be necessary.

Approval from the Stock Exchange

In-principle approval dated [●] from the SME Platform of [●] for using the name of the Exchange in the offer document for listing the Equity Shares of our Company pursuant to the Issue.

Agreements with NSDL and CDSL

1. The Company has entered into an agreement dated March 19, 2019 with the Central Depository Services (India) Limited (“CDSL”) and the Registrar and Transfer Agent, who in this case is, Karvy Fintech Private Limited for the dematerialization of its shares.
2. Similarly, the Company has also entered into an agreement dated March 21, 2019 with the National Securities Depository Limited (“NSDL”) and the Registrar and Transfer Agent, who in this case is Karvy Fintech Private Limited for the dematerialization of its shares.

3. The International Securities Identification Number (ISIN) of our Company is INE909U01012.

II. APPROVALS PERTAINING TO INCORPORATION AND NAME OF OUR COMPANY

1. Certificate of Incorporation dated April 26, 1984 issued by the Registrar of Companies, Pondicherry, in the name of Lotus Roofings Private Limited.
2. Certificate of Incorporation dated September 27, 2018 issued by the Registrar of Companies, Pondicherry, in the name of "Lotus Roofings Limited" pursuant to conversion of Company from Private to Public.
3. The Corporate Identification Number (CIN) of our Company is U25209PY1984PLC000259.

III. GENERAL APPROVALS

We require various approvals and/ or licenses under various rules and regulations to conduct our business. Some of the material approvals required by us to undertake our business activities are set out below:

Sr. No.	Nature of License/ Approval	Applicable Laws	Registration/ License No.	Issuing Authority	Date of granting License/ Approval	Validity
A. TAX RELATED APPROVALS						
	Permanent Account Number	Income Tax Act, 1961	AAACL0534B	Income Tax Department	April 26, 1984	Valid until cancellation
	Tax Deduction Account Number (TAN)	Income Tax Act, 1961	CHEL00067E	Income Tax Department	-	Valid until cancellation
PUDUCHERRY						
1.	Value Added Tax Registration Certificate	Puducherry Value Added Tax Ordinance, 2007	34570000004	Registering Authority, Deputy Commercial Tax Officer (RC) Commercial Taxes Department, Puducherry.	July 01, 2007	Valid until cancellation
2.	Central Sales Tax Certificate of Registration	Central Sales Tax Act, 1956 read with Service Tax Rules, 1994	34570000004	Deputy Commercial Tax Officer (Registrations), Commercial taxes Dept., Puducherry	March 29, 1985	Valid until cancellation
3.	Certificate of	Finance	AAACL0534BST0	Superintendent	Date of	Valid until

	Registration of Service Tax with the Central Excise Department	Act, 1994 read with Service Tax Rules, 1994	01	of Central Excise, Service Tax Range III-E, Puducherry	issue - April 28, 2005 Amended on - March 08, 2013	cancellation
4.	Central Excise Registration Certificate	Rule 9 of the Central Excise Rules, 2002	AAACL0534BXM001	Deputy Commissioner of Central Excise Division II, Pondicherry	December 09, 2003	Valid until cancellation
5.	Goods and service Tax (GST) Registration Certificate	Central Goods and Service Tax (CGST) Act, 2017	34AAACL0534B1ZB	Government of India and Government of Pondicherry	Date of Issue - September 26, 2017 and effective from July 01, 2017	Valid until cancellation
TAMIL NADU						
1.	Certificate of Registration for the premises situated in Chennai	Tamil Nadu Tax on Professions, Trades, Callings and Employments Act, 24 of 1992	74/Zone II	Additional Revenue Officer, Corporation of Madras	September 11, 1992	Valid until cancellation
2.	Certificate of Registration of Service Tax for the premises situated in Chennai	Finance Act, 1994 read with Service Tax Rules, 1994	AAACL0534BSD003	Superintendent, (Facilitation counter) Service Tax Commissionerate, Chennai	November 05, 2009	Valid until cancellation
3.	Goods and service Tax (GST) Registration Certificate	Central Goods and Service Tax (CGST) Act, 2017	33AAACL0534B1ZD	Government of India and Government of Tamil Nadu	Date of Issue - September 20, 2017 and effective from July	Valid until cancellation

					01, 2017	
4.	Certificate of registration under Central Sales Tax Act, 1956 for the premises situated in Tamil Nadu	Central Sales Tax Act, 1956	33050100168	Assistant Commissioner (CT) Esplanade – I, Assistant Circle, Chennai – 600001	30.03.2011	Valid until cancellation
TELANGANA						
1.	Value Added Tax Registration Certificate for the premises situated in Hyderabad	Andhra Pradesh Value Added Tax Act, 2005 read with Rule 10(a) of the Andhra Pradesh Value Added Tax Rules, 2005	36730380244	Asst. Commercial Tax Officer Government of Telangana, Commercial Taxes Department	July 12, 2016 effective from June 01, 2016	Valid until cancellation
2.	Certificate of registration under Central Sales Tax Act, 1956 for the premises situated in Hyderabad	Central Sales Tax Act, 1956	36730380244 (Central)	Asst. Commercial Tax Officer Government of Telangana, Commercial Taxes Department	July 12, 2016 effective from June 01, 2016	Valid until cancellation
3.	Goods and service Tax (GST) Registration Certificate	Central Goods and Service Tax (CGST) Act, 2017	36AAACL0534B1Z7	Government of India and Government of Telangana	September 22, 2017, effective from July 01, 2017	Valid until cancellation
KERALA						

1.	Certificate of Registration of Value Added Tax for the premises situated in Palakkad	Kerala Value Added Tax Act, 2003	32090205025	Assessing Authority, Commercial Taxes Department, Government of Kerala	April 17, 2017 and Effective from April 21, 2006	March 31, 2018*
2.	Goods and service Tax (GST) Registration Certificate	Central Goods and Service Tax (CGST) Act, 2017	32AAACL0534B1ZF	Government of India and Government of Kerala	October 25, 2017, Effective from September 21, 2017	Valid until cancellation

KARNATAKA						
1.	Value Added Tax Registration Certificate for the unit situated in Bangalore	Karnataka Value Added tax Act, 2003	29390749753	Asst. Commissioner of Commercial Taxes, Bangalore	April 17, 2015 effective from April 01, 2005	Valid until cancellation
2.	Certificate of registration for the unit situated in Bangalore	Central Sales Tax Act, 1956	29390749753	Asst. Commissioner of Commercial Taxes, Bangalore	April 17, 2015 effective from March 23, 2015	Valid until cancellation
3.	Goods and service Tax (GST) Registration Certificate for the unit situated in Bengaluru	Central Goods and Service Tax (CGST) Act, 2017	29AAACL0534B1Z2	Government of India and Karnataka	Date of Issue - September 20, 2017 and effective from July 01, 2017	Valid until cancellation

B. BUSINESS RELATED APPROVALS

Sr. No.	Nature of License/ Approval	Registration/ License No.	Issuing Authority	Date of granting License/ Approval	Validity
1.	MSME Certificate for the unit situated at Sederapet, Puducherry	340021200177	Department of Industries and Commerce, Government of Puducherry	September 12, 2012	Valid until cancellation
2.	Factory License for the factory situated in Sederapet, Pondicherry	PSE 082	Chief Inspectorate of Factories, Government of Pondicherry	First licensed on 1986 and last renewed on November 12, 2018	December 31, 2019
3.	Approval for Electrical Installations	78/P-45/3/2018-RIO/225	Deputy Director, Regional Inspectorial Organisation (South)	May 02, 2018	-



4.	Villianur Commune Panchayat License for the unit situated in Sedarapet, Pondicherry	701	Office of the Commissioner, Villianur Commune Panchayat	April 15, 1987	March 31, 2019
5.	Certificate of Importer- Exporter Code (IEC)	0491000219	Foreign Trade Development Officer, Ministry of Commerce, Government of India	April 04, 1991	Valid until cancellation
6.	License for sales depot situated in Chennai under Section 287 of the Chennai City Municipal Corporation Act, 1919	03-031-000861/2018-19	Greater Chennai Corporation, Revenue Department	July 03, 2018	March 31, 2019
7.	License for sales depot situated in Palakkadu under section 447 of the Kerala Municipality Act, 1994	130208021800026	Palakkadu Municipality	March 05, 2018	March 31, 2019
8.	License for sales depot situated in Calicut under Section 443, 444, 447, 453, 456, 460, 467, 469, 475, 575 of the KM Act, 1994	104/18	Health Inspector, Kozhikode Corporation	August 04, 2018	March 31, 2019
9.	Registration Certificate under Kerala Shops and Establishment Act, 1960	SH090300110242	Assistant Labour officer III Circle, Palakkad	August 14, 2013	December 31, 2019
10.	Licence for Industries and Factories for the unit situated in Madurai	2393	Administrative Officer, Viraganur Panchayat	October 11, 2018	-

C. APPROVALS UNDER LABOUR LAW

Sr. No.	Nature of License/ Approval	Registration/ License No.	Issuing Authority	Date granting License/	Validity
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				Approval	
1.	Employees Provident Fund Registration for the unit situated in Pondicherry	Code No. TBPDY0000320000 Changed to TBPDY1141773000	Employee's Provident Fund Organisation	March 04, 2015	Valid until cancellation
2.	Employees Provident Fund Registration for Kerala	Code No. KRKKD0014781000	Employee's Provident Fund Organisation	March 17, 2015	Valid until cancellation
3.	Certificate of Registration under The Contract Labour (Regulation & Abolition) Act, 1970	4/2012/CL/Regn.	Registering Officer under The Contract Labour (Regulation & Abolition) Act, 1970	March 30, 2012 and renewed on January 18, 2018	-

D. APPROVALS/ REGISTRATIONS RELATED TO INTELLECTUAL PROPERTY:

Trademark	Trademark Type	Classes	Application No.	Certificate No.	Date of Application	Valid Upto	Status
	DEVICE	19	1944716	1167343	April 01, 2010	April 01, 2020	Registered
	DEVICE	17	1790163	1031685	February 27, 2009	February 27, 2029	Registered
LOTUS	WORD	19	3413697	1577861	November 18, 2016	November 18, 2026	Registered
LOTUS	WORD	17	3413696	1578949	November 18, 2016	November 18, 2026	Registered

E. DOMAIN REGISTRATION

Sr. No.	Domain name	Sponsoring Registrar and IANA ID	Creation Date	Expiry Date
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1	LOTUSROOFINGS.COM	Registrar- Wild West Domains, LLC IANA ID: 440	November 27, 2002	November 27, 2019
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F. MISCELLANEOUS APPROVAL/LICENSE/REGISTRATION

Sr. No.	Nature of License/ Approval	Registration/ License No./Certificate No.	Issuing Authority	Date of granting License/ Approval	Validity
	ISO 9001:2015 for manufacturer and exporter of Polycarbonate sheets, Rigid uPVC & Fittings and PVC Roofing Sheets, PVC Ridges and Trading of Screws.	RQ91/IAS/154	BV Quality Certification (P) Limited	August 21, 2018	August 20, 2021 **
	IS 4985 : 2000 ISI certificate (Renewed)	CM/L-4785587	Scientist – E (Director), Bureau of Indian Standards, Southern Regional office	Effective from November 01, 2018	October 31, 2019
	NSIC-CRISIL Performance and Credit Rating	Rating - CRISIL MSE 2*	Business head CRISIL SME Ratings	April 30, 2018	April 29, 2019
	Air Consent Order granted under Air (Prevention and control of Pollution) Act, 1981 for the premises situated in Puducherry	2404/PPCC/CON/AIR/VCP/EE/2007/3205	Member Secretary, Puducherry Pollution Control Committee , Puducherry	November 7, 2007	Valid until cancellation

	Consent to establish (No objection Certificate) under Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981	2404/PPCC/CTE-NOC/VCP/JE-I/2017/565	Member Secretary, Puducherry Pollution Control Committee	July 24, 2017	Valid for a period of Five years only for commencement of operation
	Certificate of Verification for Standard of weight and measures under Schedule – VIII [rule 15 (3)] of Government of Puducherry	76417	Inspector of Legal Metrology – II Legal Metrology Department, Puducherry	April 20, 2018	April 20, 2019***

**As the VAT and CST are subsumed in GST regime renewal of the certificate is not required for the Company.*

***Certification is valid till August 20, 2021, subject to the successful completion of surveillance audit on August 02, 2019 and August 02, 2020.*

****Renewal is subject to verification due on April 20, 2019*

G. Others

1. The Company files returns of Employee Insurance under Code Number 55000133200000304 for the premises situated in Puducherry, however the original certificate of registration for the same could not be traced.

OUR GROUP COMPANY

In terms of the SEBI ICDR Regulations, Group Companies includes such companies with which the Company had related party transactions during the period for which Financial Information is disclosed, as covered under the applicable accounting standards, also other companies as considered material by the Board of our Company.

For the purpose of identification of “Group Companies” in relation to the disclosure in Issue documents, our Company has considered:

- Companies with which our Company has entered into related party transactions as per the Restated Financial Statements for the period ended September 30, 2018 and financial years ended March 2018, 2017 and 2016 as covered under applicable accounting standards; and
- such other companies that are considered material by our Board pursuant to the materiality policy adopted by the Company by a board resolution dated October 29, 2018 for the purposes of disclosure as a group company in connection with the Issue.

As per the materiality policy adopted by the Company, a company shall be considered material and will also be disclosed as a group company if:

- a) such company forms part of the Promoter Group of the Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, 2018;
- b) companies in which, the investment in the form of equity or loan by the Company exceeds 10% of the net worth of the Company for the last audited financial year; and
- c) where the Company has entered into one or more transactions with such company in the last audited financial year, cumulatively exceeding 10% of the total revenue of the Company for the last audited financial year.

As on the date of this Draft Prospectus and based on the aforementioned materiality policy, there are 2 (Two) Group Companies of our Company as set out below:

1. Mycol Distributors Private Limited (MDPL)

Corporate information:

Mycol Distributors Private Limited was incorporated on September 20, 1963 under Companies Act, 1956, at Madras. The Corporate Identity Number of MDPL is U52321TN1963PTC005078.

Nature of activities:

Mycol Distributors Private Limited is engaged in the business of chemical manufacturers, in all its branches and as manufacturers, dealers, importers, exporters, traders, stockists, agents and distributors of chemicals and Merchandise of all kinds.

Financial Information:

(Amount Rs. in Lakhs except per share data)

Particulars	Fiscal		
	2018	2017	2016
Equity Capital (1400 shares for 100 each)	1.40	1.40	1.40
Reserves (excluding revaluation reserve)	774.45	744.70	628.11
Sales	592.10	469.41	434.51
Profit/(Loss) after tax	29.76	116.58	48.75
Earnings per share of face value Rs. 100 (Basic) (in Rs.)	2126	8327	3482
Earnings per share of face value Rs. 100 (Diluted) (in Rs.)	2126	8327	3482
Net Asset Value per share (in Rs.)	55418.27	53292.60	44965.34

There are no significant notes by the auditors in relation to the above mentioned financial statements for the specified last three financial years.

2. Tamara Hospitality Ventures Private Limited ("THVPL")
Corporate information:

Tamara Hospitality Ventures Private Limited was incorporated on May 19, 2006 under Companies Act, 1956, at Chennai. The Corporate Identity Number of THVPL is U70101TN2006PTC059930.

Nature of activities:

THVPL is engaged in the business to carry on in India or elsewhere, either alone or jointly with one or more person, government, local or other bodies, the business to venture, develop, deal, locate, trade, enterprise, service in properties, property development and description by acquisition of land, sites, buildings or any other civil structure.

Financial Information:

(Amount Rs. in Lakhs except per share data)

Particulars	Fiscal		
	2018	2017	2016
Equity Capital	1.00	1.00	1.00
Reserves (excluding revaluation reserve)	489.15	490.10	490.36
Sales	10.14	0.07	0.16
Profit/(Loss) after tax	(0.95)	(0.25)	(1.53)
Earnings per share (Basic) (in Rs.)	(9.50)	(2.55)	(15.31)
Earnings per share (Diluted) (in Rs.)	(9.50)	(2.55)	(15.31)
Net Asset Value per share (in Rs.)	4901.52	4911.02	4913.57

There are no significant notes by the auditors in relation to the above mentioned financial statements for the specified last three financial years.

Litigations

As on the date of this Draft Prospectus, there are no outstanding litigation involving our Group Companies which have a material impact on our Company.

Group Company which is a sick industrial company

Our Group Companies have not become a sick company under the erstwhile Sick Industrial Companies (Special Provisions) Act, 1985.

Group Companies under winding up/insolvency proceedings

Our Group Companies are not under winding up/insolvency proceedings.

Loss making Group Companies

Tamara Hospitality Ventures Private Limited has incurred loss in F.Y. 2015-16 and 2016-17 and 2017-18

Defunct Group Companies

During the five years immediately preceding the date of this Draft Prospectus, our Group Companies have not remained defunct and no application has been made to the relevant registrar of companies for striking off the name of our Group Companies.

Common pursuits

There are no common pursuits amongst our Group Companies and our Company. We will adopt the necessary procedures and practices as permitted by law to address any conflict situation, if and when they arise.

Business interests or other interests

Except as disclosed in "*Financial Information of the Company*" beginning on page 185, our Group Companies do not have any business interest in our Company.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Fresh Issue

The Board of Directors, pursuant to a resolution passed at their meeting held on September 28, 2018 authorized the Issue, subject to the approval of the shareholders of our Company under Section 62(1) (c) of the Companies Act, 2013, and such other authorities as may be necessary. The shareholders of our Company have, pursuant to a special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra-Ordinary General Meeting held on October 01, 2018 authorized the Issue.

Our Company has obtained in-principle approval from the Emerge Platform of NSE for using its name in the Draft Prospectus/Prospectus pursuant to an approval letter [●] NSE is the Designated Stock Exchange.

Prohibition by SEBI or other Governmental Authorities

We confirm that there is no prohibition on our Company, our Promoters, our Promoter Group, our Directors, or the person(s) in control of our Company from accessing or operating in the Capital Markets or debarment from buying, selling or dealing in securities under any order or direction passed by the Board (SEBI) or any securities market regulator in any other jurisdiction or any other authority/court.

The listing of any securities of our Company has never been refused by any of the Stock Exchanges in India.

Neither of our Promoters, Promoter Group, Directors or the person(s) in control of our Company, has ever been part of Promoter, Promoter Group, Directors or the person(s) in control of any other Company which is debarred from accessing the capital market under any order or directions made by the SEBI or any other regulatory or governmental authority.

There has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided in the chapter "*Outstanding Litigations and Material Development*" beginning on page 267.

Association with Securities Market

None of our Directors are associated with the securities market and there has been no action taken by the SEBI against the Directors or any other entity with which our Directors are associated as promoters or directors in the past 5 years.

Prohibition by RBI

Neither our Company, our Promoters, our Directors, relatives (as per Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as a wilful defaulter or a fugitive economic offender and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided in the chapter "*Outstanding Litigations and Material Development*" beginning on page 267 of this Draft Prospectus.

Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 .

Our Company is in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 (“SBO Rules”), to the extent applicable, as on the date of the Draft Prospectus. Under the SBO Rules certain persons who are ‘significant beneficial owners’, are required to intimate their beneficial holdings to our Company in Form no.BEN-1. However, pursuant to the General Circular no. 8/2018 dated September 10, 2018 issued by the Ministry of Corporate Affairs, Government of India (“MCA”), filing of Form no. BEN-1 under the SBO Rules has been deferred until further notification from MCA. Therefore, compliance by such Promoters and members of the Promoter Group, with the SBO Rules, to the extent applicable to each of them will be completed only upon further notification by the MCA

Eligibility for the Issue

Our Company has complied with the conditions of Regulation 230 of SEBI (ICDR) Regulations for this Issue.

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations; and this Issue is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 229(1) and other provisions of Chapter IX of the SEBI (ICDR) Regulations, as we are an Issuer whose post issue paid up capital is less or equal to Rs.1000 Lakhs and we may hence issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the “*Emerge Platform of National stock Exchange of India*”).

We confirm that:

1. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this issue will be 100% underwritten and that the LM to the Issue shall underwrite minimum 15% of the Total Issue Size. For further details pertaining to said underwriting please refer to section titled “*General Information – Underwriting*” beginning on page 56.
2. In accordance with Regulation 268 of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within eight (8) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act 2013.
3. In accordance with Regulation 246(5) the SEBI (ICDR) Regulations, we shall ensure that our Lead Manager submits a copy of the Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
4. In accordance with Regulation 261 (1) of the SEBI (ICDR) Regulations, we hereby confirm that we have entered into an agreement with the Lead Manager and with Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the Emerge Platform of NSE. For further details of the arrangement of market

making please refer to section titled "*General Information – Details of the Market Making Arrangements for this Issue*" beginning on page 56.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter IX of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

5. Our Company shall mandatorily facilitate trading in demat securities and has entered into an agreement with both the depositories.
6. Our Company has a website i.e. www.lotusroofings.com
7. There has been no change in the promoter/s of the Company in the preceding one year from date of filing application to NSE for listing on SME segment.

