



SANMATI PRECISION ENGINEERING LIMITED

CIN: U28995PN2013PLC147341

Our Company was incorporated as “Sanmati Precision Engineering Private Limited” under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated May 10, 2013 bearing Registration No. 147341 issued by the Registrar of Companies, Maharashtra, Pune. Subsequently, our Company was converted into a Public Limited Company and the name of our Company was changed to “Sanmati Precision Engineering Limited” vide Special Resolution dated March 30, 2019. A fresh certificate of incorporation consequent to conversion into public limited company was issued to our Company by the Registrar of Companies, Maharashtra, Pune on May 03, 2019. The Company’s Corporate Identity Number is U28995PN2013PLC147341. For further details pertaining to the change of name of our Company and the change in Registered Office, please refer the chapter “History and Certain Corporate Matters” beginning on Page No. 87 of this Draft Prospectus.

Registered Office: Plot No. 110, Sector-A, Shri Laxmi Co-Op Industrial Estate, Hatkanangale, Kolhapur, Maharashtra – 416 109.

Tel No.: 0230 – 2366213; **Email:** cs@sanmatigroup.com; **Website:** www.sanmatigroup.com

Contact Person: Mr. Shahaji Annasaheb Patil, Company Secretary and Compliance Officer.

Our Promoters: Mr. Shital Adinath Ketkale and Mrs. Vaishali Shital Ketkale

THE ISSUE

INITIAL PUBLIC ISSUE OF UPTO 25,00,000 EQUITY SHARES OF RS. 10 EACH (“EQUITY SHARES”) OF SANMATI PRECISION ENGINEERING LIMITED (“SPEL” OR THE “COMPANY”) FOR CASH AT A PRICE OF RS. [●] PER SHARE (THE “ISSUE PRICE”), AGGREGATING TO RS. [●] LAKHS (“THE ISSUE”), OF WHICH UPTO [●] EQUITY SHARES OF RS. 10 EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF UPTO [●] EQUITY SHARES OF RS. [●] EACH IS HEREINAFTER 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 THE COMPANY.

THE FACE VALUE OF THE EQUITY SHARE IS RS. 10 AND THE ISSUE PRICE IS [●] TIMES OF THE FACE VALUE

In terms of Rule 19(2)(b)(i) of the SCRR this Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. This Issue is being made through Fixed Price process in accordance and compliance with Chapter IX and other applicable provisions of SEBI ICDR Regulations wherein a minimum 50% of the Net Issue is allocated for Retail Individual Applicants and the balance shall be offered to individual applicants other than Retail Individual Applicants and other investors including corporate bodies or institutions, 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. Additionally, if the Retail Individual Applicants category is entitled to more than fifty per cent on proportionate basis, the Retail Individual Applicants shall be allocated that higher percentage. All potential investors shall participate in the issue only through and Application Supported by Blocked Amount (“ASBA”) process including through UPI mode (as applicable) by providing details of the irrespective bank accounts and/or UPI IDs, in case of RIIs, if applicable, which will be blocked by the Self Certified Syndicate Banks (“SCSBs”) for the same. For details in this regard, specific attention invited to chapter titled “Issue Procedure” beginning on page no. 149 of this Draft Prospectus. A copy will be delivered for registration to the Registrar of Companies as required under Section 26 of the Companies Act, 2013.

RISK IN RELATION TO THE FIRST ISSUE

This being the first Public Issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is Rs.10 each and the Issue Price is [●] times the face value. 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 No. 56 of this Draft Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the 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 the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of this Draft Prospectus. Specific attention of the investors is invited to chapter titled “Risk Factors” beginning on Page No. 15 of this Draft Prospectus.

COMPANY’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 the Issue, which is material in the context of the Issue, that the information contained in this Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares offered through this Draft Prospectus are proposed to be listed on EMERGE Platform of National Stock Exchange of India Limited (“NSE”). Our Company has received an In-Principal Approval letter dated [●] from NSE for using its name in this offer document for listing our shares on the EMERGE Platform of NSE. For the purpose of this Issue, the Designated Stock Exchange will be the NSE.

LEAD MANAGER TO THE ISSUE

REGISTRAR TO THE ISSUE



FAST TRACK FINSEC PRIVATE LIMITED

B-502, Statesman House,
148, Barakhamba Road,
New Delhi – 110 001

Tel No.: +91 – 11 – 4141 1600

Email: mb@ftfinsec.com

Website: www.ftfinsec.com

Investor Grievance Email: investor@ftfinsec.com

Contact Person: Mr. Pawan Kumar Mahur

SEBI Registration No. INM000012500



BIGSHARE SERVICES PRIVATE LIMITED

1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis,
Makwana Road, Marol, Andheri East, Mumbai – 400 059.

Tel. No.: +91 – 22 – 6263 8200

Fax No.: +91 – 22 – 6263 8299

Email: ipo@bigshareonline.com

Website: www.bigshareonline.com

Investor Grievance Email: investor@bigshareonline.com

Contact Person: Mr. Arvind Tandel

SEBI Registration No.: INR000001385

ISSUE OPENS ON

ISSUE CLOSES ON

[●]

[●]

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

General Terms

Term	Description
Sanmati / SPEL / The Company / Company / We / Us / Our Company	Unless the context otherwise indicates or implies refers to Sanmati Precision Engineering Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 with its registered office in the Kolhapur.
Promoter(s) / Core Promoter	Mr. Shital Adinath Ketkale and Mrs. Vaishali Shital Ketkale
Promoter Group	Such persons, entities and companies constituting our promoter group pursuant to Regulation 2(1)(pp) of the SEBI (ICDR) Regulations as disclosed in the Chapter titled “ <i>Our Promoter and Promoter Group</i> ” beginning on Page No. 100 of this Draft Prospectus.

Company related Terms

Term	Description
AoA/ Articles / Articles of Association	Unless the context otherwise requires, refers to the Articles of Association of Sanmati Precision Engineering Limited
Auditor of the Company	M/s. R. K. Jagetiya & Co., Chartered Accountants, having their office at B-303, Eklavya CHSL, N L Complex, Dahisar (East), Mumbai – 400 068.
Audit Committee	The committee of the Board of Directors constituted on May 31, 2019 as our Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013
Board of Directors / Board	The Board of Directors of Sanmati Precision Engineering Limited, including all duly constituted Committees thereof.
Chief Financial Officer / CFO	Chief Financial Officer of our Company is Mr. Abhinandan Bharat Bhokare.
CIN/ Corporate Identification Number	U28995PN2013PLC147341
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company is Mr. Shahaji Annasaheb Patil.
Director(s)	Director(s) of Sanmati Precision Engineering Limited, unless otherwise specified.
Equity Shares	Equity Shares of our Company of Face Value of Rs. 10/- each unless otherwise specified in the context thereof.
Equity Shareholders	Persons holding Equity Share of our Company
Group Company	Company (other than our Promoter Company and Subsidiaries) with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, and as disclosed in “ <i>Our Group Company</i> ” beginning on page no. 104 of this Draft Prospectus.
Independent Director	A Non-Executive, Independent Director as per the Companies Act, 2013 and the Listing Regulations.
Key Management Personnel / KMP	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations as disclosed in the chapter titled “ <i>Our Management</i> ” beginning on Page No. 90 of this Draft Prospectus
Materiality Policy	The policy adopted by our Board for identification of Group Companies, material outstanding litigation and material dues outstanding to creditors in respect of our Company, pursuant to the disclosure requirements under the SEBI ICDR Regulations.
MD or Managing Director	Mr. Shital Adinath Ketkale
MOA / Memorandum / Memorandum of Association	Memorandum of Association of Sanmati Precision Engineering Limited.
Nomination and Remuneration Committee	The committee of the Board of Directors constituted on May 31, 2019 as our Company’s Nomination and Remuneration Committee in accordance with Section 178 of the Companies Act, 2013