We confirm that we comply with all the below requirements / conditions so as to be eligible to be listed on the SME Platform of the NSE (NSE EMERGE):-

1. Our Company was incorporated on April 26, 1984 as "Lotus Roofings Limited" vide Registration no. 259 of 1984 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Puducherry. Pursuant to a special resolution of our Shareholders dated September 03, 2018, our Company was converted into a public limited company and the name of our Company was changed to Lotus Roofings Limited. A fresh certificate of incorporation consequent upon conversion to a public limited company was issued by the RoC- Puducherry on September 27, 2018 bearing CIN: U25209PY1984PLC000259.
2. As on the date of this Draft Prospectus, our Company has a paid up Capital of Rs. 1200.00 Lakhs and the Post Issue Capital will be of Rs. [●] Lakhs which is less than Rs. 25 Crores
3. The company confirms that it has track record of more than 3 years.
4. The company confirms that it has positive cash accruals (earnings before depreciation and tax) from operations for atleast 2 financial years preceding the application and its net-worth as on March 31, 2018 is positive.
5. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
6. There is no winding up petition against our Company that has been admitted by the Court or a liquidator has not been appointed of competent Jurisdiction against the Company.
7. No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the company.
8. Our Company confirms that there is no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters, Group Companies, companies promoted by the promoters of the company.
9. The directors of the issuer are not associated with the securities market in any manner, and there is no outstanding action against them initiated by the Board in the past five years.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER, HEM SECURITIES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER, HEM SECURITIES LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED MARCH 29, 2019.

The filing of this Draft Prospectus does not, however, absolve our company from any liabilities under section 34, section 35, Section 36 and Section 38 (1) of the Companies Act, 2013 or from the requirement of obtaining such statutory and / or other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the LM 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, Puducherry in terms of sections 26, 32 and 33 of the Companies Act, 2013.

Statement on Price Information of Past Issues handled by Hem Securities Limited:

Sr. No.	Issue name	Issue size (Rs in Cr.)	Issue Price (Rs.)	Listing date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th

								calendar days from listing
1.	ANI Integrated Services Limited	25.656	100.00	November 20, 2017	120.00	67.00% [1.41%]	21% [0.77%]	12% [2.12%]
2.	Dynamic Cables Limited	23.376	40.00	December 14, 2017	48.00	63.13% [4.80%]	25% [1.77%]	0% [7.36%]
3.	Vasa Retail and Overseas Limited	4.8	30.00	February 06, 2018	36.00	104.33% [-2.43]	70% [-2.0]	40% [8.47%]
4.	Hindcon Chemicals Limited	7.728	28.00	March 09, 2018	33.60	[6.61%] [1.49%]	-8.93% [5.29%]	-28.57% [12.65%]
5.	Tara Chand Logistic Solutions Limited	20.46	55.00	March 23, 2018	49.00	-12.73% [5.87]	-16.67% [7.43%]	-43.64% [12.36%]
6.	Dhruv Consultancy Services Limited	23.1984	54.00	May 10, 2018	53.40	-0.19% [69.40%]	-12.58% 0.67%	-29.62% 6.77%
7.	Sonam Clock Limited	10.1088	36.00	June 14, 2018	37.00	2.50% [1.18%]	2.50% [5.20%]	3.38% [2.40%]
8.	Parin Furniture Limited	18.90	63.00	October 09, 2018	64.00	0.79% [2.75%]	7.30% 4.77%	N.A
9.	Kritika Wires Limited	15.3984	32.00	October 10, 2018	34.10	9.38% [1.20%]	28.75% [2.98%]	N.A
10.	Mindpool Technologies Limited	3.60	30.00	February 28, 2019	30.00	N.A	N.A	N.A

Source: Price Information www.bseindia.com & www.nseindia.com , Issue Information from respective Draft Prospectus.

Summary statement of Disclosure:

Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. Cr.)	No. of IPOs trading at discount- 30 th calendar days from listing			No. of IPOs trading at Premium- 30 th calendar days from listing			No. of IPOs trading at discount- 180 th calendar days from listing			No. of IPOs trading at Premium- 180 th calendar days from listing		
			Over 50 %	Betw 25-50 %	Less than 25 %	Over 50 %	Betw 25-50 %	Less than 25 %	Over 50 %	Betw 25-50 %	Less than 25 %	Over 50 %	Betw 25-50 %	Less than 25 %
2016-17	12 ⁽¹⁾	99.90	-	-	2	3	3	4	-	-	3	3	2	4
2017-18	16 ⁽²⁾	234.21	-	1	4	6	2	3	-	2	3	5	3	3
2018-19	5 ⁽³⁾	71.205	-	-	1	-	-	3	-	1	-	-	-	1

(1) The scrips of Raghav Ramming Mass Limited, Advance Syntex Limited, Madhya Bharat Agro Products Limited, Aurangabad Distillery Limited, Pansari Developers Limited, Dhanuka Realty Limited, Globe International Carriers Limited, Art Nirman Limited, Krishana Phoschem Limited, Global Education Limited, RMC Switchgears Limited and Laxmi Cotspin Limited were listed on April 13, 2016, July 12, 2016, September 16, 2016, October 17, 2016, October 18th, 2016, October 18th, 2016, October 19th, 2016, October 19th, 2016, February 27, 2017, March 02, 2017, March 14, 2017 and March 31, 2017 respectively.

(2) The Scrips of Dev Information Technology Limited, Vadivarhe Speciality Chemicals Limited, Globe Textiles (India) Limited, Accord Synergy Limited, Captain Technocast Limited, Shanti Overseas (India) Limited, Surevin BPO Services Limited, Pashupati Cotspin Limited, Share India Securities Limited, RKEC Projects Limited, D. P. Abhushan Limited, ANI Integrated Services Limited, Dynamic Cables Limited, Vasa Retail and Overseas Limited, Hindcon Chemicals Limited and Tara Chand Logistic Solutions Limited was listed on April 17, 2017, June 02, 2017, June 23, 2017, July 06, 2017 August 01, 2017, August 03, 2017, August 09, 2017, September 08, 2017, October 05, 2017, October 09, 2017, October 23, 2017, November 20, 2017, December 14, 2017, February 06, 2018, March 09, 2018 and March 23, 2018 respectively.

(3) The scrip of Dhruv Consultancy Services Limited, Sonam Clock Limited, Parin Furniture Limited and Kritika Wires Limited were listed on May 10, 2018, June 14, 2018, October 09, 2018 and October 10, 2018 respectively. Further, the scrips of Parin Furniture Limited and Kritika Wires Limited have not completed their 180th day from the date of its listing. Further, the scrip of Mindpool Technologies Limited has not completed its 30th day from the date of its listing.

Note:

- a) Based on date of listing.
- b) BSE SENSEX and CNX NIFTY have been considered as the benchmark index.
- c) Prices on BSE/NSE are considered for all of the above calculations.
- d) In case 30th /90th /180th day is not a trading day, closing price on BSE/NSE of the next trading day has been considered.
- e) In case 30th /90th /180th day, scrips are not traded then last trading price has been considered.
- f) N.A. – Period not completed.
- g) As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect max. 10 issues (initial public offerings managed by the LM. Hence, disclosures pertaining to recent 10 issues handled by LM are provided.

Track Record of past issues handled by Hem Securities Limited

For details regarding track record of LM to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the LM at: www.hemsecurities.com

Disclaimer from our Company and the Lead Manager

Our Company, its Directors and the Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

The LM accept no responsibility, save to the limited extent as provided in the agreement entered between the LM (Hem securities Limited) and our Company on March 19, 2019 and the Underwriting Agreement dated [●] entered into between the Underwriter and our Company and the Market Making Agreement dated [●] entered into among the Market Maker and our Company.

All information shall be made available by our Company and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centres or elsewhere.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, and our affiliates or associates, for which they have received and may in future receive compensation.

Note

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Issue.

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of Rs. 2,500.00 Lakhs and pension funds with a minimum corpus of Rs.2,500.00 Lakhs, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Draft Prospectus does not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this 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 jurisdiction of the competent court(s) in Mumbai, Maharashtra, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this 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 from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Disclaimer Clause of the SME Platform of National Stock Exchange of India Limited

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter [●] 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 draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer

document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its Promoter, 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.

Disclaimer Clause under Rule 144A of the U.S. Securities Act

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

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

Listing

The Equity Shares of our Company are proposed to be listed on NSE EMERGE. Our Company has obtained in-principle approval from NSE by way of its letter dated [●] for listing of equity shares on NSE EMERGE.

NSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by NSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Prospectus. If such money is not repaid within the prescribed time then our Company becomes liable to repay it, then our Company and every officer in default shall, shall be liable to repay such application money, with interest, as prescribed under the applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of NSE mentioned above are taken within Six (6) Working Days of the Issue Closing Date. If Equity Shares are not Allotted pursuant to the Offer within Six (6) Working Days from the Issue Closing Date or within such timeline as prescribed by the SEBI, our Company

shall repay with interest all monies received from applicants, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period Subject to applicable law.

Consents

Consents in writing of (a) Our Directors, Our Company Secretary & Compliance Officer, Chief Financial Officer, Our Statutory Auditor, Banker to the Company; (b) Lead Manager, Registrar to the Issue, Banker to the Issue, Sponsor Bank, Legal Advisor to the Issue, Underwriter to the Issue and Market Maker to the Issue to act in their respective capacities have will be obtained as required as required under section 26 of the Companies Act, 2013 and shall be filed along with a copy of the Draft Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Draft Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s. P. Ramanujam & Co., Statutory Auditor of the Company has agreed to provide their written consent to the inclusion of their respective reports on Statement of Possible Tax Benefits relating to the possible tax benefits and Restated Consolidate financial statements as included in this Draft Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of this Draft Prospectus.

Experts Opinion

Except for the reports in the section "*Financial Information of the Company*" and "*Statement of Tax Benefits*" on page 185 and page 99 from the Statutory Auditors, our Company has not obtained any expert opinions. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act 1933.

Fees, Brokerage and Selling Commission payable to the LM

The total fees payable to the Lead Manager will be as per the (i) Memorandum of Understanding dated March 19, 2019 with the Lead Manager Hem Securities Limited, (ii) the Underwriting Agreement dated [●]with Underwriter Hem Securities Limited and (iii) the Market Making Agreement dated [●]with Market Maker [●], a copy of which is available for inspection at our Registered Office from 10.00 am to 5.00 pm on Working Days from the date of the Draft Prospectus until the Issue Closing Date.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue for processing of applications, data entry, printing of CAN, tape and printing of bulk mailing register will be as per the agreement between our Company and the Registrar to the Issue dated March 28, 2019 a copy of which is available for inspection at our Company's Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send allotment advice by registered post/speed post.

Particulars regarding Public or Rights Issues during the last five (5) years

Our Company has not made any previous public or rights issue in India or Abroad the five (5) years preceding the date of this Draft Prospectus.

Previous issues of Equity Shares otherwise than for cash

For detailed description please refer to section titled "*Capital Structure*" beginning on page 66.

Underwriting Commission, brokerage and selling commission on Previous Issues

Since this is the initial public offering of our Company's Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares in last five (5) years.

Particulars in regard to our Company and other listed subsidiaries/ associates under the same management within the meaning of Section 186 of the Companies Act, 2013 which made any capital issue during the last three years:

Neither our Company nor any other companies under the same management within the meaning of Section 186 of the Companies Act, 2013, had made any public issue or rights issue during the last three years.

Performance vis-a-vis objects – Public/right issue of our Company and / subsidiary of our Company

Except as stated in the chapter titled "*Capital Structure*" beginning on page 66 our Company has not undertaken any previous public or rights issue. The subsidiary of our Company is not listed on any stock exchange.

Performance vis-a-vis objects - Last Issue of Subsidiary Companies

All of our Subsidiary, body corporate are unlisted and have not made a public issue of shares.

Option to Subscribe

Equity Shares being offered through the Draft Prospectus can be applied for in dematerialized form only.

Stock Market Data of the Equity Shares

This being an initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any Stock Exchanges.

Mechanism for Redressal of Investor Grievances

The agreement between the Registrar to the Issue and our Company provides for retention of records with the Registrar to the Issue for a period of at least three (3) years from the last date of dispatch of the letters of allotment and demat credit to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

We hereby confirm that there is no investor complaints received during the three years preceding the filing of Draft Prospectus. Since there is no investor complaints received, none are pending as on the date of filing of this Draft Prospectus.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, with a copy to the Compliance Officer and with a copy to the relevant Designated Intermediary with whom the Application Form was submitted and.

The Applicant should give full details such as name of the sole/ first Applicant, Application Form number, Applicant DP ID, Client ID, PAN, UPI ID (if applicable), date of the Application Form, address of the Applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Application Form was submitted by the Applicant. Further, the investor shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents or information mentioned herein above.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be fifteen (15) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Mr. Seshadri Raghavan, Company Secretary, as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:

Seshadri Raghavan

Lotus Roofings Limited

New No. 338 (Old No. 165), 2nd Floor,

Thambu Chetty Street,

Chennai – 600001, India

Tel. No:044-40505200

E-mail: sesharag@gmail.com

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web based complaints redress system “**SCORES**”. This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website www.scores.gov.in

Status of Investor Complaints

We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Prospectus and hence there are no pending investor complaints as on the date of this Draft Prospectus.

Disposal of investor grievances by listed companies under the same management as Our Company

We do not have any listed company under the same management.

Tax Implications

Investors who are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the section titled "*Statement of Tax Benefits*" beginning on page 99.

Purchase of Property

Other than as disclosed in Section "*Our Business*" on page 115 of the 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 the Draft Prospectus.

Except as stated elsewhere in the Draft Prospectus, our Company has not purchased any property in which the Promoter and/or Directors have any direct or indirect interest in any payment made there under.

Servicing Behavior

Except as stated in this Draft Prospectus, there has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

Payment or benefit to officers of Our Company

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

Except as disclosed in chapter titled "*Our Management*" beginning on page 159 and annexure titled "*Related Party Transactions- Annexure XXXV*" on chapter "*Financial Information of the Company*" beginning on page 255, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

SECTION VIII: ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being Issued are subject to the provisions of the Companies Act, SCRA, SCRR, SEBI (ICDR) Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of this Draft Prospectus, the Prospectus, the abridged prospectus, any addendum/corrigendum thereto, Application Form, any Confirmation of Allocation Note ("CAN"), the Revision Form, Allotment advices, and other terms and conditions as may be incorporated in the Allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the GoI, the Stock Exchange, the RoC, the DIPP, the RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, RBI, the GoI, the Stock Exchange, the RoC and/or any other authorities while granting its approval for the Issue.

Please note that in terms of SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the investors applying in this issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment i.e. just writing their bank account numbers and authorizing the banks to make payment in case of allotment by signing the application forms,

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.

Authority for the Issue

The present Public Issue of 45,60,000 Equity Shares has been authorized by a resolution of the Board of Directors of our Company at their meeting held on September 28, 2018 and was approved by the Shareholders of our Company by passing Special Resolution at the Extra Ordinary General Meeting held on October 01, 2018 in accordance with the provisions of Section 62(1)(c) of the Companies Act, 2013.

Ranking of Equity Shares

The Equity Shares being offered / issued shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please refer to section titled "*Main Provisions of Articles of Association*" beginning on page 337.

Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act 2013, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other rules, regulations or guidelines as may be issued by the Government of India in connection thereto and as per the recommendation by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall

financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act and our Articles of Association. Further Interim Dividend (if any declared) will be approved by the Board of Directors. For further details, please refer to section titled "*Dividend Policy*" beginning on page 184.

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 a price of Rs. [●] per Equity Share (including premium of Rs. [●] per equity share).

The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under section titled "*Basis for Issue Price*" beginning on page 96. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

Compliance with SEBI ICDR Regulations, 2018

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports and notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- Right of free transferability of the Equity Shares; and
- Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/ or consolidation/ splitting, etc., please refer to section titled "*Main Provisions of Articles of Association*" beginning on page 337.

Minimum Application Value, Market Lot and Trading Lot

As per the provisions of the Depositories Act, 1996 and the regulations made under and Section 29(1) of the Companies Act, 2013 the Equity Shares to be allotted must be in Dematerialized form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. Hence, the Equity Shares being offered can be applied for in the dematerialized form only.

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Tripartite Agreement dated March 21, 2019 between NSDL, our Company and Registrar to the Issue; and
- Tripartite Agreement dated March 19, 2019 between CDSL, our Company and Registrar to the Issue.

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the SME platform of NSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity Shares subject to a minimum allotment of [●] Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Minimum Number of Allottees

In accordance with Regulation 268 of SEBI (ICDR) Regulations, 2018, the minimum number of allottees in the Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be unblocked forthwith.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Chennai, Tamil Nadu.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

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

Joint Holders

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

Nomination Facility to Investor

In accordance with Section 72 of the Companies Act, 2013 the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or

she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- 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 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Period of Operation of Subscription List of Public Issue

ISSUE OPENS ON	[•]
ISSUE CLOSSES ON	[•]

Minimum Subscription and Underwriting

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

In terms of Regulation 260 of the SEBI ICDR Regulations, 2018, the Issue is 100% underwritten. For details of underwriting arrangement, kindly refer the chapter titled “General Information - Underwriting and Underwriting Agreement” beginning on page 56.

Further, in accordance with Regulation 267 of the SEBI ICDR Regulations, 2018, the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

Migration to Main Board

In accordance with the NSE Circular dated March 10, 2014, our Company will have to be mandatorily listed and traded on the SME Platform of the NSE for a minimum period of 2 (Two) years from the date of listing and only after that it can migrate to the Main Board of the NSE as per the guidelines specified by SEBI and

as per the procedures laid down under Chapter IX of the SEBI (ICDR) Regulations, 2018.

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018, our Company may migrate to the main board of NSE from the SME Exchange on a later date subject to the following:

- If the Paid up Capital of the Company is likely to increase above Rs 25 Crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the 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), we 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

- If the Paid up Capital of the company is more than Rs 10 Crore but below Rs 25 Crore, Our Company may still apply formigration to the Main Board if our Company fulfils the eligibility criteria for listing laid down by the Main Board of NSE and 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 (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 3 (three) years from the date of listing on the SME platform of NSE. For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please refer to section titled "*General Information - Details of the Market Making Arrangements for this Issue*" beginning on page 56.

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 extent Guideline of the Government of India, OCBs cannot participate in this Issue.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

Option to receive Equity Shares in Dematerialized Form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Issue shall be allotted only in dematerialized form. Further, as per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form on the Stock Exchange.

New Financial Instruments

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company through this Issue.

Application by Eligible NRI's, FPI's, VCF's, AIF's registered with SEBI

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

Restrictions on transfer and transmission of shares or debentures and on their consolidation or splitting

Except for lock-in of the Pre-Issue Equity Shares and Promoters minimum contribution in the Issue as detailed under section titled "*Capital Structure*" beginning on page 66, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details, please refer to section titled "*Main Provisions of the Articles of Association*" beginning on page 337.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Prospectus with the RoC publish a pre-Issue advertisement, in the form prescribed by the SEBI (ICDR) Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where the Registered Office of our Company is situated.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws and regulations, which may occur after the date of this 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 and regulations.

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229(1) of Chapter IX of SEBI (ICDR) Regulations, 2018, whereby, an issuer whose post issue face value capital does not exceed ten crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("*SME Exchange*", in this case being the NSE Emerge). For further details regarding the salient features and terms of such this Issue, please refer to sections titled "*Terms of the Issue*" and "*Issue Procedure*" beginning on pages 302 and 311 respectively.

Public Issue of 45,60,000 Equity Shares of face value of Rs. 10 each fully paid up ("*Equity Shares*") of Lotus Roofings Limited ("*Company*" or "*Issuer*") for cash at a price of Rs. [●] per equity share (*including a share premium of Rs. [●] per equity share*) aggregating up to Rs. [●] Lakhs ("*the issue*") of which [●] Equity Shares of Rs. [●] each will be reserved for subscription by Market Maker Reservations Portion and a Net Issue to public of [●] Equity Shares of Rs. [●] each is hereinafter referred to as the net issue. The Issue and Net Issue of Equity Shares will constitute [●] % and [●] % respectively of the fully diluted post-issue equity share capital of our Company.