Registered Office	The Registered Office of our Company is Plot No. 110, Sector – A, Shri Laxmi Co-op Industrial Estate, Hatkanangale, Kolhapur, Maharashtra – 416 109.
Registrar of Companies / RoC	Registrar of Companies, Maharashtra, Pune situated at PCNTDA, Green Building, Block A, 1st & 2nd Floor, Near Akurdi Railway Station, Akurdi, Pune, Maharashtra – 411 044.
Restated Financial Statements	Restated financial statements of our Company as at and for the nine month period ended December 31, 2019 and for the Fiscals ended March 31, 2019, 2018 and 2017 (prepared in accordance with Accounting Standards read with Section 133 of the Companies Act, 2013) which comprises the restated statement of assets and liabilities, the restated statement of profit and loss and the restated statement of cash flows and notes thereto.
Stakeholders' Relationship Committee	The committee of the Board of Directors constituted on May 31, 2019 as our Company's Stakeholders' Relationship Committee.
Stock Exchange	Unless the context requires otherwise, refers to, the EMERGE Platform of National Stock Exchange of India Limited. (NSE EMERGE).
You or Your or Yours	Prospective Investors in this Issue

Issue Related Term

Term	Description
Abridged Prospectus	Abridged Prospectus to be issued under Regulation 255 of SEBI ICDR Regulations and appended to the Application Form
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form
Allotment	Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the Issue to the successful applicants, including transfer of the Equity Shares pursuant to the Issue to the successful applicants
Allotment Advice	Note, advice or intimation of Allotment sent to the Applicants who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottees	The successful applicant to whom the Equity Shares are being / have been allotted
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Draft Prospectus
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of the Company
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by ASBA Applicant to make an Application authorizing an SCSB to block the Application Amount in the specified Bank Account maintained with such SCSB. ASBA is mandatory for all Applicants participating in the Issue.
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by the Applicants for blocking the Application Amount mentioned in the ASBA Form.
ASBA Applicant(s)	Any prospective investor who makes an Application pursuant to the terms of the Prospectus and the Application Form.
ASBA Application / Application	An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Prospectus
Banker(s) to the Company	Such banks which are disclosed as Bankers to our Company in the chapter titled “ <i>General Information</i> ” beginning on Page No. 35 of this Draft Prospectus.
Banker(s) to the Issue	The banks which are Clearing Members and registered with SEBI as Banker to an Issue with whom the Escrow Agreement is entered and in this case being [●] .
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue and which is described in the chapter titled “ <i>Issue Procedure</i> ” beginning on Page No. 149 of this Draft Prospectus.
Broker Centres	Broker centres notified by the Stock Exchanges where Applicants can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Broker are available on the website of the Stock Exchange i.e. www.nseindia.com
Business Day	Monday to Friday (except public holidays)
CAN / Confirmation of Allocation Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange.
Client ID	Client identification number maintained with one of the Depositories in relation to Demat

Term	Description
	account
Collecting Depository Participant(s) or CDP(s)	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. GR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branches	Such Branches of the SCSBs which co-ordinate Applications by the Applicants with the Registrar to the Issue and the Stock Exchanges and a list of which is available at http://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.
Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996 i.e. CDSL and NSDL
Depositories Act	The Depositories Act, 1996, as amended from time to time
Designated Date	The date on which relevant amounts are transferred from the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, and the instructions are issued to the SCSBs (in case of RIIs using UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, in terms of the Prospectus following which Equity Shares will be Allotted in the Issue.
Designated Intermediaries / Collecting Agent	<p>In relation to ASBA Forms submitted by RIIs authorising an SCSB to block the Application Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs.</p> <p>In relation to ASBA Forms submitted by RIIs where the Application Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism, Designated Intermediaries shall mean syndicate members, sub-syndicate members, Registered Brokers, CDPs and RTAs.</p> <p>In relation to ASBA Forms submitted by QIBs and NIBs, Designated Intermediaries shall mean SCSBs, syndicate members, sub-syndicate members, Registered Brokers, CDPs and RTAs.</p>
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the Application Forms and in case of RIIs only ASBA Forms with UPI. 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 websites of the Stock Exchange.
Designated Market Maker	[●] will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations.
Designated RTA Locations	Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms (other than ASBA Forms submitted by RIIs where the Application Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism), a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes . Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	EMERGE Platform of National Stock Exchange of India Limited (NSE EMERGE)
Draft Prospectus	This Draft Prospectus dated June 23, 2020 issued in accordance with the SEBI ICDR Regulations
Eligible NRI(s)	An NRI(s) from such a jurisdiction outside India where it is not unlawful to make an Issue or invitation under this Issue and in relation to whom the Application Form and the Prospectus will constitutes an invitation to purchase the equity shares.
Escrow and Sponsor Bank Agreement	Agreement dated [●] entered into amongst the Company, Lead Manager, the Registrar and the Banker to the Issue and Sponsor Bank to receive monies from the Applicants through the SCSBs Bank Account on the Designated Date in the Public Issue Account.

Term	Description
Foreign Institutional Investors/ FII	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India
Foreign Portfolio Investor / FPIs	Foreign Portfolio Investor as defined under the SEBI (Foreign Portfolio Investors) Regulations, 2014.
LM / Lead Manager	Lead Manager to the Issue, in this case being Fast Track Finsec Private Limited.
Issue Proceeds	The proceeds of the Issue as stipulated by the Company. For further information about use of the Issue Proceeds please refer the chapter titled “ <i>Objects of the Issue</i> ” beginning on Page No. 50 of this Draft Prospectus
Issue/ Issue Size / Public Issue/ IPO	This Initial Public Issue of upto 25,00,000 Equity Shares of Rs. 10 each for cash at a price of Rs. [●] per equity share aggregating to Rs. [●] lakhs by our Company.
Issue Closing date	The date on which the Issue closes for subscription being [●]
Issue Opening date	The date on which the Issue opens for subscription being [●]
Issue Price	The price at which the Equity Shares are being issued by our Company in consultation with the Lead Manager under this Draft Prospectus being Rs. [●] per share.
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and National Stock Exchange of India Limited.
Lot Size	The Market lot and Trading lot for the Equity Share is [●] and in multiples of [●] thereafter; subject to a minimum allotment of [●] Equity Shares to the successful applicants.
Market Maker Reservation Portion	The Reserved portion of [●] Equity shares of Rs. 10/- each at an Issue Price of Rs. [●] aggregating to Rs. [●] lakhs for Designated Market Maker in the Public Issue of our Company.
Market Making Agreement	The Agreement among the Market Maker, the Lead Manager and our Company dated [●]
Mutual Fund	A Mutual Fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended
Net Issue	The Net Issue of [●] Equity Shares of Rs. 10/- each at Rs. [●] per Equity Share aggregating to Rs. [●] lakhs by our Company.
Non-Institutional Applicant	All Applicants, including Eligible FPIs, that are not QIBs or Retail Individual Applicants and who have applied for Equity Shares for an amount of more than Rs. 2,00,000 (but not including NRIs other than Eligible NRIs, OFIs other than eligible QFIs)
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, Company, partnership, limited liability Company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Prospectus	The Prospectus, to be filed with the RoC containing, inter alia, the Issue opening and closing dates and other information.
Public Issue Account	Account opened with Bankers to the Issue for the purpose of transfer of monies from the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date.
Qualified Foreign Investors / QFIs	Non-resident investors other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs who meet ‘know your client’ requirements prescribed by SEBI
Qualified Institutional Buyers / QIBs	Qualified Institutional Buyers as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations.
Refund Bank(s)	The Banker(s) to the Issue with whom the Refund Account(s) will be opened, in this case being [●]
Registrar Agreement	The agreement dated June 22, 2020 among 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
Registrar and Share Transfer Agents/RTAs	Registrar and Share Transfer Agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registrar/ Registrar to the Issue	Registrar to the Issue being Bigshare Services Private Limited
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than Rs. 2,00,000

Term	Description
Revision Form	Form used by the Applicants to modify the quantity of the Equity Shares or the Applicant Amount in any of their ASBA Form(s) or any previous Revision Form(s). QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Applications (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Applicants can revise their Application during the Issue Period and withdraw their Applications until Issue Closing Date.
Self-Certified Syndicate Bank(s) / SCSBs	The banks registered with SEBI, offering services, i. in relation to ASBA where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or such other website as updated from time to time, and ii. in relation to RIBs using the UPI Mechanism, a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time
Sponsor Bank	A Banker to the Issue which is registered with SEBI and is eligible to act as a Sponsor Bank in a public issue in terms of applicable SEBI requirements and has been appointed by the Company, in consultation with the LM to act as a conduit between the Stock Exchanges and NPCI to push the UPI Mandate Request in respect of RIIs as per the UPI Mechanism, in this case being [●]
TRS / Transaction Registration Slip	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the Applicant, as proof of registration of the Application.
Underwriter	[●]
Underwriting Agreement	The Agreement between the Underwriter and our Company dated [●]
“Unified Payments Interface” or “UPI”	The instant payment system developed by the National Payments Corporation of India
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	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 mechanism	The bidding mechanism that may be used by an RII to make an Application in the Issue in accordance with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 01, 2018 read with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019 and SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019
UPI PIN	Password to authenticate UPI transaction
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Working Day	All trading days of the Stock Exchange excluding Sundays and Bank holidays in Mumbai & Kolhapur.

Technical / Industry related Terms

Term	Description
CNC	Computerized Numerical Control
DGCI&S	Directorate General of Commercial Intelligence and Statistics
HCV	Heavy Commercial Vehicle
HMC	Horizontal Machining Center
ISO/TS	International Organization for Standardization/ Technical Specification
MSMEs	Micro, Small and Medium Enterprises
OEMs	Original Equipment Manufacturers
QC	Quality Control
R&D	Research & Development
RPM	Revolutions Per Minute
SG Iron	Spheroidal Graphite Iron
Sq. mtr.	Square Metre
VMC	Vertical Milling Center
WEO	World Economic Outlook

Term	Description
WPI	Wholesale Price Index

Conventional Terms / General Terms / Abbreviations

Term	Description
A/c	Account
AGM	Annual General Meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
AS / Accounting Standards	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
Banking Regulation Act	Banking Regulation Act, 1949
CAGR	Compound Annual Growth Rate
Category I foreign portfolio investor(s) / Category I FPIs	FPIs who are registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations
Category II foreign portfolio investor(s) / Category II FPIs	FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations
Category III foreign portfolio investor(s) / Category III FPIs	FPIs who are registered as “Category III foreign portfolio investors” under the SEBI FPI Regulations
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Company Identification Number
CIT	Commissioner of Income Tax
Client ID	Client identification number of the Applicant’s beneficiary account
Companies Act	Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 (to the extent notified) and /or Provisions of Companies Act, 1956 w.r.t. the sections which have not yet been replaced by the Companies Act, 2013 through any official notification.
Companies Act, 1956	The Companies Act, 1956, as amended from time to time
Companies Act, 2013	The Companies Act, 2013 published on August 29, 2013 and applicable to the extent notified by MCA till date.
CSR	Corporate Social Responsibility
CST	Central Sales Tax
CY	Calendar Year
Depositories	Together, NSDL and CDSL
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
DP	Depository Participant, as defined under the Depositories Act 1996
DP ID	Depository Participant’s identification
EBITDA	Earnings before Interest, Taxes, Depreciation and Amortization
ECS	Electronic Clearing System
EGM	Extra-ordinary General Meeting
EMDEs	Emerging Markets and Developing Economies
EPS	Earnings Per Share
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
FIIIs	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 Investors as defined under the SEBI FPI Regulations

Term	Description
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investors as defined and registered under the SEBI FVCI Regulations
FY / Fiscal / Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
GDP	Gross Domestic Product
GoI/Government	Government of India
GST	Goods & Services Tax
HNIIs	High Networth Individuals
HUF	Hindu Undivided Family
IAS Rules	Indian Accounting Standards, Rules 2015
ICAI	The Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
Indian GAAP	Generally Accepted Accounting Principles in India
Ind AS	Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015
I.T. Act	Income Tax Act, 1961, as amended from time to time
IPO	Initial Public Offering
IRDAI	Insurance Regulatory and Development Authority of India
IRDAI Investment Regulations	Insurance Regulatory and Development Authority (Investment) Regulations, 2016
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
KM / Km / km	Kilo Meter
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
MICR	Magnetic Ink Character Recognition
MOU	Memorandum of Understanding
NA / N. A.	Not Applicable
NACH	National Automated Clearing House
NAV	Net Asset Value
NBFC	Non Banking Financial Company
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
NPCI	National Payments Corporation of India
NRE Account	Non Resident External Account
NRIs	A person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60.00% by NRIs including overseas trusts, in which not less than 60.00% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAC	Persons Acting in Concert

Term	Description
PAN	Permanent Account Number
PAT	Profit After Tax
PLR	Prime Lending Rate
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RoC	Registrar of Companies
ROE	Return on Equity
RONW	Return on Net Worth
Rupees / Rs. / M	Rupees, the official currency of the Republic of India
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992 as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012 as amended
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 as amended
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000 as amended
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI LODR Regulations, 2015 / SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified on September 2, 2015
SEBI SAST Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as repealed by the SEBI AIF Regulations, as amended
Sec.	Section
Securities Act	U.S. Securities Act of 1933, as amended
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
STT	Securities Transaction Tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
TIN	Taxpayers Identification Number
TDS	Tax Deducted at Source
UPI	Unified Payments Interface
US/United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the United States of America
VAT	Value Added Tax
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
Wilful Defaulter(s)	Wilful defaulter as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations

CERTAIN CONVENTIONS; PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references to “India” contained in this Draft Prospectus are to the Republic of India. In this Draft Prospectus, our Company has presented numerical information in “lakhs” units. One lakh represents 1,00,000.

Financial Data

Unless stated otherwise, the financial data in this Draft Prospectus are extracted from the Financial Statements, for nine months period ended December 31, 2019 and for the financial year ended March 31, 2019, 2018 and 2017 of our Company, prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI ICDR Regulations and Guidance Note on “Reports in Company Prospectus (Revised 2019)” issued by ICAI, as stated in the report of our Statutory Auditor, as set out in the chapter titled “*Financial Statements*” beginning on Page No. 110 this Draft Prospectus. Our Financial Statements are derived from our audited financial statements prepared in accordance with Indian GAAP, the Companies Act, and have been restated in accordance with SEBI ICDR Regulations and Guidance Note on “Reports in Company Prospectuses (Revised 2019)” issued by ICAI. Our Fiscal Year commences on April 1 and ends on March 31 of the next year. All references to a particular Fiscal are to the twelve (12) months period ended March 31st of that year. In this Draft Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off. There are significant differences between Indian GAAP, IFRS and US GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company’s financial data. Accordingly to what extent, the financial statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices / Indian GAAP. Any reliance by persons not familiar with Indian Accounting Practices on the financial disclosures presented in this Draft Prospectus should accordingly be limited. Any percentage amounts, as set forth in section titled “*Risk Factors*”, and chapters titled “*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 Financial Statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI ICDR Regulations and Guidance Note on “Reports in Company Prospectus (Revised 2019)” issued by ICAI as stated in the report of our Statutory and Peer Reviewed Auditor, set out in the chapter titled “*Financial Statements*” beginning on Page no. 110 of this Draft Prospectus.

Currency, Units of Presentation and Exchange Rates

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

This Draft Prospectus may contain 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 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.