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
Number of Equity Shares available for allocation	[●] Equity Shares	[●] Equity Shares
Percentage of Issue Size available for allocation	[●] % of the Issue Size	[●] % of the Issue Size
Basis of Allotment	Proportionate subject to minimum allotment of [●] Equity Shares and further allotment in multiples of [●] Equity Shares each. For further details please refer to " <i>Basis of Allotment</i> " under section titled " <i>Issue Procedure</i> " beginning on page [●].	Firm Allotment
Mode of Application	Through ASBA Process Only	Through ASBA Process Only
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Minimum Application Size	For Other than Retail Individual Investors: Such number of Equity Shares in multiples of [●] Equity Shares at an Issue price of Rs. [●] each such that the Application Value exceeds Rs. 2,00,000. For Retail Individual Investors: [●] Equity Shares at Issue prices of Rs.[●] each.	[●]

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
Maximum Application Size	<p>For Other than Retail Individual Investors:</p> <p>The maximum application size is the Net Issue to public subject to limits the investor has to adhere under the relevant laws and regulations applicable.</p> <p>For Retail Individuals Investors:</p> <p>Such number of Equity Shares in multiples of [●] Equity Shares such that the application value does not exceed Rs. 2,00,000.</p>	[●]
Trading Lot	[●] Equity Shares	[●] Equity Shares. However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.
Terms of Payment	Full Application Amount shall be blocked by the SCSBs in the bank account of the ASBA Applicant that is specified in the Application Form at the time of submission of the Application Form.	

This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details please refer to section titled "**Issue Structure**" beginning on page 308.

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

- Minimum fifty percent to Retail Individual Investors; and
- The balance net issue of shares to the Public shall be made available for allotment 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;

If the retail individual investor category is entitled to more than fifty per cent (50%) on proportionate basis, the retail individual investors shall be allocated that higher percentage.

Withdrawal of the Issue

In accordance with SEBI (ICDR) Regulations, the Company, in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely

circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh Draft Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus after it is filed with the ROC.

Issue Programme

ISSUE OPENING DATE	[•]
ISSUE CLOSING DATE	[•]

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Application Form.

Standardization of cut-off time for uploading of applications on the issue closing date:

- A standard cut-off time of 3.00 p.m. for acceptance of applications.
- A standard cut-off time of 4.00 p.m. for uploading of applications received from other than retail individual applicants.
- A standard cut-off time of 5.00 p.m. for uploading of applications received from only retail individual applicants, which may be extended up to such time as deemed fit by NSE after taking into account the total number of applications received up to the closure of timings and reported by LM to NSE within half an hour of such closure.

It is clarified that Applications not uploaded would be rejected. In case of discrepancy in the data entered in the electronic form vis-à-vis the data contained in the physical Application form, for a particular applicant, the details as per physical application form of that Applicant may be taken as the final data for the purpose of allotment.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

ISSUE PROCEDURE

All Applicants should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (“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 2013 (to the extent notified), the Companies Act, 1956 (to the extent not repealed by the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations as amended. The General Information Document has been updated to reflect amendments to the SEBI ICDR Regulations and to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, SEBI Listing Regulations 2015 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 website of the Stock Exchange and the Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.

Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, there have been certain changes in the issue procedure for initial public offerings including making ASBA Process mandatory for all investors, allowing registrar, share transfer agents, collecting depository participants and stock brokers to accept application forms. Further, SEBI, by its circular No. (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, reduced the time taken for listing after the closure of an issue to six working days. These changes are applicable for all public issues which open on or after January 01, 2016.

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. 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.

Our Company and the Lead Manager are not liable for any amendments, modifications or change in applicable laws or regulations, which may occur after the date of this Draft Prospectus.

PART A

Fixed Price Issue Procedure

The Issue is being made under Regulation 229(1) of Chapter IX of SEBI (ICDR) Regulations, 2018 via Fixed Price Process wherein minimum 50% ([●] Equity Shares) of the Net Issue to Public is being offered to the Retail Individual Applicants and the balance shall be offered to Non-Retail Category i.e. QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price.

Applicants are required to submit their Applications to the Designated Intermediaries i.e. SCSBs or Registered Brokers of Stock Exchanges or Registered Registrar to the Issue and Share Transfer Agents (RTAs) or Depository Participants (DPs) registered with SEBI. In case of QIB Applicants, our 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 according to Section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialized form. It is mandatory to furnish the details of Applicant's depository account along with Application Form. The Application Forms which do not have the details of the Applicants' depository account, including the DP ID Numbers and the beneficiary account number shall be treated as incomplete and rejected. Application Forms which do not have the details of the Applicants' PAN, (other than Applications made on behalf of the Central and the State Governments, residents of the state of Sikkim and official appointed by the courts) shall be treated as incomplete and are liable to be rejected. Applicants will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges. However, investors may get the specified securities rematerialised subsequent to allotment.

Phased implementation of Unified Payments Interface

*SEBI has issued a circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 in relation to streamlining the process of public issue of equity shares and convertibles ("**UPI Circular**"). Pursuant to the circular, Unified Payments Interface ("**UPI**") is proposed to be introduced in a phased manner (phase I will be effective from January 1, 2019) as an additional mode of payment with ASBA Form for applications by Retail Individual Investors through intermediaries (i.e., Registered Stock Brokers, Registrar and Transfer Agents and Depository Participants) ("**UPI Channel**"). The UPI Channel for making Applications by Retail Individual Investors will be made available in accordance with the UPI Circular.*

Retail Individual Investors should note that the Application using UPI Channel is optional and they can make Applications by submitting Application Forms, in physical form or in electronic mode, SCSBs, the Registered Brokers, Registrars to an Issue and Share Transfer Agents and Depository Participants

Application Form

Pursuant to SEBI Circular dated January 01, 2016 and bearing No. CIR/CFD/DIL/1/2016, the Application Form has been standardized. Also please note that pursuant to SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the investors can apply through ASBA Mode. The prescribed colour of the Application Form for various categories applying in this issue is as follows:

Category	Colour
Indian Public / eligible NRI's applying on a non-repatriation basis (ASBA)	White
Non-Residents including eligible NRI's, FPI's, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA)	Blue

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Draft Prospectus. An Investor, intending to subscribe to this Issue, shall submit a completed application form to any of the following Intermediaries (Collectively called “**Designated Intermediaries**”)

Sr. No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (‘broker’)
4.	A depository participant (‘DP’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	A registrar to an issue and share transfer agent (‘RTA’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

For Applications submitted by investors to SCSB without use of UPI for payment:	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
For applications submitted by investors to intermediaries other than SCSBs:	<p>After accepting the application form, respective Intermediary shall capture and upload the relevant details, including UPI ID, in the electronic bidding system of the stock exchange.</p> <p>Stock Exchange shall share application details including the UPI ID with Sponsor Bank on a continuous basis, to enable Sponsor Bank to initiate mandate request on investors for blocking of funds.</p> <p>Sponsor Bank shall initiate request for blocking of funds to investor. Investor to accept mandate request for blocking of funds, on his / her mobile application, associated with UPI ID linked bank account.</p>

Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking funds that are available in the bank account specified in the Application Form used by ASBA 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 and 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.

Who can apply?

In addition to the category of Applicants as set forth under “*General Information Document for Investing in Public Issues-Category of Investors Eligible to participate in an Issue*”, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs and sub-accounts registered with SEBI other than Category III foreign portfolio investor;
- Category III foreign portfolio investors, which are foreign corporate or foreign individuals only under the Non Institutional Investors category;
- Scientific and / or industrial research organizations authorized in India to invest in the Equity Shares.
- Any other persons eligible to apply in this Issue under the laws, rules, regulations, guidelines and policies applicable to them.

Maximum and Minimum Application Size

The applicants in this Issue, being a fixed price, will be categorized into two:

1. For Retail Individual Applicants

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed Rs. 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed Rs. 2,00,000.

2. For Other than Retail Individual Applicants (Non-Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds Rs. 2,00,000 and in multiples of [●] Equity Shares thereafter. An Application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non-Institutional Portion.

Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.

The above information is given for the benefit of the Applicants. The Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this 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.

Participation by Associates /Affiliates of Lead Manager and the Syndicate Members

The Lead Manager and Syndicate Members, if any shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting and market making obligations. However, associates/affiliates of the Lead Manager and Syndicate Members, if any may subscribe for Equity Shares in the Issue, either in the QIB Category or in the Non- Institutional Category as may be applicable to the Applicants, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

Option to Subscribe in the Issue

- a. As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

Application by HUFs

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 may be considered at par with Applications from individuals.

Application by Eligible NRIs

Eligible NRIs may obtain copies of Application Form from the Designated Intermediaries. Eligible NRI Applicants applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") Accounts, and eligible NRI Investors applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full application amount, at the time of the submission of the Application Form.

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in colour). Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non-Residents (blue in colour).

Application by FPIs (including FIIs)

In terms of the SEBI FPI Regulations, an FII who holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or sub-account may, subject to payment of conversion fees under the SEBI FPI Regulations participate in the Issue until the expiry of its registration with SEBI as an FII or sub-account, or if it has obtained a certificate of registration as an FPI, whichever is earlier. Accordingly, such FIIs can, subject to the payment of conversion fees under the SEBI FPI Regulations, participate in this Issue in

accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the SEBI FPI Regulations, the purchase of Equity Shares and total holding by a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio investor and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. Further, pursuant to a Circular dated November 24, 2014 issued by the SEBI, FPIs are permitted to issue offshore derivative instruments only to subscribers that (i) meet the eligibility criteria set forth in Regulation 4 of the SEBI FPI Regulations; and (ii) do not have opaque structures, as defined under the SEBI FPI Regulations. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority. Further, where an investor has investments as FPI and also holds positions as an overseas direct investment subscriber, investment restrictions under the SEBI FPI Regulations shall apply on the aggregate of FPI investments and overseas direct investment positions held in the underlying Indian company.

Application by Mutual Funds

As per the current regulations, the following restrictions are applicable for investments by Mutual Fund:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any 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 Application made by Asset Management Companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

Application by SEBI registered Alternative Investment Fund (AIF), Venture Capital Funds and Foreign Venture Capital Investors

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. As per the current regulations, the following restrictions are applicable for SEBI registered venture capital funds and foreign venture capital investors: Accordingly, the holding by any individual venture capital fund registered with SEBI in one Company should not exceed 25% of the corpus of the venture capital fund; a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one Company. Further, Venture Capital Funds and Foreign Venture Capital investor can invest only up to 33.33% of the funds available for investment by way of subscription to an Initial Public Offer. The SEBI (Alternative Investment funds) Regulations, 2012 prescribes investment restrictions for various categories of AIF's. The category I and II AIFs cannot invest more than 25% of the corpus in one investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A Venture capital fund registered as a category I AIF, as defined in the SEBI Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI Regulations shall continue to be regulated by the VCF Regulations.

Applications by Limited Liability Partnerships

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the LLP Act, 2008 must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof. 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 Insurance Regulatory Development Authority ("**IRDA**"), certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company in consultation with the Lead Manager, reserves the right to reject any application, without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment Scheme) (5th Amendment) Regulations, 2010, as amended (the "**IRDA Investment Regulations**"), are broadly set forth below:

- a) Equity shares of a company: The lesser of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer

or reinsurer;

- b) The entire group of the investee company: at least 10% of the respective fund in case of a life insurer or 10% of investment assets in case of general insurer or reinsurer (25% in case of Unit Linked Insurance Plans); and
- c) The industry sector in which the investee company operates: 10% of the insurer's total investment exposure to the industry sector (25% in case of Unit Linked Insurance Plans).

In addition, the IRDA partially amended the exposure limits applicable to investments in public limited companies in infrastructure and housing sectors i.e. December 26, 2008, providing, among other things, that the exposure of an insurer to an infrastructure Company may be increased to not more than 20%, provided that in case of equity investment, a dividend of not less than 4% including bonus should have been declared for at least five preceding years. This limit of 20% would be combined for debt and equity taken together, without sub ceilings.

Further, investments in equity including preference shares and the convertible part of debentures shall not exceed 50% of the exposure norms specified under the IRDA Investment Regulations.

Applications by Banking Companies

In case of Applications made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company reserve the right to reject any Application without assigning any reason. The investment limit for banking companies in non-financial services Companies as per the Banking Regulation Act, 1949, and the Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

Applications by Systemically Important Non-Banking Financial Companies

In case of Applications made by Systemically Important Non-Banking Financial Companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor, and (iii) such other approval as may be required by the Systemically Important Non-Banking Financial Companies, are required to be attached to the Application Form. Failing this, our Company in consultation with the LM, reserves the right to reject any application without assigning any reason thereof. Systematically Important NBFCs participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

Applications by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Applications under Power of Attorney

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, FPI's, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 Lakhs, a certified copy of the power of attorney or the relevant Resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason thereof.

In addition to the above, certain additional documents are required to be submitted by the following entities:

With respect to the applications by VCFs, FVCIs and FPIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may belong with a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason thereof.

In the case of Applications made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolutions or authority, as the case may be, along with the certified copy of their SEBI registration certificate must be submitted along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by the IRDA must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In the case of Applications made by to the power of attorney by FIIs, a certified copy of the power of attorney the relevant resolution or authority, as the case may be along with the certified copy of SEBI registration certificate must be lodged with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In the case of Applications made by provident funds, subject to applicable law, with minimum corpus of Rs. 2,500 Lakhs and pension funds with minimum corpus of Rs. 2,500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the 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 Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that

the Company and the lead manager may deem fit. The Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the Allotment Advice / CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

Application by Provident Funds/Pension Funds

In case of Applications made by provident funds with minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with minimum corpus of Rs. 2,500 Lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of filing of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the maximum number of Equity Shares applied for or maximum investment limits do not exceed the applicable limits under laws or regulations or as specified in this Draft Prospectus.

Information for the Applicants:

1. Our Company and the Lead Manager shall declare the Issue Opening Date and Issue Closing Date in the Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.
2. Our Company will file the Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
3. Copies of the Application Form along with Abridged Prospectus and copies of the Prospectus will be available with the Lead Manager, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Application Forms will also be available on the websites of the Stock Exchange.
4. Any applicant who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our Registered Office.
5. Applicants who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.

The Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs).

- SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account or alternatively, the Retail Individual Applicants wishing to apply through UPI Channel, may provide the UPI ID and validate the blocking of the funds and the Application Forms that do not contain such details are liable to be rejected.
7. The Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account.
 8. Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSBs or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form, before entering the ASBA application into the electronic system.
 9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Applicants, or in the case of application in joint names, the first Applicant (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Application Form without PAN is liable to be rejected. The demat accounts of Applicants for whom PAN details have not been verified, excluding 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.
 10. The Applicants may note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic collecting system of the Stock Exchange. Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Application Form is liable to be rejected.

Issue Procedure for Application Supported By Blocked Account (ASBA) Applicants

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link.

Method and Process of Applications

1. Applicants are required to submit their applications during the Issue Period only through the Designated Intermediaries.
2. The Issue Period shall be for a minimum of three (3) Working Days and shall not exceed ten (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 ten (10) Working Days.
3. During the Issue Period, Applicants who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.
4. The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to the Designated Intermediaries. Submission of a second Application form to either the same or to another Designated Intermediaries will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this Issue.
5. The Designated 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:

For Applications submitted by investors to SCSB:	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
For applications submitted by investors to intermediaries other than SCSBs:	After accepting the application form, respective Designated Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.

6. Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Intermediaries shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such applications with the Stock Exchange.
7. If sufficient funds are not available in the ASBA Account, the Designated Intermediaries shall reject such applications and shall not upload such applications with the Stock Exchange.
8. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the Applicant on request.

9. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdraw/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

Terms of payment

The entire Issue price of Rs. [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants.

SCSBs will transfer the amount as per the instruction of the Registrar, to the Public Issue Account. The balance amount after transfer will be unblocked by the SCSBs.

The applicants should note that the arrangement with Banker to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

Payment mechanism for Applicants

The applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However Non Retail Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Applicant, as the case may be.

Electronic Registration of Applications

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
 - (i) the applications accepted by them;

- (ii) the applications uploaded by them;
 - (iii) the applications accepted but not uploaded by them or;
 - (iv) with respect to applications by Applicants, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Application form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and Uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Lead Manager nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
- (i) the applications accepted by any Designated Intermediaries;
 - (ii) the applications uploaded by any Designated Intermediaries or;
 - (iii) the applications accepted but not uploaded by any Designated Intermediaries.
5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Manager on a regular basis.
6. With respect to applications by Applicants, at the time of registering such applications, the Syndicate Members, DPs and RTAs shall forward a Schedule as per format given below along with the Application Forms to Designated Branches of the SCSBs for blocking of funds:

Sr. No.	Details*
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount

**Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields.*

7. With respect to applications by Applicants, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Applicants into in the on-line system:
- Name of the Applicant;

- IPO Name;
 - Application Form Number;
 - Investor Category;
 - PAN (of First Applicant, if more than one Applicant);
 - DP ID of the demat account of the Applicant;
 - Client Identification Number of the demat account of the Applicant;
 - Number of Equity Shares Applied for;
 - Bank Account details;
 - Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSBbranch where the ASBA Account is maintained; and
 - Bank account number.
8. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Application Form number which shall be system generated.
9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non Retail Applicants and Retail Individual Applicants, applications would not be rejected except on the technical grounds as mentioned in this Draft Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
12. The permission given by the Stock Exchange 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 Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoters, 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 Exchange.
13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
14. The SCSBs shall be given one day after the Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.

15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

Allocation of Equity shares

- 1) The Issue is being made through the Fixed Price Process wherein [●] Equity Shares shall be reserved for Market Maker, at least [●] Equity shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid applications being received from Retail Individual Applicants at the Issue Price. The balance of the Net Issue will be available for allocation on proportionate basis to Non Retail Applicants.
- 2) Under- subscription if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.
- 3) Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
- 4) In terms of SEBI Regulations, Non Retail Applicants shall not be allowed to either withdraw or lower the size of their applications at any stage.
- 5) Allotment status details shall be available on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and filing of the Prospectus with ROC

- 1) Our company has entered into an Underwriting Agreement dated [●].
- 2) A copy of the Prospectus will be filed with the RoC in terms of Section 26 of Companies Act, 2013.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act 2013, our Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in (i) English National Newspaper; (ii) Hindi National Newspaper and (iii) Regional Newspaper each with wide circulation.

Issuance of Allotment Advice

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue.

The Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Applicant.

- 3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful applicants Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

Designated Date:

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any.

General Instructions

Do's:

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about the Depository Participant and the beneficiary account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Applicant shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application.
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- Ensure that you have funds equal to the Application Amount in the ASBA account or UPI ID linked Bank Account maintained with the SCSB before submitting the Application Form under the ASBA process the SCSBs where the Applicant has a bank account or a UPI ID linked Bank Account, the Registered Broker (at the Broker Centre's), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
- Ensure that the Application Form is signed by the account holder in case the applicant is not the account holder.
- Instruct your respective Banks to release the funds blocked in the ASBA Account/UPI ID linked Bank Account under the ASBA process;
- Ensure that you have mentioned the correct bank account number in the Application Form and in case of Retail Individual Applicants applying through UPI Channel, ensure that you have mentioned the correct UPI ID;
- Ensure that the Application Forms are delivered by the applicants within the time prescribed as per the Application Form and the Prospectus;
- Ensure that you have requested for and receive a TRS;
- Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your

application options;

- All Investors submit their applications through the ASBA process only;
- Ensure that you have correctly signed the authorization/ undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account/ UPI ID linked Bank Account, as the case may be, equivalent to the Application Amount mentioned in the Application Form;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
- The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

- Do not apply for lower than the minimum Application size;
- Do not apply for a price different from the price mentioned herein or in the Application Form;
- Do not use third party bank account or third party UPI ID linked Bank Account for making the Application;
- Do not apply on another Application Form after you have submitted an application to the Designated Intermediary;
- Do not pay the Application Price in cash, cheque, by money order or by postal order or by stock invest;
- Do not send Application Forms by post, instead submit the Designated Intermediary only;
- Do not submit the Application Forms to any non-SCSB bank or our Company;
- Do not apply on an Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not submit the application without ensuring that funds equivalent to the entire application Amount are blocked in the relevant ASBA Account;
- Do not apply for an Application Amount exceeding Rs. 2,00,000 (for applications by Retail Individual Applicants);
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- Do not submit applications on plain paper or incomplete or illegible Application Forms in a colour prescribed for another category of Applicant; and
- Do not make Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended.

Instructions for Completing the Application Form

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Applications made using a third party bank account or using third party UPI ID linked bank account are liable to be rejected. Application Forms should bear the stamp of the Designated Intermediaries. ASBA Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Application forms in public issues using the stock broker (broker) network of Stock Exchange, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the website of NSE i.e. www.nseindia.com. With a view to broad base the reach of Investors by substantial), enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Application forms in Public Issue with effect front January 01, 2016. The List of RTA and DPs centres for collecting the application shall be available on the website of NSE i.e. www.nseindia.com.

For details of instruction in relation to the Application Form, Applicants may refer to the relevant section of GID.