Definitions

For definitions, please refer the Chapter titled “*Definitions and Abbreviations*” on Page No. 1 of this Draft Prospectus. In the Section titled “*Main Provisions of Articles of Association*” beginning on Page No. 167 of this Draft Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

Industry and Market Data

Unless stated otherwise, the industry and market data and forecasts used throughout this Draft Prospectus has been obtained from industry sources as well as Government Publications. Industry sources as well as Government Publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Further, the extent to which the industry and market data presented in this Draft Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

FORWARD-LOOKING STATEMENTS

All statements contained in this Draft Prospectus that are not statements of historical fact constitute forward-looking statements. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements with respect to our business strategy, our revenue and profitability, our projects and other matters discussed in this Draft Prospectus regarding matters that are not historical facts. Investors can generally identify forward-looking statements by the use of terminology such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “may”, “will”, “will continue”, “will pursue”, “contemplate”, “future”, “goal”, “propose”, “will likely result”, “will seek to” or other words or phrases of similar import. All forward looking statements (whether made by us or any third party) are predictions and 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.

Further the actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the Engineering Industry in India where we have our businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and overseas which have an impact on our business activities or investments, the monetary and fiscal policies of India and other jurisdictions in which we operate, inflation, deflation, unanticipated volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence. Other important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Increased competition in Engineering Industry
- Our ability to successfully implement our growth strategy and expansion plans;
- Our ability to meet our further capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- Conflict of Interest with affiliated companies, the promoter group and other related parties
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in government policies and regulatory actions that apply to or affect our business.
- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The occurrence of natural disasters or calamities;
- Our inability to maintain or enhance our brand recognition;
- Inability to adequately protect our trademarks and
- Changes in consumer demand

For further discussions of factors that could cause our actual results to differ, please refer the section titled “*Risk Factors*”, chapters titled “*Our Business*” and “*Management’s Discussion and Analysis Report*” beginning on Page No. 15, 70 and 113 of this Draft Prospectus, respectively.

By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Forward-looking statements speak only as of this Draft Prospectus. Our Company, our Directors, the Lead Manager, and their respective affiliates or associates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI requirements, our Company and the Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading approvals by the Stock Exchange.

SECTION II - SUMMARY OF THE OFFER DOCUMENT

A. Summary of Business

Our Company is a world class manufacturer of Grey Cast Iron and Ductile Iron Machined Castings having a built-up manufacturing area of more than 20,000 Sq. Feet and workforce of 65. Our Company has fully integrated casting and machining operations run in environmentally friendly foundries and machine shops. Our specialization is in supplying intricate, cored and fully machined cast components in the weight range of 6-70 kg and in the volume range of 100-15,000 quantities per month to OEMs and system manufacturers.

B. Summary of Industry

The Indian Engineering sector has witnessed a remarkable growth over the last few years driven by increased investments in infrastructure and industrial production. The engineering sector, being closely associated with the manufacturing and infrastructure sectors, is of strategic importance to India's economy. The Government of India has appointed the Engineering Export Promotion Council (EEPC) as the apex body in charge of promotion of engineering goods, products and services from India. India exports transport equipment, capital goods, other machinery/equipment and light engineering products such as castings, forgings and fasteners to various countries of the world. The Indian engineering industry offers high growth potential areas as the industries which source semiconductors as inputs are themselves witnessing high demand.

C. Our Promoters

Our Company is promoted by Mr. Shital Adinath Ketkale and Mrs. Vaishali Shital Ketkale.

D. Size of the Issue

Equity Shares: Present Issue of Equity Shares by our Company	Upto 25,00,000 Equity Shares of Rs. 10/- each for cash at a price of Rs. [●] per share aggregating not more than 500.00 lakhs
Of which:	
Issue Reserved for the Market Maker	[●] Equity Shares of Rs. 10/- each for cash at a price of Rs. [●] per share aggregating Rs. [●] akhs
Net Issue to the Public	[●] Equity Shares of Rs. 10 each for cash at a price of Rs. [●] per share aggregating Rs. [●] lakhs
	Of Which:
	[●] Equity Shares of Rs. 10 each at a price of Rs. [●] per Equity Share will be available for allocation for Investors of up to Rs. 2.00 lakhs
	[●] Equity Shares of Rs. 10 each at a price of Rs. [●] per Equity Share will be available for allocation for Investors of above Rs. 2.00 lakhs

E. Object of the Issue

We intend to utilize the Net Proceeds of the Issue ("Net Proceeds") of Rs. [●] lakhs for financing the objects as set forth below:

(Rs. in lakhs)

Sr. No.	Particulars	Amount	% of Net proceeds
1.	Acquisitions and other strategic initiatives	250.00	[●]%
2.	Funding Working capital Requirements	147.00	[●]%
3.	General Corporate Purpose ⁽¹⁾	[●]	[●]%
Total		[●]	100.00%

For further details pertaining to Object of Issue, kindly refer to the chapter titled "*Object of the Issue*" beginning on Page No. 50 of this Draft Prospectus.

F. Shareholding of our Promoter and Promoter Group as a percentage of the paid-up share capital of the Company

Set forth is the shareholding of our Promoter and Promoter Group as a percentage of the paid-up share capital of the Company:

Category of Promoter	Pre Issue		Post Issue	
	No. of Shares	% of Pre-Issue Paid Up Capital	No. of Shares	% of Post-Issue Paid Up Capital
1. Promoters				
Mr. Shital Adinath Ketkale	21,42,611	40.77%	[●]	[●]
Mrs. Vaishali Shital Ketkale	28,69,626	54.60%	[●]	[●]
2. Promoter Group (as defined by SEBI (ICDR) Regulations)				
Mr. Sheetal Rajgonda Patil	2,43,329	4.63%	[●]	[●]
Mr. Chandraj Shital Ketkale	1	Negligible	[●]	[●]
Total Promoters & Promoter Group Holding	52,55,567	100.00%	[●]	[●]
Total Paid up Capital	52,55,570	100.00%	[●]	[●]

G. Summary of Restated Financial Statement

(Rs. in lakhs)

Particulars	For the period ended December 31, 2019	For the year ended March 31,		
		2019	2018	2017
Share Capital	525.56	525.56	290.80	290.80
Net Worth	734.59	651.48	309.44	276.32
Total Revenue	1686.34	1762.26	1089.13	850.90
Profit/(Loss) after Tax	83.11	79.11	33.12	(9.50)
Basic & Diluted EPS*	1.58	2.52	1.14	(0.35)
Net Asset Value Per Share (in Rs.) - based on actual no. of equity shares at the end of the year/period	13.98	12.40	106.41	95.02
Total borrowings	1327.26	1239.40	575.90	505.10

*After Split of Face Value of Shares from Rs. 100/- to Rs. 10/-

H. Except as mentioned below, there is no other Auditor's Qualifications in restated Financial Statements of the Company for nine months ended December 31, 2019:

"Company has not maintained the quantitative records of the Inventory therefore we are unable to quantify the impact of such limitation on valuation of Closing stock and opening stock. Any possible impact on financials Statement cannot be ascertained in the absence on quantitative records of the Inventory maintained by the Company."

I. Summary of Outstanding Litigation are as follows

(Rs. in Lakhs)

Sr. No.	Nature of Case	No. of Outstanding Cases	Amount in dispute / demanded to the extent quantifiable
1.	Litigations against our Company	7	1.23
2.	Litigations against our Directors/Promoters	11	1.96
3.	Litigations by our Directors/Promoters	4	-
4.	Litigations against our Group Entities	1	0.02
Total		23	3.21

For more details pertaining to litigations, please refer chapter titled "Outstanding litigations" beginning on Page No. 122 of this Draft Prospectus.

J. Investors should read chapter titled "Risk Factors" beginning on Page No. 15 of this Draft Prospectus to get a more informed view before making any investment decisions.

K. Summary of contingent liabilities

The details of contingent liabilities as indicated in our Restated Financial Statements and also certified by our statutory auditors were as follows:

(Rs. in lakhs)

Particulars	As at December 31, 2019	As at March 31,		
		2019	2018	2017
Contingent Liabilities	-	-	-	-
Claims against the company not acknowledged as debt	-	-	-	-
Guarantees	-	-	-	-
Other money for which the company is contingently liable	1.23	6.80	6.73	0.91
Total				

For further information, please refer Note in relation to “*Contingent Liabilities*” under chapter titled “*Financial Statements*” beginning on Page No. 110 of this Draft Prospectus.

L. Summary of related party transactions

(Rs. in lakhs)

Particulars	Key Management Personnel & Relatives				Associates / Enterprises			
	As at December 31, 2019	As at March 31,			As at December 31, 2019	As at March 31,		
		2019	2018	2017		2019	2018	2017
1. Finance								
Loan taken during the period	3.00	16.00	31.00	46.20	60.08	413.93	920.07	517.29
Repaid during the period	0.23	38.73	55.97	-	63.83	463.43	553.04	698.08
2. Conversion of Liability to Share Capital								
Loan	-	217.93	-	-	-	-	-	-
Remuneration	-	-	-	-	-	-	-	-
3. Money Received towards Share Capital (including premium)	-	23.33	-	24.00	-	-	-	-
4. Expenses								
Remuneration	6.00	8.00	8.00	-	-	-	-	-
Salary	6.01	3.85	-	-	-	-	-	-
5. Purchases	-	-	-	-	2497.12	1409.70	617.64	384.93
6. Sales	-	-	-	-	51.81	111.99	168.90	-
7. Outstanding								
Receivables	-	-	-	-	-	-	11.44	2.86

M. There are no financing arrangements whereby the Promoter Group, the Directors of our Company who are the Promoters of our Company, the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of 6 (six) months immediately preceding the date of this Draft Prospectus.

N. The weighted average price of acquisition of Equity Shares by our Promoters in last one year are:

Promoters and Promoter's Group	Weighted Average Cost (in Rs.)
Mr. Shital Adinath Ketkale	N.A.
Mrs. Vaishali Shital Ketkale	N.A.

O. The average cost of acquisition of Equity Shares by our Promoters are:

Promoters and Promoter's Group	Average Cost of Acquisition (in Rs.)
Mr. Shital Adinath Ketkale	11.20
Mrs. Vaishali Shital Ketkale	10.09

P. 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.

Q. Our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Draft Prospectus except as mentioned in the chapter titled "*Capital Structure*" beginning on Page No. 42 of this Draft Prospectus.

R. 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 III – RISK FACTORS

An investment in Equity Shares involves a high degree of financial risk. You should carefully consider all information in this Draft Prospectus, including the risks described below, before making an investment in our Equity Shares. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, as well as the other risks and uncertainties discussed in this Draft Prospectus, could have a material adverse effect on our business and could cause the trading price of our Equity Shares to decline and you may lose all or part of your investment. In addition, the risks set out in this Draft Prospectus are not exhaustive. Additional risks and uncertainties, whether known or unknown, may in the future have material adverse effect on our business, financial condition and results of operations, or which we currently deem immaterial, may arise or become material in the future. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with the sections entitled “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on Page Nos. 70 and 113 of this Draft Prospectus respectively as well as other financial and statistical information contained in this Draft Prospectus. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other risks mentioned herein.

This Draft Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including events described below and elsewhere in this Draft Prospectus. Unless otherwise stated, the financial information used in this section is derived from and should be read in conjunction with restated financial information of our Company prepared in accordance with the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, including the schedules, annexure and notes thereto.

Materiality

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

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

INTERNAL RISK FACTORS

1. ***Our Company, Directors and Group Entity are parties to certain legal proceedings. Any adverse decision in such proceeding may have a material adverse effect on our business, results of operations and financial condition.***

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

Sr. No.	Nature of Case	No. of Outstanding Cases	Amount in dispute / demanded to the extent quantifiable
1.	Litigations against our Company	7	1.23
2.	Litigations against our Directors/Promoters	10	1.96
3.	Litigations by our Directors/Promoters	4	-
4.	Litigations against our Group Entity	1	0.02
Total		22	3.21

For further details of these cases filed by and against our Company, Promoters, Directors, please refer the chapter titled “*Outstanding Litigations and Material Developments*” beginning on Page No. 122 of this Draft Prospectus.

2. *Any disruption in labour industry or strikes by our workforce may affect the production capability of our Company.*

Our factory is located in Hatkanangale (Kolhapur) and our manufacturing activities are labour intensive and expose us to the risk of various labour related issues. Further, our employees are part of trade unions. We cannot assure that labour unrest, strikes or lock-outs may not occur in the future. Any stoppages in the operation of our factory in the future may have an adverse impact on the revenues and operations of our Company also we cannot assure you that the memorandum settlement would be renewed on such terms that are economically beneficial or favorable to our Company. Any such event, at our current facilities or at any new facilities that we may commission or acquire in the future, may adversely affect our ability to operate our business and serve our customers and impair our market reputation, which may adversely impact our business and financial condition.

3. *Our products are being manufactured from our manufacturing facilities located in Hatkanangale, Kolhapur Only.*

We manufacture our products from our manufacturing facilities in Hatkanangale, Kolhapur which substantially caters to our domestic as well as international demand. Our Manufacturing unit is having a total area of more than 20,000 Sq. Feet. Any disruption in the operations due to supply of power, fire outages or industrial accidents at these units could hamper or delay our ability to continue production and servicing. Any disruption or suspension in the production process in this facility can significantly impact our ability to service customer needs and relation with our customers and have a material adverse effect on our business, revenues, reputation, results of operation and financial condition.

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

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

5. *Our Company procures its raw materials from a selected few suppliers for its raw material requirements. Any disruption in supply of raw materials from these suppliers will adversely affect our operations.*

We are dependent on a few suppliers for our raw materials. Our 10 largest suppliers accounted for about 99.78% of our total purchase for nine (9) months period ended December 31, 2019. Our major suppliers are Shahu Raje M.A.S. Sanstha Maryadit, Sanmati CNC Engineering Work (Proprietor – Mr. Shital Ketkale), Ravichandra Mahila Magasvargiya Aud. Sah. Sanstha, Sanmati Value Marketing Private Limited, Arrow Metalliks, Quality Profile, Shree Kalika Industries, Shree Mahalaxmi Papers, Upasna Engineering and Delton Diesels Engg. (P) Limited. We do not have long term arrangements with any of our suppliers to purchase our raw materials in the future, at the current prices or at all. While we believe that we can find additional vendors to supply raw materials, any failure of our existing supplier to deliver these raw materials in the desired quantities or to adhere to delivery schedules or specified quality standards and technical specifications would adversely affect our production schedule and our ability to deliver orders on time and at the desired level of quality. This may have negative impact on our reputation, profitability and results of operations.

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

Presently, we supply machined components to few companies and our business is largely dependent on such companies. Our 10 largest customers accounted for about 99.44% of our total revenue for nine (9) months period ended December 31, 2019. Our major customers include Kirloskar Oil Engines Limited, V.S.T. Tillers Tractors Limited, JCB India Limited, Rieter India Private Limited, Shahu Raje M.A.S. Sanstha Maryadit, Rangoli Enterprises, Kirloskar Pneumatic Co. Limited, Pako Engineering Services, Klaus Union Engg. India Private Limited and Jass Automotive India Private Limited. We do not have any long term arrangements with our customers to purchase our products in the future, at the current prices or at all. The loss of a major customer and/or

reduction in any of our key customers' sales, resulting in lower demand for our products and any material delay, cancellation or reduction of orders from any of our key customers would materially affect our business and financial condition. There is no assurance that we will be able to maintain historic levels of business from all the existing customers or to retain all the existing customers, or that we will be able to replace our customer base in a timely manner or at all. In the event our existing customers do not continue to purchase our products, it may affect our revenues and the financial condition of our Company.