Applicant's Depository Account and Bank Details

Please note that, providing bank account details, PAN Nos, UPI ID (if applicable), 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 front the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Submission of Application Form

All Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

Communications

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

Disposal of Application and Application Moneys and Interest in Case of Delay

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within two working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of NSE 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 Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within three (3) days of the Issue Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 4(four) working days of the Issue Closing Date, would be ensured; and
3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

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 of Companies Act, 2013 and shall be treated as Fraud."

Undertakings by our Company

We undertake as follows:

- 1) That the complaints received in respect of the Issue shall be attended to by us expeditiously and satisfactorily;
- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within the period prescribed by the Board;
- 3) That if the Company do not proceed with the Issue, the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 4) That the our Promoters' contribution in full has already been brought in;
- 5) That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by us;
- 6) That where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the specified period of closure of the Issue giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- 7) That Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received;
- 8) Adequate arrangements shall be made to collect all Application Forms from the Applicants;
- 9) There is no further issue of Equity Shares shall be made till the Equity Shares offered through the Prospectus are listed or until the Application monies are unblocked on account of non-listing, under subscription etc.;
- 10) That if the Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh offer document with the RoC/ SEBI, in the event our Company subsequently decides to proceed with the Issuer;
- 11) That the certificates of the securities/refund orders to Eligible NRIs shall be dispatched within specified time; and
- 12) That none of the promoters or directors of the company is willful defaulter under Section 5(c) of SEBI (ICDR) Regulations, 2018.

Utilization of Issue Proceeds

The Board of Directors of our Company certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act, 2013;
- 2) Details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilized, under an appropriate head in our balance sheet of our company indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate separate head in the balance sheet of our company indicating the form in which such unutilized monies have been invested;
- 4) Our Company shall comply with the requirements of SEBI Listing Regulations, 2015 and Company's Act, 2013 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
- 5) Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

The Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactorily.

Equity Shares in Dematerialized Form with NSDL or CDSL

To enable all shareholders of our Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) Agreement dated March 21, 2019 between NSDL, the Company and the Registrar to the Issue; and
- b) Agreement dated March 19, 2019 between CDSL, the Company and the Registrar to the Issue;

The Company's Equity Shares bear an ISIN No. INE909U01012.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 ("FEMA"). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India ("RBI") and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP").

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("FDI") through press notes and press releases. The DIPP, has issued consolidated FDI Policy Circular of 2017 ("FDI Policy 2017"), with effect from August 28, 2017, which consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 will be valid until the DIPP issues an updated circular.

The RBI also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated July 01, 2015 as updated from time to time by RBI. In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

In case of investment in sectors through Government Route, approval from competent authority as mentioned in Chapter 4 of the FDI Policy 2017 has to be obtained.

The transfer of shares between an Indian resident to a non-resident does not require the prior approval of the RBI, subject to fulfilment of certain conditions as specified by DIPP/RBI, from time to time. Such conditions include:

- (i) where the transfer of shares requires the prior approval of the Government as per the extant FDI policy provided that:
 - (a) the requisite approval of the Government has been obtained; and
 - (b) the transfer of shares adheres with the pricing guidelines and documentation requirements as specified by the Reserve Bank of India from time to time.;
- (ii) where the transfer of shares attract SEBI (SAST) Regulations subject to the adherence with the pricing guidelines and documentation requirements as specified by Reserve Bank of India from time to time;
- (iii) where the transfer of shares does not meet the pricing guidelines under the FEMA, 1999 provided that:
 - (a) The resultant FDI is in compliance with the extant FDI policy and FEMA regulations in

- terms of sectoral caps, conditionality's (such as minimum capitalization, etc.), reporting requirements, documentation etc.;
- (b) The pricing for the transaction is compliant with the specific/explicit, extant and relevant SEBI regulations/guidelines (such as IPO, Book building, block deals, delisting, exit, open offer/substantial acquisition/SEBI SAST); and Chartered Accountants Certificate to the effect that compliance with the relevant SEBI regulations/guidelines as indicated above is attached to the form FC-TRS to be filed with the AD bank; and
- (iv) where the investee company is in the financial sector provided that:
 - (a) Any fit and proper/due diligence requirements as regards the non-resident investor as stipulated by the respective financial sector regulator, from time to time, have been complied with; and
 - (b) The FDI policy and FEMA regulations in terms of sectoral caps, conditionalities (such as minimum capitalization, pricing, etc.), reporting requirements, documentation etc., are complied with.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

Investment conditions/restrictions for overseas entities

Under the current FDI Policy 2017, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Schedule 1, 2, 3, 6, 7, 8, 9, 10 and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral/statutory cap.

Investment by FPIs under Portfolio Investment Scheme (PIS)

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10%

of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24% of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10% and 24% will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

Investment by NRI or OCI on repatriation basis:

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as "Capital Instruments") of a listed Indian company on a recognised stock exchange in India by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2017.

The total holding by any individual NRI or OCI shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

Investment by NRI or OCI on non-repatriation basis

As per current FDI Policy 2017, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non- repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("US Securities Act") or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of "US Persons" as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.

Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

Further, no offer to the public (as defined under Directive 20003/71/EC, together with any amendments) and implementing measures thereto, (the "Prospectus Directive") has been or will be made in respect of the Issue in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or

supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue.

Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Draft Prospectus.

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

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

SECTION IX: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Pursuant to Schedule I of the Companies Act, and the SEBI ICDR Regulations, the Main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and Transmission of equity shares or debentures, their consolidation or splitting are as provided below. Each provision below is numbered as per the corresponding article number in the articles of association and defined terms herein have the meaning given to them in the Articles of Association.

Interpretation

2. Definitions and Interpretation

2.1 "The Act"

"The Act" means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous Company law, so far as may be applicable.

2.2 "Articles" or Regulations

"Articles" or "Regulations" shall mean the Articles of Association of the Company as now framed and as altered from time to time.

2.3 "Associate company", in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company. For the purpose of this clause,—

(a) the expression "significant influence" means control of at least twenty percent of total voting power, or control of or participation in business decisions under an agreement;

(b) the expression "joint venture" means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement;

2.4 "Beneficial Owner"

"Beneficial Owner" shall mean the beneficial owner as defined in Clause (a) of Sub-Section (1) of Section 2 of the Depositories Act, 1996 as amended from time to time.

2.5 "Board of Directors" or "Board"

"Board of Directors" or "Board" means the collective body of the Directors of the Company.

2.6 "Body Corporate" or "Corporation"

"Body Corporate" or "Corporation" includes a Company incorporated outside India but does not include,

- (1) a Cooperative Society registered under any law relating to Co-operative Societies,
- (2) any other body corporate (not being a Company as defined in the Act) which the Central Government may by notification in the Official Gazette specify in that behalf.

2.7 “Chairman”

“Chairman” means Chairman of the Board from time to time.

2.8 “Committee”

“Committee” means a Committee of Directors constituted by the Board.

2.9 "Company Secretary" or "Secretary" means a company secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980 (56 of 1980) who is appointed by a company to perform the functions of a company secretary under this Act;

2.10 "Company Secretary in practice" means a company secretary who is deemed to be in practice under sub-section (2) of section 2 of the Company Secretaries Act, 1980 (56 of 1980);

2.11 “Cost Accountant” means a person who is a member of the Institute of Cost and Works Accountants of India and who holds a valid certificate of practice.

2.12 “Debenture” includes debenture stock, bonds or any other instrument of a company evidencing a debt, whether constituting a charge on the assets of the company or not;

Provided that—

(a) the instruments referred to in Chapter III-D of the Reserve Bank of India Act, 1934; and

(b) such other instrument, as may be prescribed by the Central Government in consultation with the Reserve Bank of India, issued by a company, shall not be treated as debenture

2.13 “Depository”

“Depository” shall mean a Depository as defined under Clause (e) of sub-section (1) of Section (2) of the Depositories Act, 1996.

2.14 “Depositories Act”

“Depositories Act, 1996” means and shall include any statutory modification or re- enactment thereof and shall include all Rules and regulations made there under.

2.15 “Director”

“Director” means a Director appointed to the Board.

2.16 “Dividend”

“Dividend” includes any interim dividend.

2.17 “Document”

“Document” includes summons, notice, requisition, order, declaration, form and register, whether issued, sent or kept in pursuance of the Act or under any other law for the time being in force or otherwise, maintained on paper or in electronic form.

2.18 “Executor” or “Administrator”

“Executor” or “Administrator” means a person who has obtained probate or Letter of Administration, as the case may be, from a competent Court, and shall also include the holder of a Succession certificate authorising the holder thereof to negotiate or transfer the share or shares of the deceased members, and shall also include the holder of a certificate granted by the Administrator General of any State in India.

2.19 "Holding company", in relation to one or more other companies, means a company of which such companies are subsidiary companies;

For the purposes of this clause, the expression "company" includes anybody corporate

2.20 “Independent Director”

“Independent Director” in relation to the Company, means a Director other than a Managing Director or a Whole-time Director or a Nominee Director appointed to the Board subject to fulfillment of the criteria as prescribed under Section 149(6) of the Act.

2.21 “In Writing”

“In writing” means and includes printing, typewriting and any other usual substitutes for writing in electronic mode or otherwise.

2.22 Key Managerial Personnel

“Key Managerial Personnel” means—

(i) the Chief Executive Officer or the Managing Director or the Manager; (ii) the Company Secretary;
(iii) the Whole-time Director;

(iv) the Chief Financial Officer; and

(v) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and

(vi) such other officer as may be prescribed by the Act or the Rules as amended from time to time.

2.23 "Manager" means an individual who, subject to the superintendence, control and direction of the Board of Directors, has the management of the whole, or substantially the whole, of the affairs of a company, and includes a director or any other person occupying the position of a manager, by whatever name called, whether under a contract of service or not;

2.24 "Managing Director" means a director who, by virtue of the articles of a company or an agreement with the company or a resolution passed in its general meeting, or by its Board of Directors, is entrusted with substantial powers of management of the affairs of the company and includes a director occupying the position of managing director, by whatever name called.

For the purposes of this clause, the power to do administrative acts of a routine nature when so authorised by the Board such as the power to affix the common seal of the company to any document or to draw and endorse any cheque on the account of the company in any bank or to draw and endorse any negotiable instrument or to sign any certificate of share or to direct registration of transfer of any share, shall not be deemed to be included within the substantial powers of management.

2.25 "Member"

"Member" means every person whose name is entered in the Register of Members from time to time, as the holder of the shares of the Company and includes every person holding shares of the Company and whose name is entered as a beneficial owner in the records of a Depository.

2.26 "Memorandum"

"Memorandum" means the Memorandum of Association of the Company (as amended from time to time).

2.27 "Month"

"Month" shall mean a calendar month.

2.28 "Office"

"Office" means the registered office for the time being of the Company.

2.29 "Paid-up"

"Paid-up share capital" or "Share capital paid-up" means such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid-up in respect of shares issued and also includes any amount credited as paid-up in respect of shares of the company, but does not include any other amount received in respect of such shares, by whatever name called;

2.30 "Person"

"Person" shall include individuals, bodies corporate (wherever incorporated), and unincorporated associations and partnerships, (including limited partnerships) wherever formed or organized.

2.31 "Public company" means a company which— (a) is not a private company; and
(b) has a minimum paid-up share capital,

Provided that a company which is a subsidiary of a company, not being a private company, shall be deemed to be public company for the purposes of this Act even where such subsidiary company continues to be a private company in its articles;

2.32 “Rules”

“Rules” means any rule made pursuant to section 469 of the Act or such other provisions pursuant to which the Central Government is empowered to make Rules, and shall include such Rules as may be amended from time to time.

2.33 "Related party", with reference to a company, means— (i) a director or his relative;

(ii) a key managerial personnel or his relative;

(iii) a firm, in which a director, manager or his relative is a partner;

(iv) a private company in which a director or manager or his relative is a member or director;

(v) a public company in which a director and manager is a director and holds along with his relatives, more than two per cent of its paid-up share capital;

(vi) anybody corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;

(vii) any person on whose advice, directions or instructions a director or manager is accustomed to act:

Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;

(viii) any body corporate which is—

(A) a holding, subsidiary or an associate company of such company;

(B) a subsidiary of a holding company to which it is also a subsidiary; or

(C) an investing company or the venturer of the company;";

Explanation.—For the purpose of this clause, “the investing company or the venturer of a company” means a body corporate whose investment in the company would result in the company becoming an associate company of the body corporate.

(ix) such other person as may be prescribed;

2.34 “Seal”

“Seal” means the common seal of the Company.

2.35 “SEBI”

“SEBI” means Securities and Exchange Board of India

2.36 “Share”

“Share” means a share in the share capital of the Company and includes stock.

2.37 “Shareholders”

“Shareholders” means persons who hold shares of the Company from time to time.

2.38 “Special Resolution”

“Special Resolution” means special resolution as stated in Section 114 of the Act.

2.39 "Subsidiary Company" or "Subsidiary", in relation to any other company (that is to say the holding company), means a company in which the holding company—

(i) controls the composition of the Board of Directors; or

(ii) exercises or controls more than one-half of the total voting power either at its own or together with one or more of its subsidiary companies:

Provided that such class or classes of holding companies as may be prescribed shall not have layers of subsidiaries beyond such numbers as may be prescribed.

Explanation.—For the purposes of this clause,—

(a) a company shall be deemed to be a subsidiary company of the holding company even if the control referred to in sub-clause (i) or sub-clause (ii) is of another subsidiary company of the holding company;

(b) the composition of a company's Board of Directors shall be deemed to be controlled by another company if that other company by exercise of some power exercisable by it at its discretion can appoint or remove all or a majority of the directors;

(c) the expression "company" includes any body corporate;

(d) "layer" in relation to a holding company means its subsidiary or subsidiaries;

2.40 “The Company or This Company”

“The Company” or “This Company” means LOTUS ROOFINGS LIMITED

2.41 “These presents or Articles or Regulations”

“These presents” or “Articles” or “Regulations” shall mean these Articles of Association as now framed or altered from time to time and shall include the Memorandum where the context so requires.

2.42 “The Register of Members”

“The Register of Members” means the Register of Members to be maintained pursuant to Section 88 of the Act.

2.43 “Tribunal”

“Tribunal” means the National Company Law Tribunal constituted under Section 408 of the Act.

2.44 “Video conferencing or other audio-visual”

“Video conferencing or other audio-visual” means audio-visual electronic communication facility employed which enables all the persons participating in a meeting to communicate concurrently with each other without an intermediary and to participate effectively in the meeting.

2.45 “Whole Time Director”

“Whole-time Director” includes a Director in whole time employment of the Company or a director employed to devote the whole of his time and attention in carrying on the affairs of the Company.

2.46 “Number”

Words importing the singular shall include the plural and plural shall include the singular.

2.47 “Gender”

Words importing the masculine gender shall include the feminine gender and vice versa.

2.48 Expressions in the Articles to bear the same meaning as in the Act

Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or the Rules or any statutory modification thereof in force at the date at which these Regulations become binding on the Company. In case any word is not defined in these Articles, such words or expressions shall bear the meaning as defined in the Act or the Rules as amended from time to time. In case any word or expression is not defined in the Act but defined in the Depositories Act, 1996 (22 of 1996) such words shall have the meaning respectively assigned to it in those Acts as amended from time to time. In case any word or expression is not defined in any of the above acts such words or expressions shall have the meaning respectively assigned to it in General Clauses Act, 1897 as amended from time to time.

2.49 Statutes or Regulations specifically referred to in these Articles shall include any statutory modifications made thereof from time to time.

Any branch or kind of business which by Memorandum of Association of the Company or there presents, is expressly or by implication authorised to be undertaken by the

Company, may be undertaken by the Board at such time or times as they shall think fit, and further may be deferred by them to be in abeyance, whether such branch or kind of business may have been actually commenced or not so long as the Board may deem fit and expedient not to commence or proceed with such branch or kind or business.

Except as provided in Section 68 of the Act, no part of the funds of the Company shall be employed in the purchase of the Company's own shares.

2.50 Marginal Notes

The marginal notes hereto are inserted for convenience and shall not affect the construction hereof and in these presents, unless there be something in the subject or context inconsistent therewith.

3. Share Capital and Variation of Rights

3.1 Capital Clause

The Authorized Capital of the Company shall be as per Clause V of its Memorandum of Association.

3.2 Shares under Control of Board

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 Board 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, at par or any other manner and at such time as they may from time to time think fit.

3.3 Board may allot shares otherwise than for cash

Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered or to be rendered to the Company in the acquisition and / or conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be.

3.4 Kinds of Share Capital

The Company may issue the following kinds of shares in accordance with these

Articles, the Act, the Rules and other applicable laws:

(a) Equity share capital:

i. with voting rights; and / or

ii. With differential rights as to dividend, voting or otherwise in accordance with the

Rules; and

(b) Preference share capital

3.5 Further issue of equity share capital

The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to –

(a) persons who, on the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or

(b) employees under any scheme / plan of employees' stock option subject to approval of shareholders by a special resolution; or

(c) any persons, whether or not those persons include the persons referred to in clause

(a) or clause (b) above subject to approval of shareholders by a special resolution.

(d) The Company may issue shares at a discount to its creditors when its debt is converted into shares in pursuance of any statutory resolution plan or debt restructuring scheme in accordance with any guidelines or directions or regulations specified by Reserve Bank of India under the Banking Regulation Act, 1949 or the Reserve Bank of India Act 1934.

The notice for the issue specifying the number of shares offered shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing shareholders as per the provisions of the Act and Rules made there under.

3.6 Mode of further issue of shares

A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of rights issue, preferential offer or private placement or any other mode, subject to and in accordance with the Act and the Rules.

3.7 Power to issue redeemable preference shares

Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act. Such preference shares shall be redeemable in accordance with the Act and the Rules made there under.

3.8 Issue of further shares not to affect the rights of existing members

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.

3.9 Issue of Cumulative Convertible Preference Shares

The Company may subject to the provisions of the Act, have the power to issue Cumulative Convertible Preference Shares and, upon issue thereof, the following provisions shall apply and take effect.

- a) The dividend payable on the said shares shall be on a preferential basis and shall be at such rate as may be prescribed or permitted under the applicable rules and regulations prevailing at the relevant time.
- b) The dividend shall be cumulative and arrears shall be payable to the shareholders registered with the Company on the date fixed for determining to whom the dividend then declared is paid.
- c) All such shares shall be converted into equity shares at par or at premium, at any time between the expiry of one year and the expiry of five years from the date of allotment of the shares, as may be decided by the Board, subject to any applicable regulations or sanctions that may be in force at time. Upon conversion into equity shares, the right to receive arrears of dividend, if any, on the preference shares up to the date of conversion shall devolve on the holder of the equity shares registered with the Company on the date prescribed in the declaration of the said dividend.

d) The holder of the preference shares shall have a right to vote only on resolutions, which directly affect the rights attached to his preference shares. Subject as aforesaid every preference share which shall also be entitled to vote on every resolution placed before the Company at any meeting, if the dividend due therefor or any part of the dividend due thereon has remained unpaid for a period, of not less than two years preceding the date of the meeting.

Without in any way prejudicing the rights attached to the cumulative convertible preference shares hereinafter called “the CCP Shares” the Directors may, in their discretion, issue such CCP Shares with an additional or preferred or special right or privilege including a right and entitlement to subscribe for cash at par in any equity shares issued by the Company in future, provided that such entitlement shall not in any event exceed such number of equity shares as may be determined by the Directors. Provided further that such right or privilege is personal to the CCP Shareholders and shall be assignable or transferable to any person whatsoever, Any special right conferred on the holders of the CCP shares under this Articles shall ipso facto cease and determine on the date when the CCP Share are converted into equity shares pursuant to the provisions of Articles.

3.10 Variation of members’ rights

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 the Act, 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 or in such other manner as may be prescribed by the Act and the Rules.

3.11 Power to pay commission in connection with securities issued

The Company may exercise the powers to pay commission to any person for subscription of securities issued, conferred by section 40(6) of the Act read with Rules made there under, provided that the rate percent or the amount of the commission paid or agreed to be paid shall be in accordance with the provisions of the Act and the Rules and shall be disclosed in the manner required therein.

3.12 Rate of Commission in accordance with Rules

The rate or amount of the commission shall not exceed the rate or amount prescribed in Rules made under section 40(6) of the Act.

3.13 Mode of payment of commission

The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other.

3.14 Issue of Certificate

Every person whose name is entered as a member in the Register of Members shall be entitled to receive within 60 days after allotment or within 30 days from the date of receipt by the Company of the application for the registration of transfer or transmission or split within such other period as the conditions of issue shall provide –

- (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 fee of twenty rupees for each certificate after the first.

3.15 Certificate to bear seal

Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

3.16 Acceptance of Shares

An application signed by or on behalf of the applicant for shares in the Company, followed by an allotment of any shares therein, shall be acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purpose of these Articles be a member.

3.17 One Certificate for shares held jointly

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.