7. *Our financial condition could be affected if any of the customers of the Company does not honor the payment terms, makes any delay or default in the outstanding payments.*

Our Company derives a significant portion of income from a limited number of customers. The percentage of sales derived from our company's top 10 customers is ₹ 1675.07 Lacs which are approximately 99.44% of our total sales for nine (9) months period ended December 31, 2019. Thus, we are exposed to payment delays and/or defaults by our customers and our financial position and financial performance are dependent on the creditworthiness of our customers. There is no guarantee that all or any of our customers will honor their outstanding amounts in time and whether they will be able to fulfill their obligations, due to any financial difficulties, cash flow difficulties, deterioration in their business performance, or a downturn in the global economy. If such events or circumstances occur from all or any of our major customer, our financial performance and our operating cash flows may be adversely affected.

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

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

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

Our manufacturing process requires a substantial amount of electricity and we depend mainly on external electricity supply for our power. While we have not been affected in the past by any major power interruptions, in the event there is disruption of power supply from the electricity provider, the same could result in an increase in the cost of power and disruption of our manufacturing process which may adversely affect our results of operations.

10. *We are subject to strict quality requirements, customer inspections and audits, and any failure to comply with quality standards may lead to cancellation of existing and future orders and could negatively impact our reputation and our business and results of operations and prospects.*

We specialize in manufacturing precision machined components for agriculture & its ancillary industries based on technical specifications and designs provided by our customers. Given the nature of our products and the sector in which we operate, we believe that our customers have high standards for product quality and delivery schedules. Adherence to quality standards is a critical factor as a defect in precision machined components manufactured by our Company or failure to comply with the design specifications of our customers may, in turn, lead to the manufacture of faulty products by our OEM and other customers. This may lead to cancellation of supply orders or non-renewal of contracts by our customers. The use of our components, often under extreme conditions, carries an inherent risk of product liability claims arising from personal injury, death or property damage due to equipment failure, work accidents, fire or explosion, if our components are defective or are used incorrectly by our customers (or by their customers, who are the end-users).

Further, any failure to make timely deliveries of products as per our customers' requirements could result in cancellation or non-renewal of purchase orders. While we have put in place strict quality control procedures, we cannot assure you that our products will always be able to satisfy our customers' quality standards. Our quality control procedures may fail to test for all possible conditions of use or identify all defects in the design, engineering or specifications of the components. Any such failure to identify defects could require us to undertake service actions or component recalls. Any defect in our Company's components could also result in customer claims for damages. Any negative publicity regarding our Company, or our products could adversely affect our reputation, our operations and our results from operations.

11. Our inability to successfully diversify our product offerings may adversely affect our growth and negatively impact our profitability.

Presently, we primarily manufacture precision machined components for the agriculture & and its ancillary industries. We intend to diversify and expand our business operations in accordance with the evolving needs of our customers and our industry. We cannot assure you that the transition of our manufacturing facilities and resources to fulfill production under new product programs will not impact production rates or other operational efficiency measures at our facilities. Further, we cannot assure you that we will succeed in effectively implementing the new technology required in manufacturing new products or that we will be able to recover our investments. Any failure in the development or implementation of our operations is likely to adversely affect our business, results of operations and cash flows.

Venturing into a new product line may require methods of operations and marketing and financial strategies, different from those currently employed in our Company. We cannot assure you that we will be able to successfully develop our new product lines. Further, we will be subject to the risks generally associated with new product introductions and applications, including unproven know-how, unreliable technology, inexperienced staff, delays in product development and possible defects in products.

12. There have been some instances of delays/incorrect data filings with certain statutory authorities. If the authorities impose monetary penalties on us or take certain punitive actions against our Company in relation to the same, our business, financial condition and results of operations could be adversely affected.

In the past, there have been some instances of delay filings or incorrect data filings or delays in filing statutory forms with the ROC, which have subsequently been filed along with the payment of additional fees, as specified under the Companies Act, 1956 or 2013 as the case may be. Except as mentioned in this Draft Prospectus, till date, there has been no penalty levied on our Company for such delays/defaults. However, it cannot be assured that even in future no such penalty will be levied. Therefore, if the authorities impose monetary penalties on us or take certain punitive actions against our Company or its Directors / Officers in relation to the same, our business, financial condition and results of operations could be adversely affected.

While our Company has paid the requisite late fees as prescribed under the applicable company law at the time of the delayed filing, there can be no assurance that the concerned authorities will not impose any penalties/fines on our Company in this regard.

13. Our Company may not have complied with certain statutory provisions under the Companies Act. Such non-compliances/ lapses may attract penalties.

Our Company may not have complied with certain statutory provisions under the Companies Act, 2013. No show cause notice in respect of such non-compliances has been received by the Company till date. However, any penalty imposed for such non-compliances in future by any statutory authority may affect our financials to the extent. Such non-compliance may in the future render us liable to statutory penalties and disallowing the resolutions, which may have consequence of violation of statutory provisions concerned.

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

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

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

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

- 16. *We are subject to risks arising from foreign exchange rate fluctuations, which could adversely affect our financial condition.***

We generally import machineries from foreign supplier. Since the cost of these machines is denominated in foreign currency, our inability to hedge foreign exchange risk could adversely affect our financial condition and operations. We currently have not entered into any hedging transactions and may not assure you that we will be able to enter into any such hedging contracts or other financial arrangements on commercially reasonable terms, or that any of such agreements will protect us fully against our foreign currency risk. Any fluctuation in values of foreign currency may have an adverse effect on our business, prospects, financial condition and results of operations.

- 17. *There can be a potential conflict of interest owing to common business objects between our Company and our Group Company(ies) / Entities.***

Some of our Group Company(ies) / Entities have some of the objects similar to that of our Company's business. Some of our directors are on the board of directors of our Group Company(ies) / Entities and have equity interest or investments in our Group Company(ies) / Entities that may offer services that are related to our business. As a result, a conflict of interest may arise in addressing business opportunities and strategies and implementing new plans. Presently we do not have any non-compete agreement/arrangement with our Group Company(ies) / Entities.

- 18. *Our Group Companies have incurred losses in few of preceding financial years.***

Sustained financial losses by our Group Companies may not be perceived positively by external parties such as customers, bankers, suppliers etc., which may affect credibility and business operations of our Group Companies.

There can be no assurance that our Group Companies will not incur losses in any future periods, or that there will not be an adverse effect on its reputation or business as a result of such losses. For more details related to financial status of our Group Companies, please refer chapter titled "Our Group Company" beginning on Page No. 104 of this Draft Prospectus.

- 19. *Some of our Group Companies share properties taken on lease by us. Any unexpected activity or claim on such property in future which might affect our business.***

Some of our group companies share our leased properties for their regular operations which affect our operations and sole control over the property in future. This kind of event might affect our manufacturing process, operations and business in the future. For more details, please refer chapter titled "Our Business" beginning on Page No. 70 of this Draft Prospectus.

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

The success of our operations will depend on, inter-alia, our ability to source raw materials at competitive prices. The principal raw materials used by us is ferrous as well as non-ferrous castings, in addition to this we also manufacture components from bars and forgings. We procure these castings from various suppliers in the industry and are approved by our customers. Change in cost and availability of such raw materials for any reason, including change in the approved suppliers, change in law or applicable governmental policies relating to imports, would adversely affect our business, financial condition, results of operations and prospects. Presently, we have not entered into any firm arrangement for purchase of our raw material. Historically, we have not encountered any problems in sourcing our raw materials. However, we cannot assure you about the same in future and that we may be unable to procure raw material in time or in the required quantities or may have to procure it at a higher price, which may adversely affect our results of operations and financial performance.

21. *Any slowdown in the agriculture and its ancillary industries can impact our business, results of operations, financial condition and cash flows.*

The products manufactured by our Company are majorly supplied to agriculture and its ancillary industries. Thus, the performance of our Company is heavily dependent on the performance and market trends of agriculture and its ancillary industries. For details of our Industry and products manufactured by us, please refer to the chapter titled “Our Industry” and “Our Business” beginning on Page Nos. 62 and 70 respectively of this Draft Prospectus. There exist a strong relationship between engineering industry and agriculture and its ancillary industries. Performance of agriculture and its ancillary industries will affect the performance of engineering industry which may affect our operation and may prove detrimental to our growth. Also, any economic slowdown in the manufacturing and sales, both globally and in regions, in which we operate, may significantly affect our revenues and our growth prospects.

22. *Our operational flexibility may be limited in certain respects on account of our obligations under some of our major customer and other agreements.*

Our pricing terms, production and payment cycles and permitted adjustments are generally set out in advance in our customer contracts or purchase orders and our customers are generally permitted a high level of discretion under the terms of such agreements. Due to committed delivery schedules at a pre-agreed price, we may, in certain events, incur additional costs that we are unable to pass through to our customers or be required to write off certain expenses.

Our customers reserve the right at any time to direct changes, or cause us to make changes, to drawings and specifications of the goods or to otherwise change the scope of the work covered by our contract. Price and time for performance resulting from such changes are equitably adjusted by our customers based on supply of documentation in such form and detail as required by them. Consequently, we are exposed to the risk that our submissions or requests as to price adjustments or delivery schedules or otherwise may not be agreed to by our customers or our customers may not accede to provide consents sought by us. Any such significant operational constraint may adversely affect our business, financial condition, results of operations and cash flows.

We are also bound by confidentiality obligations under non-disclosure agreements with our customers to protect their intellectual property, including in relation to technical data such as product designs and specifications that may have been shared with us by our customers. While we believe that we have internal controls in place to ensure that there is no breach of confidentiality obligations and believe that there have not been any breaches of any such confidentiality obligations in the past, an inadvertent breach or any misuse of intellectual property or proprietary data in the future by any of our employees may expose us to onerous infringement claims and may diminish our goodwill and reputation among our customers, suppliers, lenders, investors and the public, making it difficult for us to operate our business and compete effectively.

23. *The success of the components manufactured by us depends on the success of the end product of our customer. Reduction in sales of the products of our customer, or defects in our customers’ products which may be attributable to us, may adversely affect our business, financial condition, results of operations and prospects.*

The success of our business depends on the success of the products of our customers, and the demand for our products is directly related to the production and sales products manufactured by our customers. The production and sales volumes of our customers may be affected by a number of factors such as change in economic or industry conditions, change in regulatory requirements, government initiatives, products becoming obsolete or being phased out. Any decline in the demand for our customers’ products may adversely affect the sales of our components to our customers and in turn may adversely affect our business, financial condition, results of operations and prospects. Further, any defect in our customers’ products, which may be attributable to us, directly or indirectly, may also adversely affect our financial condition and prospects.

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

Our revenues and profits are dependent on several factors such as retaining our key managerial personnel, our compliance with laws, managing costs and expenses, maintaining adequate inventory levels and general market conditions. Any adverse change in these factors or a combination of these factors may adversely affect our

business operations and the financial condition. Further, our ability to pay dividends will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures, lender's approvals and other factors. Therefore, although, we have consistently maintained the profit levels and reserves, there can be no assurance that we shall have distributable funds or that we will declare dividends.

25. *We are subject to various laws and regulations, including environmental, health and safety laws. Failure to obtain, renew or comply with necessary regulatory approvals and licenses may result in an adverse effect on our financial condition.*

Our business and operations are subject to government regulations including in relation to the protection of environment and occupational health and safety, and those governing the generation, transportation and disposal of, environmental pollutants or hazardous materials. For instance, we have applied for renewal of license under the Factories Act, in order to operate our manufacturing facility at Plot No. 108, 109, 110, 112, 113, Shri Laxmi Co-op Industrial Estate, Hatkanangle, Kolhapur, Maharashtra – 416 115, which is pending for approval from the concerned authority.

In addition, we are subject to the terms and conditions stipulated under the approvals or licenses held by us, including the obligation to renew the approval or license at regular intervals. While we are not aware of any instances in the past where we have not complied with any such terms or conditions, we cannot assure you that we may not be subject to a non-compliance in the future which may lead to, amongst other things, suspension, cancellation, modification or revocation of our existing approvals or licenses. If we fail to obtain or comply with such laws and regulations, or the conditions of the licenses or approvals obtain by us, we could be subject to significant fines, penalties, costs, liabilities or restrictions on operations, which could negatively affect our financial condition. Environmental and occupational health and safety laws and regulations and the interpretation and enforcement thereof are subject to change and have tended to become stricter over time, in India and internationally. While we are not aware of any outstanding material claims or obligations, we may incur substantial costs, as a result of any violation of environmental or health and safety laws or non-compliance with permits required for our facilities, which, as a result, may have an adverse effect on our business and financial condition. For more information on the approvals and licenses obtained by the Company please refer chapters titled “Key Industry Regulations and Policies” and “Government and Other Approvals” beginning on Page Nos. 78 and 129 respectively of this Draft Prospectus.

26. *Unavailability of some documents and information pertaining to Outstanding Litigations and Defaults involving our Directors or Group Companies may have adverse impact on our business and reputation.*

Mr. Pandurang Tukaram Kumbhar, one of our Independent Director has not provided us any documents related to a litigation filed against him before the Hon'ble Civil Court, Ichalkaranji under Section 12 of The Protection of Women from Domestic Violence Act, 2005 by Sou. Sandhyarani Sashikant Kumbhar. The said matter being litigation in personal nature against Mr. Kumbhar may have no effect on the operations and financial position of our Company, however any judgement or order against Mr. Kumbhar in future may affect our management.

Further to above mentioned, our Group Companies namely Mahabeema Bamboo Producer Company Limited and Sanmati Value Marketing Private Limited have not applied for TAN due to which TDS returns have not been filed and the status is also unavailable. There can be no assurances that there will not be any action from concerned authority over such non-compliance or that there is no default with respect to TAN and TDS. Any such penalty for non-compliance levied or defaults which may be found later may lead to severe loss to financial position and operations of our Group Companies and also loss to reputation of our Company/Promoters.

27. *No assurance that any past defaults of the Group Companies are not appearing in the CIBIL Reports.*

There is no assurance that the Group Companies of our Company has not defaulted in the past which might appear in their CIBIL reports. Due to a technical glitch/error, the CIBIL reports of the following could not be generated:

- Mahabeema Bamboo Producer Company Limited (Group Company); and
- Sanmati Value Marketing Private Limited (Group Company).

The aforementioned Group Companies has given an undertaking to the effect that there has not been any default including any willful default on their part and also that the CIBIL search has been done for the Group Companies on TransUnion CIBIL website for any loan defaults of more than Rs. 25 lakhs, wherein no defaults has been found against the above-mentioned Group Companies. However there can be no assurances that there are no such

defaults showing in their respective CIBIL reports. Any such defaults appearing in CIBIL websites which may be found later may lead to loss in the reputation of our Company/Promoters/Group Companies which may impact our operations and financial position in future.

28. *Our indebtedness and failure to comply with financial and other restrictive covenants imposed on us under our financing agreements may adversely affect our ability to conduct our business and operations.*

Our company have huge amount of indebtedness including secured and unsecured borrowings. In case we are not able to pay our dues in time, the same could adversely impact our operations. For more information regarding the borrowings, please refer the chapter titled “*Financials Statements*” beginning on Page No. 110 of this Draft Prospectus. Further, in event of default on the debt obligations, the security or personal guarantees may be invoked thereby adversely affecting the ability of our Promoters and Directors to manage the affairs of our Company and consequently impact our business, prospects, financial condition and results of operations. Any failure to comply with any requirement or other condition or covenant under our financing agreements, may lead to a termination of our credit facilities, acceleration of all amounts due under the said credit facility and may adversely affect our ability to conduct our business and operations or implement our business plans. Further, the said credit facilities can be renewed/enhanced/cancelled/suspended/reduced and the terms and conditions of the same can be altered by the lender, at its discretion. In the event the lender refuses to renew/enhance the credit facilities and/or cancels/suspends/reduces the said credit facilities and/or alters the terms and conditions to the derogation of our Company, our existing operations as well as proposed expansion may be severely affected. Consequently, it would have a bearing on the financial condition of the Company.