3.18 Company entitled to Dematerialise its Securities

Notwithstanding anything contained in these Articles, the Company shall be entitled to de-materialize its existing shares, debentures and other securities, re-materialize its existing shares, debentures and other securities held in a Depository and/or offer further shares, debentures and other securities in dematerialized form pursuant to Depositories Act, 1996 and Rules framed there under.

Notwithstanding anything contained elsewhere in these Articles, where any shares/other securities of the Company are either issued or held in de-materialized form, the rights and obligations of all parties concerned and all matters connected therewith or incidental thereto, shall be governed by the provisions of the Depositories Act, 1996 and/or by the provisions of any other applicable law in force from time to time.

3.19 Option to receive share certificate or hold shares with Depository

A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a de-materialized form with a Depository. Where a person opts to hold any share with the Depository, the Company shall intimate such Depository the details of allotment of the share to enable the Depository to enter in its records the name of such person as the beneficial owner.

3.20 Issue of new certificate in place of one defaced, lost or destroyed

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 deems adequate, a new certificate in

lieu thereof shall be given. Every certificate under this Article may be issued on payment of twenty rupees for each certificate or such amount as may be fixed by the Board.

3.21 Splitting and consolidation of share certificates

Any person (whether the registered holder of the shares or not) being in possession of any shares certificates for the time being may surrender the said share certificate or certificates to the Company and apply to the Company for the issue of two or more fresh share certificates comprising the same shares, bearing the same distinctive numbers comprised in the said certificate and in such separate lots as he may desire in lieu of such share certificate so surrendered or for the consolidation of the shares comprised in such surrendered certificates into one certificate and the Board shall issue one or more such certificates as the case may be in the name of the person or persons in whose name the original certificate or certificates stood and the new certificate so issued upon payment of fee of twenty rupees for each certificate shall be delivered to the person who surrendered the original certificate or to his order.

Where any shares under the powers in that behalf therein contained are sold by the Board and the certificate thereof has not been delivered up to the Company the former holder of the said shares, the Board may issue a new certificate for such shares distinguishing it in such manner as they think fit from the certificate not so delivered up.

3.22 Company not to recognise shares held in trust by any person

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 any way 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.

3.23 Provisions as to issue of certificates to apply mutatis mutandis to debentures etc

The provisions of the foregoing Articles relating to issue of certificates shall mutatis mutandis apply to issue of certificates for any other securities of the Company including debentures (except where the Act otherwise requires).

3.24 Voting Rights

The voting rights would be subject to the provisions of the Act as amended from time to time.

4. Alteration of capital

4.1 Power to alter share capital

Subject to the provisions of the Act, the Company may –

- (a) Increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;
- (b) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(c) Convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

(d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced shares shall be the same as it was in the case of the shares from which the reduced share is derived; The resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division one or more of such shares shall have some preference or special advantage as regards the dividend, capital or otherwise over or as compared with the others.

(e) 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 and diminish the amount of its share capital by the amount of the shares so cancelled.

Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act.

4.2 Shares Converted into Stock

Where shares are converted into stock, the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles 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 and restrict or forbid the transfer of fractions of that minimum, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;

4.3 Right of Stockholders

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; such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder”/“member” shall include “stock” and “stock-holder” respectively.

4.4 Reduction of capital

The Company may reduce in any manner and in accordance with the provisions of the Act and the Rules —

- (a) its share capital; and/or
- (b) any capital redemption reserve account; and/or
- (c) any securities premium account; and/or
- (d) any other Reserve as may be available.

5. Calls on Shares

5.1 Board May make calls

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 company may accept from any member, the whole or a part of the amount remaining unpaid on any shares held by him, even if no part of that amount has been called up.

5.2 Notice of Call

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.

5.3 Board May extend time for payment

The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances, but no members shall be entitled to such extension save as a matter of grace and favour.

5.4 Revocation or postponement of call

A call may be revoked or postponed at the discretion of the Board.

5.5 Call to take effect from date of resolution

A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.

5.6 Liability of joint holders of shares

The joint holders of a share shall be jointly and severally liable to pay all calls or installments due in respect thereof.

5.7 When interest on call or installment payable

If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the "due date"), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be determined by the Board.

5.8 Board may waive interest

The Board shall be at liberty to waive payment of any such interest wholly or in part.

5.9 Sums deemed to be calls

Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

5.10 Effect of non-payment of sums

In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

5.11 Payment in anticipation of calls may carry interest

The Board –

may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such as may be agreed upon between the Board and the member paying the sum in advance.

Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the monies so paid by him until the same would, but for such payment, become presently payable by him.

5.12 Installment on shares to be duly paid

If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by installment, then every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.

5.13 Calls on shares of the same class to be made on uniform basis

Where any calls for further share capital are made on shares, such calls shall be made on a uniform basis on all shares falling under the same class. For the purposes of this Article, shares of the same nominal value on which different amounts have been paid- up shall not be deemed to fall under the same class.

5.14 Deposit and calls etc., to be a debt payable immediately

The money, (if any), which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall, immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

5.15 Partial payment not to preclude forfeiture

Neither a judgment nor a decree in favour of the Company for calls or other monies due in respect of any share nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any share either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.

5.16 Provisions as to calls to apply mutatis mutandis to debentures, etc

The provisions of these Articles relating to calls shall mutatis mutandis apply to any other securities including debentures of the Company.

6. Lien

6.1 Company's Lien on shares

The Company shall have a first and paramount lien:

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
on all shares (not being fully paid shares) standing registered in the name of a member, for all monies presently payable by him or his estate to the Company:

Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

6.2 Lien to extend to dividends, etc

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.

6.3 Waiver of lien in case of registration

Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien. The Board may at any time declare any shares wholly or in part to be exempt from the provisions of this clause.

6.4 Enforcing lien by sale

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 to the person entitled thereto by reason of his death or insolvency.

Upon any such sale as aforesaid the certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect and the Board shall be entitled to issue a new certificate or certificates in lieu thereof to the purchaser or purchasers concerned.

6.5 Validity of Sale

To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

6.6 Purchaser to be registered holder

The purchaser shall be registered as the holder of the shares comprised in any such transfer.

6.7 Purchaser not affected

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 with reference to the sale.

6.8 Application of proceeds of sale

The proceeds of the sale after payment of the costs of such sale shall be received by the Company and applied towards payment of such part of the amount in respect of which the lien exists as is presently payable.

6.9 Payment of residual money

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.

6.10 Outsider's lien not to affect Company's lien

In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.

7. Forfeiture of Shares

7.1 Notice to be given if call or installment is not paid

If a member fails to pay any call, or installment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or installment or other money as is

unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.

7.2 Form of notice

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.

7.3 In default of payment shares to be forfeited

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. Such forfeiture shall include all dividends declared or any other monies payable in respect of the forfeited shares and not actually paid before the forfeiture.

7.4 Receipt of part amount or grant of indulgence not to affect forfeiture

Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided.

7.5 Entry of forfeiture in Register of Members

When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.

7.6 Effect of forfeiture

The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.

7.7 Sale of forfeited shares

A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of in such manner as the Board thinks fit.

7.8 Cancellation of forfeiture

At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

7.9 Members still liable to pay money owing at the time of forfeiture

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, and shall 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.

7.10 Members still liable to pay money owing at the time of forfeiture and interest

All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realization. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.

7.11 Cesser of liability

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.

7.12 Declaration of forfeiture

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 and that declaration and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposition thereof, shall constitute a good title to the share.

7.13 Title of purchaser and transferee of forfeited shares

The Company may receive the consideration, if any, given for the share on any sale, re-allotment 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.

7.14 Transferee to be registered as holder

The transferee shall thereupon be registered as the holder of the share.

7.15 Transferee not affected

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, re-allotment or disposal of the share.

7.16 Validity of Sale

Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the shares sold and after his name

has been entered in the Register in respect of such shares the validity of the sale shall not be impeached by any person.

7.17 Cancellation of share certificate in respect of forfeited shares

Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled there to.

7.18 Surrender of Shares

The Board may, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.

7.19 Sums deemed to be calls

The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

7.20 Provisions as to forfeiture of shares to apply mutatis mutandis to debentures, etc.

The provisions of these Articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

8. Transfer of Shares

8.1 Instrument of transfer to be executed by transferor and transferee

The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee. 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.

8.2 Form of Transfer

Subject to the provisions of these Articles, shares in the Company may be transferred by an instrument in writing in such form and by such procedure as from time to time may be prescribed by law. Nothing in this Article shall apply to a transfer of securities effected by the transferor and transferee both of whom are entered as beneficial owners in the records of a Depository.

8.3 Application of Transfer

An application for the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee.

Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.

For the purposes of this Article, above notice to the transferee shall be deemed to have been duly given if it is dispatched by registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

The Company shall not register a transfer of shares in the Company unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee along with requisite documents as prescribed by law or by the Company at its own discretion, has been delivered to the Company along with the certificate relating to the shares, or if no such certificate is in existence, along with the letter of allotment of securities. Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp required for an instrument of transfer, it is provided to the satisfaction of the Board that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit, provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.

8.4 Board may refuse to register transfer

The Board may, subject to the right of appeal conferred by the Act 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.

Subject to the provisions of the Act and the provisions of these Articles, or any statutory modification thereof for the time being in force, the Board may, at their own absolute and uncontrolled discretion, and without assigning any reason, decline to register or acknowledge any transfer of shares and, in particular, may so decline such

transfer in cases mentioned hereinabove and such refusal shall not be affected by the fact that the proposed transferee is already a member. The registration of a transfer shall be conclusive evidence of the approval of the transfer by the Board.

8.5 Fee for Transfer/Transmission of shares

No fee shall be charged by the Company for transfer of shares or transmission of shares or for registration of any Powers of Attorney, Probates, Letter of Administration or similar documents except in respect of issue of fresh Share Certificates in lieu of surrendered certificates for consolidation, splitting or otherwise.

8.6 Board may decline to recognize instrument of transfer

In case of shares held in physical form, the Board may decline to recognize any instrument of transfer unless –

(a) the instrument of transfer is duly executed and is in the form as prescribed in the

Rules made under the Act;

(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.

8.7 Notice of refusal to be given to transferor and transferee

If the Company refuses to register the transfer of any share or of any share right therein, the Company shall within one month from the date on which the instrument of transfer was lodged with the Company send notice of refusal to the transferee and transferor or to the person giving information of the transmission, as the case may be, and thereupon the provision of Section 56 of the Act or any statutory modification thereof for the time being in force shall apply.

8.8 Transfer by legal representative

A transfer of a share in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member, be as valid as if he had been a member at the time of the execution of the instrument of transfer.

8.9 Custody of Transfer

The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Board may decline to register shall on demand be returned to the persons depositing the same. The Board may cause to be destroyed all transfer deeds lying with the Company for a period as prescribed under the Act.

8.10 Transfer of shares when suspended

On giving of previous notice of at least seven days or such lesser period in accordance with the Act and Rules made thereunder or the Listing Regulations, 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.

8.11 No transfer to minor

No share shall in any circumstances be transferred to any minor, insolvent or person of unsound mind.

8.12 Persons entitled may receive dividend without being registered as member

A person entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends or moneys as hereinafter provided, be entitled to receive, and may give a discharge for, any dividends or other moneys payable in respect of the shares.

8.13 Fee on transfer or transmission

No fee shall be payable to the Company in respect of transfer or transmission of shares and for registration of probates, Succession Certificates and Letters of administration, Certificate of Date of Marriage, Power of Attorney or similar other document and for sub-division and consolidation of shares or for replacement of old, decrepit, worn out share certificates.

8.14 Register of Members

The Company shall maintain "Register of Members" in physical or electronic form and shall enter the particulars of every transfer or transmission of any shares and all other particulars of share as required by the Act in such register.

8.15 Closure of Register of Members

The Board of Directors may close the register of members or the register of debenture holders or the register of other security holders for any period or periods not exceeding in the aggregate forty-five days in each year, but not exceeding thirty days at any one time, subject to giving of previous notice of at least seven days or such period by an advertisement in one vernacular newspaper in the principle vernacular language of the district and having wide circulation in the place where the registered office of the Company is situated, and at least one in English language in an English newspaper circulating in that district and having wide circulation in the place where the registered office of the Company is situated and publish the notice on the website of the Company or in such other manner as may be required by the Act, Rules or Regulations in force.

8.16 Company's right to register transfer to apparent legal owner

The Company shall incur no liability or responsibility whether in consequence of their registering or giving effect to any transfer of shares made or purporting to be made, by any apparent legal owner thereof (as shown or appearing in the register of members) to the prejudice of persons having or claiming any equitable right,

title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right or title or interest or notice prohibiting registration of such transfer and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in the book of the Company; but the Company shall nevertheless be at liberty to have regard and attend to any such notice and give effect thereto, if the Board shall think fit.

8.17 Company not liable for disregard of a notice containing registration of a transfer

The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by an apparent legal owner thereof (as shown or appearing in the Register of Member) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it or any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to have regard and attend to any such notice and give effect thereto if the Board shall so think fit.

8.18 Provisions as to transfer of shares to apply mutatis mutandis to debentures

The provisions of these Articles relating to maintenance of register of members and transfer of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

9. Transmission of Shares

9.1 Title to shares on death of a member

On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees (nominated as per section 72 of the Act) or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.

The executors or administrators of a deceased member or a holder of a Succession Certificate shall be the only person whom the Company will be bound to recognise as having any title to the shares registered in the name of such member and the Company shall not be bound to recognise such executors or administrators unless such executors or administrators shall have first obtained Probate of will or Letters of Administration as the case may be from a duly Constituted Court in India or Succession Certificate as may be applicable in terms of Indian Succession Act, 1925 and in absence of which, on production of such other documents as the Company may require subject to the provisions of the Act, Rules and regulations in this regard.

Provided that if the member is a member of a Joint Hindu family, the Board on being satisfied to that effect and on being satisfied that the shares standing in his name in fact belong to the joint family may recognize the survivors or the Karta thereof as having title to the shares registered in the name of such member after production of such documents as may be prescribed under the Act or Rules or regulations in force and at the discretion of the Board.

Notwithstanding anything contained hereinabove, in the event of any holder(s) of shares of the Company making any nomination as per section 72 of the Act, such nominee shall subject to and in accordance with the provisions of the Act, be recognized by the Company as having title to those shares in the event of death of the original holder.

9.2 Estate of deceased member liable

Nothing in clause (1) 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.

9.3 Death or insolvency of a member

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.

9.4 Board's right unaffected

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.

9.5 Indemnity to the Company

The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.

9.6 Right to election of holder of share

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.

9.7 Manner of testifying election

If the person aforesaid shall elect to transfer the share, he shall testify his election by duly executing a transfer deed / securities transfer form in respect of the share (s).

9.8 Limitations applicable to Notice

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.

9.9 Claimant to be entitled to same advantage

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.

9.10. Company's right to register transfer to apparent legal owner

The Company shall incur no liability or responsibility whether in consequence of their registering or giving effect to any transfer of shares made or purporting to be made, by any apparent legal owner thereof (as shown or appearing in the register of members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right or title or interest or notice prohibiting registration of such transfer and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in the book of the Company; but the Company shall nevertheless be at liberty to have regard and attend to any such notice and give effect thereto, if the Board shall think fit.

9.11 Provisions as to transmission to apply mutatis mutandis to debentures, etc.

The provisions of these Articles relating to transmission by operation of law shall mutatis mutandis apply to any other securities including debentures of the Company.

10. Joint Holders

10.1 Joint holders

Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles.

10.2 Liability of Joint Holders

The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or installments and other payments which ought to be made in respect of such share.

10.3 Death of one or more joint-holders

On the death of any one or more of such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Board may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.

10.4 Receipt of one join holder may be sufficient

Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.

10.5 Delivery of certificate and giving of notice to first named holder

Only the person whose name stands first in the register of members as one of the joint- holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.

10.6 Vote of joint holders

Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or

higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this sub clause be deemed joint-holders.

10.7 Provisions with regard to shares of joint holders to apply mutatis mutandis to debentures, etc.,.

The provisions of these Articles relating to joint holders of shares shall mutatis mutandis apply to any other securities including debentures of the Company registered in joint names.

11. Buy-back of Shares

Notwithstanding anything contained in these Articles but subject to applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

12. General Meetings

12.1 Annual General

The Company shall, in addition to any other meetings, hold a General Meeting (herein called as “Annual General Meeting”) in accordance with the provisions herein specified and under the Act.

12.2 Due date for holding an Annual General Meeting

The Annual General Meeting of the Company other than the first Annual General

Meeting shall be held within six months from the date of closing of the financial year;

Provided however that if the Registrar of Companies or any other statutory authority as prescribed by the Act, for any special reason, extends the time within which any Annual General Meeting shall be held by a further period not exceeding three months, then the Annual General Meeting may be held within additional time as fixed by the Registrar or such other authority.

Except in cases where the Registrar has given an extension of time as aforesaid for holding any Annual General Meeting, not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next.

12.3 Date, place and time of convening an Annual General Meeting

Subject to the provisions of the Act, every Annual General Meeting shall be called during business hours, that is, between 9 a.m. and 6 p.m. on any day not being a National Holiday.

The meeting shall be held either at the registered office of the Company or at some other place within the city where the registered office is situated as the Board may decide.

12.4 Extraordinary General Meeting

All General Meetings other than an Annual General Meeting shall be called Extraordinary General Meeting.

12.5 Powers of Board to call Extraordinary General Meeting

The Board may, whenever it thinks fit, call an Extraordinary General Meeting.

12.6 Calling of Extraordinary General Meeting on requisition

The Board of Directors shall, at the requisition made by such number of members and in such manner prescribed under the Act call an Extraordinary General Meeting of the Company. Such requisition from the members shall be provided in writing or electronic mode at least clear 21 days prior to the proposed date of such Extraordinary General Meeting.

12.6.1 Requisition shall set out the matters for consideration

The requisition shall set out the matters for the consideration of which the meeting is to be called and shall be signed by the requisitionists and shall be deposited at the registered office of the Company or sent to the Company by registered post addressed to the registered Office of the Company.

12.6.2 Requisition form to be signed by one or more requisitionists

The requisition may consist of several documents in like forms each signed by one or more requisitionists.

12.6.3 In case of two or more distinct matters specified in the requisition then provisions shall be applicable separately

Where two or more distinct matters are specified in the requisition, the provisions of sub-clause (1) above shall apply separately in regard to each such matter; and the requisition shall accordingly be valid only in respect of those matters in regard to which the condition specified in that sub-clause is fulfilled.

12.6.4 Meeting to be called by requisitionists themselves

If the Board of Directors do not, within twenty-one days from the date of the receipt of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of those matters on a day not later than forty-five days from the date of the receipt of the requisition, the meeting may be called by the requisitionists themselves within a period of three months from the date of the requisition.

A meeting called under sub-clause above by the requisitionists shall be called and held in the same manner in which the meeting is called and held by the Board.

12.6.5 Company to reimburse expenses incurred by requisitionists

Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a meeting shall be reimbursed to the requisitionists by the Company and any sum so repaid shall be deducted from any fee or other remuneration under Section 197 of the Act payable to such of the Directors who were in default in calling the meeting.

12.7 Place of Convening Extraordinary General Meeting

A meeting called by the requisitionists shall be held either at the registered office of the Company or at some other place within the city in which the registered office of the Company is situated. All other Extraordinary General Meetings called shall be held at any place within India.

12.8 Powers of the Tribunal to convene General Meeting

The Tribunal may subject to the provisions of Section 97 and 98 of the Act and the

Rules convene a meeting of members of the Company.

13. Proceedings at General Meetings

13.1 Notice of General meeting

A General Meeting of the Company may be called by giving not less than clear 21 days' notice either in writing or through electronic mode in such manner as prescribed by the Act and the Rules.

Provided that where any members of the Company are entitled to vote only on one or more resolution(s) to be moved at the meeting and not on the others, those members shall be taken into account of the purpose of this sub-clause in respect of the former resolution(s) but not in respect of the latter. The notice of every meeting of the Company shall be given to—

(a) every member of the Company, legal representative of any deceased member or the assignee of an insolvent member;

(b) the auditor or auditors of the Company; and

(c) every Director of the Company.

A general meeting may be held at a shorter notice if in case of an Annual General Meeting consent in writing or by electronic mode is given by not less than 95% of the members entitled to vote and in case of other general meetings consent is given by majority in number of members entitled to vote and who represent not less than 95% of paid-up share capital (in case of company having share capital) or total voting power exercisable at the meeting (in case of company not having share capital).

13.2 Contents of notice

The notice of a General Meeting shall specify the place, date, day and the hour of the meeting and shall contain a statement of the business to be transacted at such meeting. The notice shall also specify whether the meeting called is an Annual General Meeting or Extraordinary General Meeting.

13.3 Ordinary and Special Business

(a) in the case of an Annual General Meeting, all business to be transacted thereat shall be deemed special, other than—

(i) the consideration of financial statements and the reports of the Board of Directors and auditors;

(ii) the declaration of any dividend;

(iii) the appointment of directors in the place of those retiring;

(iv) the appointment of, and the fixing of the remuneration of, the auditors;

(b) in the case of any other meeting, all business shall be deemed to be special.

13.4 Waiver of notice

Any accidental omission to give notice (of any meeting to or the non-receipt of any such notice) by any of the members or any other person entitled to receive such notice shall not invalidate the proceedings of or any resolution passed at such meeting.

13.5 Quorum at General meeting

No business shall be transacted at any General Meeting unless a quorum of members is present at the time when the meeting commenced business.

The quorum shall be:

(a) Five members personally present if the number of members as on the date of the meeting is not more than one thousand;

(b) Fifteen members personally present if the number of members as on the date of the meeting is more than one thousand but up to five thousand;

(c) Thirty members personally present if the number of members as on the date of the meeting exceeds five thousand; Or such other number as may be prescribed under the Act from time to time.

13.6 Proceedings when quorum not present

If within half an hour from the time appointed for holding the meeting, the requisite quorum is not present, then the meeting, if called upon the requisition of members, shall stand cancelled and in any other case it shall stand adjourned to the same day in the next week at the same time and place, or to such other date and

such other time and place as the Board may by notice decide by providing the requisite notice of the meeting as prescribed under Section 103 of the Act.

If at the adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting, then the members present shall be the quorum.

13.7 Chairman of the meetings

The Chairman of the Board shall if willing preside as the Chairman at every General Meeting of the Company.

13.8 Directors to elect a Chairman

If there is no such Chairman, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as Chairman of the meeting, the Vice Chairman, if any, shall preside over such General Meeting. If the Vice- Chairman is not present within fifteen minutes after the time appointed for holding such meeting or being present he is unwilling to act as Chairman, then the Directors present shall elect one amongst them to be Chairman of the meeting.

13.9 Members to elect a Chairman

If at any meeting no Director is willing to act as Chairman or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall, by show of hands unless a poll or electronic voting is demanded, choose one amongst them to be Chairman of the meeting.

13.10 Business confined to election of Chairman whilst chair is vacant

No business shall be discussed or transacted at any General Meeting except election of Chairman whilst the chair is vacant.

13.11 Matters to be decided at a General Meeting

At any General Meeting, a resolution put to the vote at the meeting shall be decided by voting through electronic means (remote e-voting and e-voting at the meeting venue) or such other mode as may be prescribed and applicable to the Company pursuant to the provisions of the Act & Rules referred therein.

13.12 Evidence of passing a resolution

A declaration by the Chairman of the meeting of the passing of a resolution through poll or voting through electronic means and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact of passing of such resolution or otherwise, without proof of the number or proportion of the votes cast in favour of or against such resolution.

13.13 Poll

If a poll is duly demanded, it shall be taken in such a manner as the Chairman directs, and the result of the poll shall be deemed to be a decision of the meeting on the resolution on which the poll was demanded.

13.14 Time and manner of taking poll

A poll demanded on the election of Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any question (other than the election of the Chairman or on a question of adjournment) shall be taken at such time, not being later than forty-eight hours from the time when the demand was made, as the Chairman of the meeting may direct. Subject to the provisions of the Act, the Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken and the result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

13.15 Withdrawal of poll

A demand for a poll may be withdrawn at any time by the persons who made the demand.

13.16 Scrutinizer at poll/ e-voting

Where a poll is to be taken or electronic voting facility is granted including for voting through postal ballot, the Chairman of the meeting shall appoint scrutinizer(s) to scrutinize the votes given on the poll/e-voting/voting on ballot paper and to report thereon to him. The manner in which the Chairman of the meeting shall get the poll/voting process scrutinized and report thereon shall be as per Companies (Management and Administration) Rules, 2014 and any amendment thereof.

The Chairman shall have power, at any time before the result of the poll/e-voting is declared, to remove a scrutinizer from office and to fill vacancies in the offices of scrutinizers arising from such removal or from any other cause.

13.17 Demand for poll not to prevent transaction of other business

The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

13.18 Casting vote of Chairman at General Meeting

On any business at any General Meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairman shall have a second or casting vote.

13.19 Resolution to be proposed and seconded

Every resolution shall be proposed by a member and seconded by another member.

13.20 Reports, Statements and Registers laid on the table

At every Annual General Meeting of the Company there shall be laid on the table the Directors' report and audited statement of accounts, Auditors' Report (if not already incorporated in the audited statement of accounts), the Proxy Register with proxies and such other Registers and documents as may be required under the Act or Rules or any other regulation in force applicable to the Company.

13.21 Minutes of General Meeting

The Company shall cause minutes of all proceedings of every General Meeting to be kept in accordance with the provisions of the Act. Any such minutes kept as aforesaid shall be evidence of the proceedings recorded therein.

13.22 Inspection of minutes book of General Meeting

The books containing the minutes of the proceedings of any General Meeting of the

Company or a resolution passed by postal ballot shall:

- a) be kept at the registered office of the Company; and
- b) be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Saturdays.

13.23 Powers to arrange security at Meetings

The Chairman, and also any person(s) authorised by him or the Board, may take any action before the commencement of any General Meeting, or any meeting of a class of members of the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.

14. Adjournment of Meeting

14.1 Chairman may adjourn the Meeting

The Chairman with the consent of any meeting at which a quorum is present (and if so directed by the meeting) adjourn the meeting from time to time and from place to place.

14.2 Business at adjourned meeting

No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

14.3 Notice of adjourned meeting

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.

Save as aforesaid, and save as provided in 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.

15. Voting rights

15.1 Entitlement to Vote

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 or in e-voting, the voting rights of members (present in person or proxy) shall be in proportion to his share in the paid-up equity share capital of the Company.

15.2 Voting through electronic means

A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.

15.3 Vote of joint holders

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.

15.4 Manner of voting by members of unsound mind and minors

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 (if permitted and applicable to the Company) or on a poll/e-voting, by his Committee or other legal guardian, and any such Committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his legal guardian.

15.5 Business may proceed pending poll

Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

15.6 Restriction on voting rights

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 or in regard to which the Company has exercised any right of lien.

15.7 Time for objection of Votes

No objection shall be made to the validity of any vote, except at any meeting or votes, poll at which such vote shall be tendered and every vote whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

15.8 Chairman of the meeting to be the judge of validity of any vote

The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The chairman present at the time of taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

15.9 Participation through Electronic Mode

The Directors participating through Electronic Mode or other audio-visual means in a Board Meeting on restricted items shall be allowed, if there is quorum through physical presence.

16. Proxy

16.1 Member may vote in person or otherwise

Any member entitled to attend and vote at a General Meeting shall be entitled to appoint another person (whether a member or not) as a proxy to attend and vote at the meeting on his behalf.

A proxy so appointed shall not have the right to speak at such meeting and shall not be entitled to vote except on a poll/e-voting.

A person appointed as a proxy shall act on behalf of such member or number of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights or such number as may be prescribed.

16.2 Instrument of Proxy

The instrument appointing a proxy in such form as prescribed in the Rules shall be in writing under the hand of appointer or his attorney duly authorised in writing, or if the appointer is a Company either under the common seal or under the hand of an Officer or attorney so authorised. Proxies together with the power of attorney or any other authorization document, if any, 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, and in default the instrument of proxy shall not be treated as valid.

16.3 Proxy to be valid notwithstanding death of the principal

A vote cast 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:

Provided that no intimation in writing of such death, insanity, revocation of authority shall have been received by the Company at its registered office before the commencement of the meeting or adjourned meeting at which the proxy is used.

16.4 Appointment of Proxy for an adjourned meeting

Member who has not appointed a Proxy to attend and vote on his behalf at a Meeting may appoint a Proxy for any adjourned Meeting, not later than forty-eight hours before the time of such adjourned Meeting.

17. Board of Directors

17.1 First Directors

The First Directors of the Company were: (a) Mr. V. Mohan Rao (b) Mrs. Vasnadu Nirmala

17.2 Number of Directors

Unless otherwise determined by the Company in General Meeting, the number of Directors shall not be less than 3 (three) and shall not be more than 15 (fifteen). The Company may in General Meeting appoint more than fifteen Directors after passing a special resolution.

17.3 Appointment of Additional Directors

Subject to the provisions of the Act, 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.

17.4 Duration of Office of Additional Director

An Additional Director shall hold office 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 subject to the provisions of the Act.

17.5 Appoint of Alternate Director

The Board may appoint an Alternate Director to act for a Director (hereinafter in this Article called "the Original Director") during his absence for a period of not less than three months from India. No person shall be appointed as an Alternate Director for an Independent Director unless he is qualified to be appointed as an Independent Director under the provisions of the Act.

17.6 Duration of office of Alternate Director

An Alternate Director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.

17.7 Re-appointment provisions applicable to Original Director

If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring Directors in default of another appointment shall apply to the Original Director and not to the Alternate Director.

17.8 Appointment of Nominee Director

Notwithstanding anything to the contrary contained in these Articles and pursuant to provisions of the Act and Rules made there under, the Board of Directors may from time to time appoint any such person as a "Nominee Director". For the purpose of this clause, "Nominee Director" means a Director nominated by any institution in pursuance of the provisions of any law for the time being in force, or of any agreement, or appointed by any Government or any other person to represent its interests.

17.9 Appointment of Director to fill a casual vacancy

If the office of any Director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors subject to the provisions of the Act.

17.10 Duration of Office of Director appointed to fill casual vacancy

The Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated.

17.11 Resident Director

The Company shall have at least one Director who has stayed in India for a total period of not less than one hundred and eighty-two days in the previous calendar year.

17.12 Appointment of Independent Directors

The Company shall have such proportion of Independent Directors in the Board and be appointed in such manner as prescribed by the Act or Rules..

The Independent Directors so appointed shall hold office for a term up to five consecutive years on the Board of the Company, but shall be eligible for re- appointment on passing of a special resolution by the Company.

17.13 Woman Director

The Company may have a Woman Director on the Board as prescribed by the Act from time to time.

17.14 Sitting Fees

The Directors other than those in receipt of any salary from the Company may be paid a sitting fee of such sum as the Board may decide subject to the maximum limits prescribed by the Act or Rules made there under from time to time, for every meeting of the Board of Directors or Committee thereof, attended by them.

The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

17.15 Remuneration of Directors

The remuneration payable to the Directors, including any Managing or Whole-time Director or Manager, if any, shall be determined in accordance with and subject to the provisions of the Act.

A Director who is neither in the whole time employment of the Company nor a

Managing Director / whole time director may be paid remuneration –

(a) By way of a monthly, quarterly or annual payment subject to the applicable provisions of the Act; or

(b) By way of commission if the Company by a special resolution authorizes such payment.

The remuneration payable to Directors who are neither Managing Directors nor Whole- time Directors shall not exceed,—

a) one per cent of the net profits of the Company, if there is a Managing or Whole-time

Director or Manager;

b) three percent of the net profits in any other case. Provided further that the Company in General Meeting may, with the approval of the Central Government, authorise the payment of such remuneration at a rate exceeding one percent or, as the case may be, three per cent of its net profits. The aforesaid commission shall be paid among the non-Whole-time Directors in such manner and in such proportion as the Board may determine.

If any such Director holds office for a period less than one year during the financial year of the Company, then the said remuneration payable to him shall be computed proportionate to the period for which he has held office during the year.

17.16 Special remuneration to Directors on Company's business or otherwise performing extra services

If any Director, being willing, be called upon to perform extra services, or special exertions or efforts for any of the purposes of the Company, the Board may arrange with such Director for such special remuneration for such extra services or special exertion or efforts either by a fixed sum or otherwise as may be determined by the Board and such remuneration may be in addition to his/her remuneration above provided subject to the limits prescribed under the Act.

17.17 Travelling and other expenses

In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid travelling, hotel and other expenses 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.

17.18 Execution of negotiable instruments

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.

17.19 Attendance

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. In case of Directors participating through Electronic mode, the attendance register shall be deemed to have been signed by the Directors participating through Electronic mode, if their attendance is recorded by the Chairman or the Company Secretary in the Attendance Register and Minutes of the meeting.

17.20 Disqualification for appointment of Director

Subject to the provisions of Section 164 of the Act, a person shall not be eligible for appointment as a Director, if –

(a) he is of unsound mind and stands so declared by a competent court; (b) he is an un-discharged insolvent; (c) he has applied to be adjudicated as an insolvent and his application is pending;

(d) he has been convicted by a court of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence:

Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a Director in any Company;

(e) an order disqualifying him for appointment as a Director has been passed by a court or Tribunal and the order is in force;

(f) he has not paid any calls in respect of any shares of the Company held by him, whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of the call;

(g) he has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years; or

(h) he has not complied with sub-section (3) of section 152.

Notwithstanding anything contained in (d), (e), (g) aforesaid, the disqualifications referred to in those clauses shall not take effect—

(i) for thirty days from the date of conviction or order of disqualification;

(ii) where an appeal or petition is preferred within thirty days as aforesaid against the conviction resulting in sentence or order, until expiry of seven days from the date on which such appeal or petition is disposed off; or

(iii) where any further appeal or petition is preferred against order or sentence within seven days, until such further appeal or petition is disposed off.

17.21 No person who is or has been a Director of a company which—

(a) has not filed financial statements or annual returns for any continuous period of three financial years; or

(b) has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more, shall be eligible to be appointed / re-appointed as a Director for a period of five years from the date on which the said company fails to comply.

Provided that where a person is appointed as a director of a company which is in default of clause (a) or clause (b), he shall not incur the disqualification for a period of six months from the date of his appointment.

17.22 Vacation of office of Director

Subject to the provisions of Section 167 of the Act, the office of a Director shall become vacant if:

(a) he incurs any of the disqualifications specified in Section 164;

Provided that where he incurs disqualification under sub-section (2) of section 164, the office of the director shall become vacant in all the companies, other than the company which is in default under that sub-section.

(b) he absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board;

(c) he acts in contravention of the provisions of section 184 relating to entering into contracts or arrangements in which he is directly or indirectly interested;

(d) he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of section 184;

(e) he becomes disqualified by an order of a court or the Tribunal;

(f) he is convicted by a court of any offence, whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months:

Provided that the office shall not be vacated by the director in case of orders referred to in clauses (e) and (f)-

(i) for thirty days from the date of conviction or order of disqualification;

(ii) where an appeal or petition is preferred within thirty days as aforesaid against the conviction resulting in sentence or order, until expiry of seven days from the date on which such appeal or petition is disposed of; or

(iii) where any further appeal or petition is preferred against order or sentence within seven days, until such further appeal or petition is disposed of.

(g) he is removed in pursuance of the provisions of this Act;

(h) he, having been appointed a Director by virtue of his holding any office or other employment in the holding, subsidiary or associate Company, ceases to hold such office or other employment in that Company.

17.23 Removal of Director

Subject to the provisions of Section 169 and other applicable provisions of the Act and these Articles, the Company may by an ordinary resolution remove any Director before the expiry of his period of office after giving him a reasonable opportunity of being heard.

A Special notice pursuant to Section 115 of the Act shall be given of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed, at the meeting at which he is removed.

A vacancy created by the removal of a Director may, if he had been appointed by the Company in General Meeting or by the Board, be filled by the appointment of another Director in his place at the meeting at which he is removed, provided special notice of the intended appointment has been given as mentioned hereinabove.

A Director so appointed shall hold office till the date up to which his predecessor would have held office if he had not been removed.

17.24 Directors may contract with Company

Subject to the provisions of the Act and, the Articles hereof and the observant and fulfillment thereof, Directors (including Managing Director/ whole time director) shall not be disqualified by reason of their office as such from contracting with the

Company either as vendor, purchaser, agent, broker or otherwise, nor shall any such contract, or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested, be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director holding that office, or of the

fiduciary relation thereby established, provided that the nature of his interest is disclosed by him/her as provided in the Act.

17.25 Individual resolution for the appointment of Directors

At a General Meeting of the Company, a motion for appointment of two or more persons as Directors of the Company by a single resolution shall not be moved unless a proposal to move such a motion has first been agreed to at the meeting without any vote being given against it. A resolution moved in contravention of this Article and Section 162 of the Act shall be void whether or not objection was taken when it was moved.

17.26 Retirement and Rotation of Directors

Not less than two-third of the total number of Directors of the Company shall be persons whose period of office is liable to determination by retirement of directors by rotation.

At every Annual General Meeting of the Company one- third of such of the Directors for the time being as are liable to retire by rotation or if their number is neither three nor a multiple of three, then the number nearest to one-third shall retire by rotation. The Managing Director(s), Whole-time Director(s) and Independent Director(s) shall not, while they continue to hold that office, be subject to retirement by rotation except to the extent necessary to comply with the provisions of the Act. For the purpose of this Article, 'total number of Directors' shall not include Independent Directors of the Company whether appointed under this Act or any other law for the time being in force.

17.27 Ascertainment of Directors retiring by rotation

Subject to the provisions of the Act, the Directors to retire by rotation under the foregoing Article at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became

Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot.

17.28 Retiring Directors to remain in office till successors appointed

At any meeting at which an election of Directors ought to take place, if the vacancy of the retiring Director is not filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a holiday, at the same time and place.

If at the adjourned meeting, the vacancy of the retiring Director is not filled up and that the meeting has also not expressly resolved not to fill up the vacancy, the retiring Directors shall be deemed to have been re-appointed at the adjourned meeting subject to conditions prescribed under Section 152 of the Act.

The expression 'Retiring Director' means a Director retiring by rotation.

17.29 Retiring Director eligible for re-appointment

Subject to the provisions of the Act, a retiring Director shall be eligible for re- appointment and the Company at the Annual General Meeting at which a Director retires in manner aforesaid may fill up the vacated office by electing a person thereto.

17.30 Notice of Candidature for office of Director

Subject to the provisions of the Act, any person who is not a retiring Director shall be eligible for appointment to the office of Director at any General Meeting, if he, or some member intending to propose him as a Director has, not less than fourteen days before the meeting, left at the registered office of the Company, a notice in writing under his hand signifying his candidate for the office as a Director or, as the case may be, the intention of such member to propose him as a candidate for that office, as the case may be along with a deposit as prescribed by the Act which shall be refunded to such person or, as the case may be, to the member, if the person proposed gets elected as a Director or gets more than twenty-five per cent of total valid votes cast on such resolution.

Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 160 signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director shall sign and file with the Company, his consent in writing to act as a Director, if appointed.

17.31 Directors to act only on certain business when number falls below minimum

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.

18. Powers of Board

18.1 General Powers of the Company vested in Board

The business of the Company shall be managed by the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by these Articles or otherwise authorized to exercise by the statute or otherwise directed or required to be exercised or done by the Company in General Meeting but subject nevertheless to the provisions of the Act and other laws and of the Memorandum of Association and these Articles.

18.2 Powers to be exercised by the Board only at the meeting

Without derogating the powers vested with the Board under these Articles, the Board shall exercise the powers stated in Section 179(3) of the Act and the Rules referred therein only by means of resolutions passed at the meeting of the Board.

Provided further that the Board may, by a resolution passed at a meeting, delegate to any Committee of Directors, the Managing Director/ whole time director, the Manager or any other principal officer of the Company or in the case of a branch office of the Company, the principal officer of the branch office, certain

powers as laid out in (d) to (f) of Section 179(3) of the Act and such other powers which may be delegated as prescribed by the Act subject to the conditions laid there under.

18.3 Consent of the Company necessary for exercise of certain powers

The Board of Directors shall not except with the consent of the Company at a General meeting exercise the powers specified in Section 180(1) of the Act.

18.4 Certain powers of the Board

Without prejudice to the powers conferred by these Articles and so as not in any way to limit or restrict these powers, but subject to the restrictions contained in the Clause

18.2 and 18.3 and subject to the provisions of the Act the Board's powers shall include power:

(a) to pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of the Act and in these Articles.

(b) to purchase or otherwise acquire for the Company any shares, securities or other property right or privileges which the Company is authorized to acquire at such price and generally on such terms and conditions as the Board may think fit.

(c) at their discretion to pay for any property or rights acquired by or services rendered to the Company, either wholly or partially in case, or in shares, bonds, debentures, debenture-stock or other securities of the Company, and any such shares may be issued either as fully paid-up or with such amount credited as paid-up thereon as may be agreed upon; and any such bonds debentures, debentures stock or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.

(d) to insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they think proper all or any part of the buildings, machinery and goods, stores, produce and other movable property of the Company either separately or on jointly also to insure all or any portion of the goods produce machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.

(e) to open accounts with any bank or bankers or with any permitted person and to pay money into and draw money from any such account from time to time as the Board may think fit.

(f) to secure the fulfillment of any contracts or engagements entered into by the Company, mortgage or charge of all or any of the property of the Company and its unpaid capital for the time being or in such other manner as they think fit.

(g) to issue securities towards consideration other than cash including but not limited to as consideration or part of the consideration for any contract with or property acquired by the Company or in payment for services rendered to the Company, such conditions as to the transfer thereof as they think fit.

(h) to accept from any member on such terms and conditions as shall be agreed a surrender of his shares or stock, or any part thereof, so far as may be permissible by law.

(i) to appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company and property belonging to the Company or in which it is interested, or for any other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trust, and to provide for the remuneration of such trustee or trustees.

(j) to institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due or of any claims or demands by or against the Company.

(k) to refer any claim or demand by or against the Company or any differences to arbitration and observe and perform any awards made thereon.

(l) to act on behalf of the Company in all matters relating to bankrupts and insolvents.

(m) to make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.

(n) to determine from time to time who shall be entitled to sign on the Company's behalf bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purposes.

(o) to invest and deal with any moneys of the Company not immediately required for the purposes thereof; upon such security (not being shares of this Company), or without security and in such manner as they may think fit, and from time to time to vary or realize such investments, provided that save as permitted by Section 187 of the Act, all investment shall be made and held in the Company's name.

(p) to execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or as surety for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit, covenants, provisions and agreement as shall be agreed on.

(q) to give to any Director, officer or other person employed by the Company an interest in any particular business or transaction either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits of the Company, and such interest, commission or share of profits shall be treated as a part of the working expenses of the Company.

(r) to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent religious, scientific, national, public, or any other institutions, objects or purposes, or for any exhibition.

(s) before recommending any dividend to set aside out of the profits of the Company, such sums as they may think proper for depreciation, or to a Depreciation Fund, General Reserve, a Reserve Fund, Sinking Fund, Insurance Fund or any special or other fund or funds or account or accounts to meet contingencies, or to repay Redeemable Preference Shares, debentures or debenture stock and for special dividends, and for equalizing dividends, and for repairing, improving, extending and maintaining any part of the property of the Company, and/or for such other purposes, (including the purposes referred to in the last two preceding Sub-Clauses) as the Board

may in their absolute discretion think conducive to the interests of the Company, and to invest the several sums so set aside or so much thereof as required to be invested upon such investments (subject to the restrictions imposed by the Act) as the Board may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purpose as the Director (subject to such restrictions as aforesaid) in their absolute discretion think conducive to the interests of the Company notwithstanding that the matters to which the Board apply or upon which they extend the same or any part thereof may be matters to or upon which the capital moneys of the Company might rightly be applied or expended and to divide the Reserve, General Reserve, or the Reserve Fund into such special funds as the Board may think fit, and to employ the assets constituting all or any of the above funds or accounts, including the Depreciation Fund, in the business of the Company or in the purchase or repayment of Redeemable Preference Shares, debentures or debenture-stock and that without being bound to keep the same separate from the other assets, and without being bound to pay or allow to the credit of such fund interest at such rate as the Board may think proper.

(t) to appoint and at their discretion remove or suspend such managers, secretaries, officers, clerks agents and employees for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments and require security in such instances and for such amounts as they may think fit. And also without prejudice as aforesaid, from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India in such manner as they think fit shall be without prejudice to the general powers conferred by this Sub-Clause.

(u) to comply with the requirements of any local law, which in their opinion shall in the interests of the Company be necessary or expedient to comply with.

(v) from time to time and at any time to establish any Committees for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to be members of such Local Boards, or any managers, or agents, and to fix their remuneration.

(w) subject to the provisions of Section 179 of the Act and these Articles and at any time to delegate to any such Local Board, or any member or members thereof or any managers so appointed any of the powers, authorities and discretions for the time being vested in the Board of Directors, and to authorise the Members for the time being of any such Committee, or any of them to fill up any vacancies therein and to act notwithstanding vacancies; and any such appointment or delegation under this Article may be made on such terms, and subject to such conditions as the Board of Directors may think fit, and the Board of Directors may at any time remove any person so appointed, and may annul or vary any such delegation.

(x) generally subject to the provisions of the Act and these Articles to delegate the powers, authorities and discretions vested in the Directors to any person, firm, Company or fluctuating body of persons as aforesaid.

(y) subject to the provisions of the Act and these Articles for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company, to enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.

18.5 Attorney of the Company

Subject to the provisions of Section 179 of the Act, the Board/ Committee may appoint at any time and from time to time by a power-of-attorney under the Company's Seal any person to be the attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board in these Articles) and for such period and subject to such conditions as the Board may from time to time think fit, and any such appointment may (if the Board think fit) be made in favour of the members, or any of the members of any firm or Company, or the members, Directors, nominees or Managers of any firm or Company or otherwise in favour of any body or persons, whether nominated directly or indirectly by the Board and any such power-of-attorney may contain such provision for the protection or convenience of persons dealing with such attorney as the Board may think fit.

18.6 Power to authorize sub-delegation

The Board may authorize any such delegate or attorney as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.

The Board may duly authorize an officer or an employee of the company to authenticate documents on behalf of the company.

The officers not more than one level below the directors who are in whole time employment, can be designated as a Key Managerial Personnel;

18.7 Board's duty to comply with the provisions of the Act

The Board shall duly comply with the provisions of the Act and in particular with the provision in regard to the registration of the particulars of mortgages and charges affecting the property of the Company or created by it, and to keep a Register of the Directors, and to send to the Registrar an annual list of members and a summary of particulars relating thereto, and notice of any consolidation or increase of share capital, and copies of special resolutions and a copy of the Register of Directors and notifications of any changes therein in the manner prescribed under the Act.

19. Borrowing Powers

19.1 Powers to borrow

The Board of Directors may from time to time raise any money or any monies or sums of money for the purpose of the Company provided that the monies to be borrowed by the Company, together with the money already borrowed apart from temporary loans obtained from the Company's bankers in the ordinary course or business shall not without the sanction of the Company at a General Meeting exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say reserves not set apart for any specific purpose and in particular but subject to the provisions of Section

179 of the Act, the Board may from time to time at their discretion raise or borrow or secure the payment of any sum or sums of money for the purpose of the Company, by the issue of debentures perpetual or otherwise including debentures convertible into shares of this or any other Company or perpetual annuities and security of any such money so borrowed, raised, or received, mortgage, pledge or charge, the whole or any part of the property, assets, or revenue of the Company present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders

powers of sale of the property except uncalled capital and other powers as may be expedient and to purchase, redeem or pay off any securities.

Provided that every resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow as stated above shall specify the total amount up to which monies may be borrowed by the Board of Directors.

19.2 Delegation of borrowing powers

The Directors may by a resolution of a meeting of the Board delegate the above power to borrow money otherwise than on debentures to a Committee of Directors or the Managing Directors/ whole time Directors if any, within the limits prescribed.

19.3 Mode

Subject to the provisions of the Act, the Board may, from time to time, at their discretion, borrow monies in such mode as the Board may deem fit.

19.4 Redemption Reserve

The Board, may, out of the profits of the Company available for payment of dividend, set aside such sums as prescribed by the Act and the Rules for the purpose of redemption of debentures which may be issued by the Company in such amounts at such premium in such manner and for such period as the Board may think expedient.

19.5 Assignment of Debenture

Such debentures, debenture-stock, bonds or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

19.6 Terms of Debenture issue

Without prejudice to the provisions of the above mentioned clause 1, 2 & 3, any such debentures, debenture-stock, bonds or other securities may be issued at a discount, premium or otherwise, and with any special privileges as to redemption, drawings, allotment of shares of the Company.

Provided that debentures, debenture-stock, bonds or other securities with the right to allotment or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.

Any trust deed for the securing of any debenture/ debenture -stock and/or any mortgage deed and/or other bond for securing payment of monies borrowed by or due by the Company and/or any contract or any agreement made by the Company with any person, firm, body corporate, Government or authority who may render or agree to render any financial assistance to the Company by way of loans advanced or by guaranteeing of any loan borrowed or other obligations of the Company or by subscription to the share capital of the Company or provide assistance in any other manner, may provide for the appointment, from time to time, by any such mortgagee, lender, trustee or holders of debentures or contracting party as aforesaid, or one or more persons to be a Director or Directors of the Company. Such trust deed, mortgage deed, bond or contract may provide that the person appointing a Director as aforesaid may from time to time

remove any Director so appointed by him and appoint any other person in his place and reviewed for filling up any casual vacancy created by such person vacating office as such Director. Such power shall determine and terminate on the discharge or repayment of the respective mortgage, loan or debt or debentures or on the termination of such contract and any person so appointed as Director under mortgage or bond or debenture trust deed or under such contract shall cease to hold office as such Director on the discharge of the same. Such appointment and provision in such document as aforesaid shall be valid and effective as if contained in these presents.

19.7 Register of charges or mortgages

The Board shall cause a proper register to be kept, in accordance with the Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the Act in regard to the registration of mortgages and charges therein specified and otherwise.

19.8 Subsequent assignees of uncalled capital

Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charge and shall not be entitled, by notice to the shareholders or otherwise to obtain priority over such prior charge.

19.9 Charge in favour of Directors for indemnity

If the Directors or any of them or any other persons, shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or other persons so becoming liable as aforesaid from any loss in respect of such liability.

20. Proceedings of the Board

20.1 When the meeting is to be convened

The Board of Directors may meet for the conduct of business from time to time and shall so meet at least once in every three months and at least four such meetings shall be held in every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board and may adjourn and otherwise regulate its meetings, as it deems fit.

20.2 Who may summon Board meeting

Any Director may, at any time summon a meeting of the Board, and Secretary or any person authorised by the Board in this behalf, on the requisition of a Director, shall convene a meeting of the Board in consultation with the Chairman or in his absence, the Managing Director or in his absence, the Whole-time Director.

20.3 Notice of the Board Meeting

A meeting of the Board shall be called by giving not less than seven days' notice in writing to every Director at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means.

Provided that a meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one Independent Director shall be present at the meeting. In case of absence of Independent Directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the Directors and shall be final only on ratification thereof by at least one Independent Director.

20.4 Participation at Board meetings

The participation of Directors in a meeting of the Board may be either in person or through video conferencing or audio visual means, as may be prescribed by the Rules or permitted under law or as per the provisions of the Act.

20.5 Quorum of Board meetings

The quorum for a Board meeting shall be one-third of its total strength or two Directors, whichever is higher, and the participation of the Directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum as provided in the Act. In case of restricted items, directors are allowed to participate through video conferencing or other audio-visual means if there is quorum through physical presence of directors.

Where at any time the number of interested Directors as specified under Section 184 of the Act is equal to or exceeds two-thirds of the total strength of the Board, the number of Directors who are not interested Directors and present at the meeting, being not less than two, shall be the quorum during such time. For the purpose of this clause, 'total strength' shall not include Directors whose places are vacant.

20.6 Adjournment for want of quorum

Where a meeting of the Board could not be held for want of quorum, then the meeting shall automatically stand adjourned to the same day at the same time and place in the next week or if that day is a national holiday, till the next succeeding day, which is not a national holiday, at the same time and place.

20.7 Chairman and Vice-Chairman

The Directors may from time to time elect a Chairman and a Vice-Chairman of the Board.

20.8 Who can preside at the meetings of the Board

All the meetings of the Directors shall be presided over by the Chairman if present, but if at any meeting of Directors the Chairman is not present at the time appointed for holding the same, the Vice-Chairman, if present shall preside and if he is not present at such time or is unwilling to act as a Chairman, then the Directors shall choose one of the Directors present, to preside at the meeting.

20.9 Matters decided at the Board Meeting

Save as otherwise expressly provided in the Act, a meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the Articles of the Company for the time being vested in or exercisable by the Directors generally and all matters arising at any meeting of the Board shall be decided by a majority of votes.

20.10 Casting Vote of Chairman at Board Meeting

In case of an equality of votes, the Chairman of the Board, if any, shall have a second or casting vote.

20.11 Committees

The Board may delegate any of their powers to Committees (subject to the provisions of the Act) consisting of such number or numbers of their body as they think fit and they may from time to time revoke or discharge any such Committee either wholly or in part, and either as to persons or purposes.

20.12 Participation at Committee Meetings

The participation of Directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means, as may be prescribed by the Rules or permitted under law.

20.13 Chairman of the Committee

A Committee may elect a Chairman of its meetings unless the Board, while constituting a Committee, has appointed a Chairman of such Committee.

20.14 Who shall preside at meetings of committee

If no such Chairman is elected, or if at any meeting the Chairman 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 Chairman of the meeting.

20.15 When can the Committee meet

A Committee may meet and adjourn as it thinks fit.

20.16 Matters to be decided at Committee meeting

Matters arising at any meeting of a Committee shall be determined by a majority of votes of the members present unless otherwise stated in the Act.

20.17 Casting vote of Chairman at Committee meeting

In case of an equality of votes, the Chairman of the Committee shall have a second or casting vote.

20.18 Acts of Board or Committee valid notwithstanding defect of appointment

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 or that his or their appointment had terminated, be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director.

20.19 Passing of resolution by circulation

Subject to the provisions of the Act, a resolution in writing, signed, whether manually or by electronic mode or approved electronically through e-mail or any other permitted mode, by a majority of 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.

20.20 Minutes of the proceedings of Board of Directors and Committees

The Board shall cause minutes of the meetings of the Board of Directors and of Committees of the Board to be duly entered in a book or books provided for the purpose in accordance with the relevant provisions of Section 118 of the Act. The minutes shall contain a fair and correct summary of the proceedings at the meeting including the following:

- (a) the names of the Directors present at the meetings of the Board of Directors or of any Committee of the Board;
- (b) in the case of each resolution passed at the meeting, the names of the Directors, if any, dissenting from or not concurring in the resolution.

All such minutes of the meetings of the Directors, or of any Committees shall be signed by the Chairman of such meeting or the Chairman of the next succeeding meeting and all the minutes purported to be so signed shall for all purposes whatsoever be prima facie evidence of the actual passing of the resolutions recorded.

The Chairman of the Meeting may exclude at his absolute discretion such of the matters as are or would reasonably be regarded as defamatory of any person, irrelevant, or immaterial to the proceedings or detrimental to the interests of the Company.

21. 1 .Whole time Directors

The Board of Directors may appoint one or more persons, as Whole-time Director(s) and may designate them as Executive Chairman, Executive Director, President, Chief Executive Officer or any other appropriate designation as the Board may deem fit.

The Whole-time Director(s) shall function subject to the supervision and control of the

Board of Directors and exercise such powers as conferred on them by the Board.

A Whole-time Director may be paid such remuneration (whether by way of salary, perquisites, commission or participation in profits, or otherwise or partly in one way and partly in another) as the Board with the approval of the members in General Meeting may, subject to the provisions of Section 196, 197 of the Act and Rules referred therein, or any other law applicable for the time being in force in that behalf, determine.

The Whole-time Director(s) shall not be liable to retire by rotation, so long as they hold such office.

21.2 Managing Directors

21.2.1 (a) Subject to the control and supervision of the Board of Directors, the business of the Company shall be carried on by one or more Managing Directors.

The Board may from time to time resolve to appoint one or more Managing Directors subject to the approval of the shareholders provided that such appointments shall not be made for a term of more than five years at a time or such term as prescribed by the Act.

(b) If a Managing Director ceases to hold office as Director he shall ipso facto and immediately cease to be a Managing Director.

(c) In the event of any vacancy arising in the office of a Managing Director or if the Board resolve to increase the number of Managing Directors, the vacancy shall be filled by the Board of Directors and the Managing Directors so appointed shall hold the office for such period as the Board of Directors may fix.

21.2.2 Where there is more than one Managing Director, the Board may, for the limited purpose of reference, designate any of them as Joint Managing Director or in any other manner as it may deem fit.

21.2.3 A Managing Director may, be paid such remuneration (whether by way of salary, perquisites, commission or participation in profits, or otherwise or partly in one way and partly in another) as the Board with the approval of the members in General Meeting may determine.

21.2.4. All powers and duties vested in the Managing Directors for the time being in accordance with the provisions of these presents or by a resolution of the Board of Directors may be exercised by any one of them.

21.2.5. The Managing Directors shall be entitled to charge and be paid for all actual expenses, if any, which they may incur for or in connection with the business of the Company. They shall be entitled to appoint employees in connection with management of the affairs of the Company and shall be entitled to be paid by the Company for any remuneration that they may pay to such full-time employees/ part-time employees.

21.2.6. The Managing Directors, shall, subject to the supervision and control of the Board have power to do all acts and things which the Managing Directors shall think usual necessary or desirable in the management of the affairs of the Company. Without prejudice to their general powers conferred hereby, they shall have the following powers subject to the supervision and control of the Board:

(a) to pay the costs, charges, and expenses, preliminary and incidental to the promotion, formation, establishment and registration of the Company and subsequent to the registration fees and stamps paid in respect thereof and the costs of advertising, printing, stationery, brokerage, legal charges, furniture and fittings of office and such other costs.

(b) to sell for cash or on credit and either wholesale or in retail and for ready or future delivery and realize the proceeds of sale of property, movable or immovable or any rights or privileges belonging to the Company, or in which the Company is interested or over which the Company may have any such powers of disposal and to exchange any such property or rights belonging to the Company for other property or rights.

(c) to determine, from time to time who shall be entitled to sign on the Company's dividend warrants, releases, contracts, and documents and to give the necessary authority for such purposes.

(d) to execute all deeds, agreements, contracts, receipt and other documents that may be necessary or expedient for the purposes of the Company and to make and give receipts, releases and other discharges for moneys or goods or property received in the usual course of business of the Company or lent or payable to or belonging to the Company and for the claims and for the claims and demands of the Company.

(e) to institute, conduct, defend, compound or abandon any actions, suits and legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company and also to compound or compromise or submit to arbitration the same actions suits and legal proceedings.

(f) to enter into, vary or cancel all manner of contracts on behalf of the Company.

(g) to engage and in their discretion to remove, suspend, dismiss and remunerate bankers, legal advisers, accountants, Managers, cashiers, clerks, agents, commission agents, dealers, brokers, foremen, servants, employees or vary description and to employ and remunerate such professional or technical or skilled assistants as from time to time may in their opinion be necessary or advisable in the interests of the Company and upon such terms as to duration of employment, remuneration or otherwise and may require security in such instances and to such amounts as the Managing Directors think fit.

(h) to acquire by purchase, lease, exchange, pledge, hypothecation or otherwise transfer lands, estates, fields, buildings, office showrooms, godowns and other buildings in the State of Tamil Nadu or elsewhere Machinery, Engine, Plant, Rolling Stock, Tools, Machine Tools, Outfits, Stores, Hardware and any other materials of whatever description either on credit or for cash and for present or future delivery.

(i) to plant, develop, improve, cut down, process, sell or otherwise dispose of the products of the Company and to incur all expenses in this behalf.

(j) to erect, maintain, repair, equip, alter and extend buildings and machinery in the State of Tamil Nadu or in any other place.

(k) to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.

(l) to pay all moneys due by the Company and look after the finance of the

Company.

(m) to open current and time-deposit accounts or other accounts with banker or bankers at their choice, and to operate on such accounts and also when necessary to overdraw or take loans on such account on the security of the Company or of any of its assets.

(n) to draw, accept, endorse, discount, negotiate and discharge on behalf of the Company all bills of exchange, promissory notes, cheques, hundies, drafts, railway receipts, dock warrants, delivery orders, Government promissory notes, other Government instruments, bonds, debentures or debenture-stocks of

Corporation, Local Bodies, Port Trusts, Improvement Trusts or other corporate bodies and to execute transfer deeds for transferring stocks, shares or stock certificates of the Government and other local or corporate bodies in connection with any business or any subject of the Company.

(o) Subject to the borrowing limits approved by the Board and the members, the Company may borrow from time to time such sums of money for the purposes of the Company upon such terms as may be expedient and with or without security.

(p) to receive and give effectual receipts and discharge on behalf of and against the Company for moneys, funds, goods, or property lent, payable or belonging to the Company or for advances against goods/assets of the Company.

(q) to make or receive advance of money, goods, machinery, plant and other things by way of sale, mortgage, hypothecation, lien, pledge, deposit or otherwise in such manner and on such terms as the Managing Director may deem fit.

(r) to submit to arbitration and enforce the fulfilment of awards regarding any claims in which the Company may be interested, to adjust, settle or compromise any claims due to or by the Company and to give to debtors of the Company time for payment.

(s) to institute, appear in or defend any legal proceeding in the name of and on behalf of the Company to sign any pledging and other documents to engage and to instruct any Advocate, Solicitors and Lawyers and to execute any vakalat or other authority in their favour and to compound and compromise any claim suit or proceedings.

(t) to make all manner of insurances.

(u) to delegate all or any of the powers, authorities and discretions for the time being vested in the Managing Directors and also from time to time provide by the appointment of an attorney or attorneys to sign, seal, execute, deliver register or causes to be registered all instruments, deeds, documents or writings, usually necessary or expedient for any of the purposes of the Company and not requiring the common seal of the Company. Provided that the Board may from time to time revoke withdraw alter or vary all or any of the above powers. Provided that the Managing Directors shall not exercise the power to –

i. make calls of shareholders in respect of moneys unpaid on the shares of the Company;

ii. borrow moneys or make loans except within the limits previously fixed by the Directors at a Board Meeting; or

iii. invest funds of the Company within the limits previously fixed by the Board at its meeting.

(v) to perform such other acts, things, deeds, matters as may be required for carrying on the operations of the Company.

22.1 Chief Executive Officer, Manager, Company Secretary, and Chief Financial Officer

Subject to the provisions of the Act,—

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.

22.2 A Director may be appointed as Chief Executive Officer, Manager, Company

Secretary or Chief Financial Officer

A Director may be appointed as Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer.

22.3 Designated Directors

The Board of Directors shall have power, from time to time and at any time, to appoint any person who is in the employment of the Company as “Special” or “Executive” Director on such terms and conditions as to remuneration and otherwise as the Board may deem fit and at the discretion to remove or suspend such person from the said office. Any person so appointed shall not be a Director of the Company for any of the purposes of the Act, nor shall he have any of the powers of, or be subject to any of the duties of a Director.

The use of the word “Director” in the said designation shall not be construed as constituting such person a Director of the Company for any of the purposes of the Act.

Subject as aforesaid, every person appointed as “Special” or “Executive” Director shall exercise such powers and discharge such duties as the Board of Directors may from time to time determine.

23. Dividends and Reserve

23.1 Company in General Meeting may declare dividends

The Company in General Meeting may subject to Section 123 of the Act declare dividends to be paid to members, but no dividend so declared shall exceed the amount recommended by the Board.

23.2 Interim Dividend

Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.

23.3 Declaration of Dividend

Dividend shall be declared or paid by a Company for any financial year

(a) out of the profits of the Company for that year arrived at after providing for depreciation in accordance with the provisions of this Act, or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with the provisions of that sub-section and remaining undistributed, or out of both; or

(b) out of money provided by the Central Government or a State Government for the payment of dividend by the Company in pursuance of a guarantee given by that Government.

Where, owing to inadequacy or absence of profits in any financial year, if the Company proposes to declare dividend out of the accumulated profits earned by it in its previous years and transferred to the reserves, such declaration of dividend shall be made subject to the fulfillment of the conditions as prescribed in the Rules.

No dividend shall be declared or paid by a Company from its reserves other than free reserves, however the Company may pay dividends in proportion to the amount paid-up on each share.

23.4 Setting aside sums for reserve

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 applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising 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.

23.5 Carry forward of Profits

The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

23.6 Proportion of Dividend

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 up on the shares. No amount paid or credited as paid on a share in advance of calls shall be treated for the purpose of this Article as paid on the share.

23.7 Dividends to be apportioned

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.

23.8 No member to receive dividend whilst indebted to the Company and

Company's right to reimbursement there from

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.

23.9 Retention of dividends

The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.

23.10 Dividend how remitted

Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post or such other manner as may be directed by the applicable laws, directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

Every dividend shall be paid or the warrant or instrument thereof shall be dispatched within the time provided in the Act except in the following cases namely:-

Where the dividend could not be paid by reason of operation of any law;

Where a shareholder has given directions to the Company regarding the payment of dividend and those directions cannot be complied with and the same has been communicated to the shareholder;

Where there is a dispute regarding the right of the dividend;

Where the dividend has been lawfully adjusted by the Company against any sum due to it from the shareholder; or

Where, for any other purpose, the failure to pay the dividend or to post the warrant within the period under this section was not due to any default on the part of the Company.

23.11 Instrument of payment

Every such cheque or warrant, if paid in physical form, shall be made payable to the order of the person to whom it is sent.

23.12 Discharge to Company

Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.

23.13 No interest on dividends

No dividend shall bear interest against the Company.

23.14 Waiver of dividends

The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

23.15 Unclaimed or Unpaid Dividend

Notice of any dividend that may have been declared shall be given in manner hereinafter mentioned to the persons entitled to the shares therein mentioned. No unclaimed or unpaid dividends shall be forfeited by the Board.

The Board shall comply with applicable provisions of the Act in respect of any unclaimed or unpaid dividend including transfer of such dividends (and shares thereto) thereto to the Investor Education and Protection Fund in the manner as may be prescribed from time to time.

24. Capitalisation of Profits

24.1 Capitalisation

The Company by resolution, as prescribed under the Act, in General Meeting may, upon the recommendation of the Board, resolve —

(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in clause (2) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

The sum aforesaid shall not be paid in cash but shall be applied, subject to provision contained in clause (3) below, 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 or other securities 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) The company may issue fully paid-up bonus shares to its members, in any manner whatsoever, as per the provisions of the Act

A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;

The Board shall give effect to the resolution passed by the Company in pursuance of this Article.

24.2 Powers of the Board for capitalization

Whenever such a resolution as aforesaid shall have been passed, the Board shall —

- a) make all appropriations and applications of the amounts resolved to be capitalised thereby, and all allotments and issues of fully paid shares or other securities, if any; and
- b) generally do all acts and things required to give effect thereto.

24.3 Board's power to issue fractional certificate/coupon etc

The Board shall have power—

- a) to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities 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 or other securities 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.

24.4 Agreement binding on members

Any agreement made under such authority shall be effective and binding on such members.

25. Accounts

25.1 Books of Account to be kept

The Company shall keep at its registered office proper books of account and other relevant books and papers and financial statements for every financial year which give a true and fair view of the state of its affairs, including that of its branch office(s), if any.

The Board of Directors may decide to keep all or any of the books of account aforesaid and other relevant papers at such other place in India as it may decide subject to the provisions of Section 128 of the Act and the Rules referred therein.

25.2 Inspection by Directors

The books of account and books and papers of the Company, or any of them, shall be open to the inspection by any Director during business hours in accordance with the applicable provisions of the Act and the Rules.

25.3 Inspection by members

The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions and regulations the accounts and books of the Company or any of them shall be open to the inspection of members not being Directors, and 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 authorized by the Board or by the Company in General Meeting.

25.4 Preservation of books of account of the Company

The books of account of every Company relating to a period of not less than eight financial years immediately preceding the current year together with the vouchers relevant to any entry in such books of account shall be preserved in good order.

25.5 Statement of Accounts to be furnished in General Meeting

The Board of Directors shall lay before each Annual General Meeting, the financial statements for the financial year (standalone) which includes balance sheet, profit and loss account for the financial year, cash flow statement, a statement of changes in equity, if applicable; and any explanatory note annexed to, or forming part of, any document referred hereinabove.

25.6 Consolidated Financial Statements to be furnished in General Meeting

The Company, shall in addition to financial statements provided herein above prepare a consolidated financial statement of the Company and of all the subsidiaries of the Company which shall also be laid before the Annual General meeting of the Company along with the standalone financial statements.

25.7 Authentication of Financial Statements

The financial statements of the Company shall be approved by the Board of Directors before they are signed on behalf of the Board by the Chairman of the Company where he is authorised by the Board or by two Directors out of which one shall be Managing Director / whole time director and the Chief Executive Officer, the Chief Financial Officer and the Company Secretary of the Company.

25.8 Auditor's Report

The Auditors 'report shall be attached to every financial statement.

25.9 Board's Report to be attached to the Financial Statements

The report by the Board of Directors containing matters as prescribed under Section

134 of the Act and the Rules referred therein shall be signed in the manner prescribed in the Act and be annexed to the financial statements laid before a Company in a General Meeting.

25.10 Right of member to receive the copies of audited financial statements

Without prejudice to the provisions of Section 101 and Section 136 of the Act, a copy of the financial statements, including consolidated financial statements, auditor's report and every other document required by law to be annexed or attached to the financial statements, which are to be laid before a Company in its General Meeting, shall be sent to every member of the Company, to every trustee for the debenture-holder of any debentures issued by the Company and to all persons other than such member or trustee, being the person so entitled, not less than twenty-one days before the date of the General meeting.

Provided that the provisions of this clause shall be deemed to be complied with, if the copies of the documents are made available for inspection at its registered office during working hours for a period of twenty-one days before the date of the meeting and a statement containing the salient features of such documents as prescribed by the Act or copies of the documents, as the Company may deem fit, is sent to every member of the Company and to every trustee for the holders of any debentures issued by the Company not less than twenty-one days before the date of the meeting unless the shareholders ask for full financial statements.

26. Audit

26.1 Accounts to be Audited

The financial statements of the Company shall be audited by one or more Auditors to be appointed pursuant to the provisions of Section 139 of the Act and the Rules referred therein.

26.2 Appointment of Statutory Auditors

Subject to the Article 27.3 and the provisions of the Act, the Company at an Annual General Meeting shall appoint an individual or firm as a Statutory Auditor who shall hold office for a term as may be recommended by the Board and approved by the Members.

26.3 Terms of Statutory Auditors

The Company shall not appoint:

- (a) an individual as auditor for more than one term of five consecutive years; and
- (b) an audit firm as auditor for more than two terms of five consecutive years:

Further, (i) an individual auditor who has completed his term under clause (a) shall not be eligible for reappointment as auditor in the Company for five years from the completion of his term; (ii) an audit firm which has completed its term under clause (b), shall not be eligible for re-appointment as auditor in the Company for five years from the completion of such term.

The above conditions of term and rotation will be subject to the provisions of the Act from time to time.

26.4 Retiring Auditors eligible for reappointment

Subject to the Provisions of the Act and related Rules, a retiring auditor may be re- appointed at an annual general meeting if-

He is not disqualified for re-appointment;

He has not given the Company a notice in writing of his unwillingness to be re- appointed; a resolution has not been passed at that meeting appointing some other auditor or providing expressly that he shall not be re-appointed;

26.5 Ratification of Auditors

The ratification of Auditors would be as per the provisions of the Companies Act, 2013 as amended from time to time.

26.6 Eligibility, Qualifications and disqualifications of Auditors

An individual or firm shall be appointed at the Annual General Meeting subject to the fulfillment of the eligibility criteria, qualifications and disqualifications prescribed under the Act.

26.7 Casual Vacancy in the office of Statutory Auditor

Any casual vacancy in the office of a Statutory Auditor shall be filled by the Board within thirty days from the date on which such vacancy arose.

But if such casual vacancy is as a result of resignation of a Statutory Auditor, such appointments will also be required to be approved by the members within 3 months from the date of recommendation by the Board in this regard.

26.8 Audit of Branch Office

The Company shall comply with the provisions of Section 143 of the Act in relation to the audit of the accounts of Branch Offices of the Company.

26.9 Remuneration of Statutory Auditors

The Remuneration of the Statutory Auditors of the Company shall be fixed by the Company in General Meeting.

The remuneration shall, in addition to the fee payable to an auditor, include the expenses, if any, incurred by the auditor in connection with the audit of the Company and any facility extended to him but need not include any remuneration paid to him for any other service rendered by him at the request of the Company.

26.10 Appointment of Secretarial Auditor

The Board may appoint a Company Secretary in practice as a Secretarial Auditor, if so required under Section 204 of the Act and the Rules referred therein.

26.11 Appointment of Internal Auditor

The Board may appoint an Internal Auditor, if so required under Section 138 of the Act, who shall either be a Chartered Accountant or a Cost Accountant or such other professional as the Board may decide from time to time.

26.12 Appointment of Cost Auditor

The Board may appoint a Cost Accountant in practice or such other professional as may be prescribed in the Act, if so directed by the Central Government under Section

148 of the Act from time to time.

The remuneration determined by the Board for the Cost Auditor is required to be ratified subsequently by the shareholders of the Company.

26.13 Powers and Duties of Auditors

The powers and duties of the Statutory Auditors, Cost Auditors and Secretarial Auditors shall be as per the provisions of Section 143, Section 148, and section 204 of the Act respectively.

27. The Seal

27.1 The Seal, its custody and use

The Board of Directors shall provide a Common Seal of the Company and they shall have power from time to time to destroy the same and substitute a new seal in lieu thereof. The Common Seal shall be kept at the registered office of the Company and committed to the custody of the Managing Director/ whole time director or Secretary. Every deed or other instrument to which the Common Seal is required to be affixed shall, unless the same is executed by a duly constituted attorney for the Company or unless otherwise authorised by the Board, be signed by at least one Director in whose presence the Common Seal shall have been affixed and countersigned by the Secretary or such other person as may, from time to time, be authorised by the Board.

28. Notices

28.1 Service of documents and Notice

The Company shall send all documents or notices or other communications to members either personally or by post or registered post or speed post or courier to the address provided by him to the Company or through electronic mode or any other mode prescribed by the Act.

Where a notice is sent by post, service of notice shall be deemed to have been effected in the case of a notice of a meeting at the expiration of 48 hours after the notice is posted and in any other case at the time at which the letter would be delivered in the ordinary course of post.

28.2 Service on persons acquiring shares on death or insolvency of members

A document may be served by the Company to the persons entitled to a share in consequences of the death or insolvency of a member by sending it through the post or such other permitted mode addressed to them by name or by the title of representatives of the deceased or assignees of the insolvent or by any like description at the address (if any) supplied for the purpose by the persons claiming to be so entitled or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served if death or insolvency had not occurred.

28.3 Notice to joint-holders

A notice/document may be given by the Company to the joint holders of a share by giving it to the joint-holder named first in the register in respect of the share.

28.4 To whom the Notice of General Meeting is to be given

Subject to the provisions of the Act and these Articles, the notice of General Meetings shall be given:

- a. to members of the Company,
- b. to the person entitled to a share in consequence of the death or insolvency of a member as provided by Article 29.2 or as authorised by the Act;
- c. to Directors of the Company
- d. to Debenture Trustee(s), if any
- e. to the Statutory Auditor(s), Secretarial Auditor, if any and Cost Auditor, if any of the Company.
- f. to any other person as specified under the Act from time to time.

28.5 Service of notices by members

All notices to be given on the part of members to the Company shall be left at or sent by registered post or courier or speed post to the registered office of the Company or may be sent by means of such electronic mode or other mode as may be prescribed from time to time.

29. Registers

29.1 Statutory registers

The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name, register of contracts and arrangements and such other registers as may be prescribed from time to time for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules.

The registers and copies of annual return shall be open for inspection between 11 a.m. and 1 p.m. on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.

29.2 Foreign register

The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit with respect to the keeping of any such register.

The foreign register shall be open for inspection and may be closed, and extracts may be taken there from and copies thereof may be required, in the same manner, mutatis mutandis, as is applicable to the register of members.

30. Winding Up

30.1 Winding Up of the Company

Subject to the applicable provisions of the Act and the Rules made there under –

If the Company shall be wound up and the assets available for distribution amongst members as such shall be insufficient to repay the whole of the paid-up capital or capital deemed to be paid-up, such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid-up or deemed to be paid-up at the commencement of the winding up, on the shares held by them respectively; and if in a winding up the assets available for distribution amongst the members shall be more than sufficient to repay the whole of the capital paid-up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital paid-up or deemed to be paid-up at the commencement of the winding up on the shares held by them respectively. Where capital is paid-up on any shares in advance of calls upon the footing that the same shall carry interest, such capital shall be excluded and shall be repayable in full before any distribution is made on the paid-up capital or capital deemed to be paid-up together with interest at the rate agreed upon. The provisions of this article shall be subject to any special rights or liabilities attached to any special class of shares forming part of the capital of the Company.

If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanctions required under 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.

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.

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.

31. Indemnity and Insurance

31.1 Directors and Officers right to indemnity

Subject to the provisions of the Act, every Director, Managing Director, Manager, Whole-time Director, Chief Financial Officer, Company Secretary or any other officer for the time being of the Company shall be indemnified by the Company against any liability and it shall be the duty of the Board to pay out of the funds of the Company, all costs, losses and expenses (including travelling expenses) which any such officer may incur or become liable to by reasons of any contract entered into or act done, concurred in or omitted in or about the execution of his duty or supposed duty in his office and advice except such (if any) as he shall incur through his own willful neglect or default respectively and no such officer shall be answerable for the acts, receipts, neglects or defaults of the other or others of them or for joining in any receipts for the sake of

conformity or for any bankers or other persons with whom any money or assets belonging to the Company shall or may be lodged or deposited for safe custody or for any loss, misfortune or damage which may happen in the execution of his office or advice or in relation thereto unless the same shall happen by or through his own willful neglect or default.

Subject as aforesaid, every Director, Managing Director/whole time director, Manager, Company Secretary, Chief Financial Officer or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under Section 463 of the Act in which relief is given to him by the Court.

31.3 Insurance

The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former Directors and Officers for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

32. General Power

Wherever in the Act or Rules, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its Articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

33. Secrecy

Every Director, Managing Agent, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading himself to observe a strict secrecy respecting all transactions and affairs of the Company with its customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

No member shall be entitled to visit any works of the Company without the permission of the Board or to require discovery of or any information respecting any detail of the Company's working, trading or any matter which is or may be in the nature of a secret, mystery of trade or secret process, which may relate to the conduct of the business of the Company and which in the opinion of the Directors, it will be inexpedient in the interest of the members of the Company to communicate to the public.

SECTION X: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of this Draft Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Draft Prospectus delivered to the Registrar of Companies, Puducherry, Maharashtra for registration, and also the documents for inspection referred to hereunder, may be inspected at our Registered Office of our Company from 10.00 am to 5.00 pm on Working Days from the date of this Draft Prospectus until the Issue Closing Date.

Material Contracts to the Issue

1. Issue Agreement dated March 19, 2019 and entered into among our Company and the Lead Manager.
2. Agreement dated March 28, 2019, entered into among our Company and the Registrar to the Issue.
3. Tripartite Agreement dated March 21, 2019 entered into among our Company, NSDL and the Registrar to the Issue.
4. Tripartite Agreement dated March 19, 2019 entered into among our Company, CDSL and the Registrar to the Issue.
5. Public Issue account Agreement dated [●] between our Company, the Lead Manager, Banker to the Issue/Sponsor Bank and the Registrar to the Issue.
6. Market Making Agreement dated [●] between our Company, the Lead Manager and the Market Maker.
7. Underwriting Agreement dated [●] between our Company, the Lead Manager and the Underwriter.

Material Documents

1. Certified copies of the Memorandum of Association and Articles of Association of our Company.
2. Certificate of Incorporation dated April 26, 1984 issued by the Registrar of Companies, Puducherry. Fresh Certificate of Incorporation dated September 27, 2018 issued by the Registrar of Companies, Puducherry consequent upon conversion of the Company to Public Company.
3. Resolution of the Board of Directors of our Company and Equity Shareholders of our Company dated September 28, 2018 and October 01, 2018, respectively, authorizing the Issue and other related matters.
4. Copies of the Audited Standalone Financial Statements of our Company for the Stub Period ended September 30, 2018 and for the year ended March 31, 2018, March 31, 2017 and March 31, 2016 and Consolidated Financial statements for the financial year ended March 31, 2017 and March 31, 2016
5. Copy of Restated Standalone Financial statements for the Stub Period ended September 30, 2018 and for the year ended March 31, 2018, March 31, 2017 and March 31, 2016 and Restated Consolidated Financial statements for the financial year ended March 31, 2017 and March 31, 2016 and Auditors Report on Restated Consolidated Financials dated March 25, 2019
6. Copy of the Statement of Tax Benefits dated March 25, 2018 as included in this Draft Prospectus from the Statutory Auditor M/s. P. Ramanujam & Co, Chartered Accountants.
7. Consents of Bankers to our Company, Bankers to the Issue and Sponsor Bank, the Lead Manager, Market Maker, Underwriter, Registrar to the Issue, Legal advisor, Promoters of our Company, Directors of our Company, Chief Financial Officer and Company Secretary and Compliance Officer and Statutory Auditor.
8. Board Resolutions dated March 29, 2019 for approval of Draft Prospectus

9. Due Diligence Certificate from Lead Manager dated March 29, 2019.
10. In-principle approval from NSE vide letter dated [●] to use their name in the Prospectus for listing the Equity Shares on the SME Platform of NSE (NSE Emerge).

DECLARATION

We certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements in this Draft Prospectus are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Name and Designation	Signature
Vasanadu Govind <i>Managing Director</i>	Sd/-
Vasanadu Nirmala <i>Non-Executive Director</i>	Sd/-
Ramachandran Elango <i>Whole-Time Director</i>	Sd/-
Piyush Bhandari <i>Independent Director</i>	Sd/-
Raghavendra Rao Srinivasan <i>Independent Director</i>	Sd/-

SIGNED BY CHIEF FINANCIAL OFFICER:

Sd/-

S P Venkantchalam
Chief Financial Officer

SIGNED BY COMPANY SECRETARY AND COMPLIANCE OFFICER:

Sd/-

Seshadri Raghavan
Company Secretary and Compliance Officer

Date: March 29, 2019

Place: Chennai