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

We have in the course of our business entered into, and will continue to enter into, transactions with related parties. Our Company has entered into several related party transactions with our related parties. For more information regarding our related party transactions, refer chapter titled “*Financial Statements – Related Party Transactions*” beginning on Page No. 110 of this Draft Prospectus. We cannot assure you that we will receive similar terms in our related party transactions in the future. While we believe that all of our related party transactions are in compliance with applicable law, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. Further, the Companies Act, 2013 has brought into effect significant changes to the Indian company law framework including specific compliance requirements such as obtaining prior approval from audit committee, board of directors and shareholders for certain related party transactions. We cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on our reputation, cash flows, business, results of operations and financial condition.

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

As on December 31, 2019, our Company has availed of unsecured loans aggregating to Rs. 178.97 Lacs from our Members, relatives of promoters and Banks which are repayable on demand. We do not have formal agreement with some of our lenders. For more information regarding the unsecured loans, please refer the chapter titled “*Financial Statements*” beginning on Page No. 110 of this Draft Prospectus. Any demand from the lenders for repayment of such unsecured loans may adversely affect the financial condition and result of operations of our Company.

31. *We do not have certain supporting documents for the educational qualification and experience certificates included as part of the profile of promoters and directors included in the section “Our Management” and “Our Promoters and Promoter Group” of this Draft Prospectus.*

We do not have certain documents supporting the educational qualification of our Promoter & Directors and experience certificates of our directors included as part of profile of the promoters and directors as disclosed in the chapters titled “*Our Management*” and “*Our Promoters and Promoter Group*” beginning on Page Nos. 90 and 100 respectively of this Draft Prospectus. Such information included in the Draft Prospectus is based on the details provided by an affidavit and declaration provided by the promoters and directors, certifying such information. Therefore, we cannot assure you that such information relating to the educational background and experience certificates of our Promoters and directors are complete, true and accurate.

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

Our Industry is fragmented consisting of large established players and small niche players. We compete with organized as well as unorganized sector on the basis of availability of product, product quality and product range. Further, there are no entry barriers in this industry and any expansion in capacity of existing manufacturers would further intensify competition.

33. *If we fail to maintain an effective system of internal controls, we may not be able to successfully manage or accurately report our financial risks.*

Effective internal controls are necessary for us to prepare reliable financial reports and effectively avoid fraud. Moreover, any internal controls that we may implement, or our level of compliance with such controls, may deteriorate over time, due to evolving business conditions. There can be no assurance that additional deficiencies in our internal controls will not arise in the future, or that we will be able to implement and continue to maintain adequate measures to rectify or mitigate any such deficiencies in our internal controls.

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

Upon completion of the issue, our Promoters and Promoter Group will own [●] % of the post-issue Equity Share capital of the Company. As a result, the Promoters and Promoter Group will have the ability to exercise significant influence over all matters requiring shareholders' approval, including the election of directors and approval of significant corporate transactions. The Promoters and Promoter Group will also have an effective veto power with respect to any shareholder action or approval requiring a majority vote. Such concentration of ownership may also have the effect of delaying, preventing or deterring a change in control. For further details of Promoters' shareholding, please refer chapter titled "Capital Structure" beginning on Page No. 42 of this Draft Prospectus.

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


Our Promoters hold Equity Shares in our Company and are also directors of the Company and may be deemed to be interested to the extent of any remuneration, fees and dividend payable to them and other distributions in respect of the Equity Shares. Further, some of our Promoters have also given certain unsecured loans to the Company and is entitled to receive interest therefrom. For further details, please refer chapters titled "Our Management" and "Financial Statements – Related Party Transactions" beginning on Page Nos. 90 and 110 respectively of this Draft Prospectus.

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

Our revenues are dependent on several factors such as, ability to attract fresh talent in the industry and general market conditions. For further details please refer chapter titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on Page No. 113 of this Draft Prospectus. The combination of these factors may result in significant variations in revenues and profits and as a result of the same year on year results may not be comparable and should not be relied upon as indicative of future performance. Any significant shortfall in revenue may have an adverse effect on our business, operating results and financial condition.

37. *Trademark of our logo is not registered with Company. There is no assurance that the Trademark of the Company Name and logo will remain with the Company only and failure to retain our intellectual property may adversely affect our reputation, goodwill and business operations.*



Our corporate name and logo  has not been registered in the name of Company as the same has been registered by our Promoter – Mr. Shital Ketkale. The Company has obtained No Objection Certificate (NOC) from Mr. Shital Ketkale to use such trademark for operational purpose. However, Mr. Shital Ketkale may by advance notice revoke the consent and prevent the Company to use such trademark for any purpose, which may have an adverse effect on our business, results of operations and financial condition. This situation might also lead to our Company losing business to other competitors and might adversely affect our goodwill.

Maintaining the reputation of our brands, corporate name, logo and the goodwill associated with the trademark is critical to our success. Substantial erosion in the value of our brand name could have a material adverse effect on our business, financial condition, results of operations and prospects. For further details please refer chapter titled “Government and Other Approvals” beginning on Page No. 129 of this Draft Prospectus.

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

Our business involves manufacturing processes that can be potentially dangerous to our employees. An accident may result in loss of life, destruction of property or equipment, manufacturing or delivery delays, or may lead to suspension of our operations and/or imposition of liabilities.

While we believe we may maintain adequate insurance, interruptions in production as a result of an accident may also increase our costs and reduce our revenue, and may require us to make substantial capital expenditures to remedy the situation or to defend litigation that we or our senior management may become involved in as a result, which may negatively affect our profitability, business, financial condition, results of operations and prospects. Any negative publicity associated therewith, may have a negative effect on our business, financial condition, results of operations and prospects.

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

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

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

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

41. *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.

42. *If more stringent labour laws or other industry standards in India become applicable to us, our profitability may be adversely affected.*

As a manufacturing company, we are subject to a number of stringent labour laws which protect the interests of workers, including in relation to dispute resolution, employee removal, pending payments and legislation that imposes financial obligations on employers upon retrenchment. We are also subject to state and local laws and regulations, governing our relationships with our employees, including those relating to minimum wage, bonus, gratuity, overtime, working conditions, recruitment and termination of employment, nondiscrimination, work permits and employee benefits.

Further, the Government has proposed various amendments to the labour law regime in India in the shape of the Factories (Amendment) Bill, 2014, the Child Labour (Prevention and Regulation) Amendment Bill, 2012, and the Small Factories (Regulation of Employment and Conditions of Services) Bill, 2014. The notification and subsequent implementation of these amendments may create uncertainty in the extant labour law regime in India and may have an adverse impact on our business operations.

Further, stringent labour laws will ensure difficulty in maintaining flexible human resource policies, and working environment, which could have an adverse effect on our business, financial condition, results of operations and cash flows.

43. *Breakdown of machinery and/or equipment used for the purpose of manufacturing process.*

Any breakdown or defect in the machinery and/or the equipment used for the purpose of our manufacturing process may delay the production process as a whole and result in missing deadlines in delivery of product if we are able to repair the machines or replace it within relevant timelines. Any such delays may have an adverse affect on the business of the Company.

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

Neither Lead Manager nor we have independently verified the data obtained from the official and industry publications and other sources referred in this Draft Prospectus and therefore, while we believe them to be true, there can be no assurance that they are complete or reliable. Such data may also be produced on different bases from those used in the industry publications we have referenced. The discussion of matters relating to India, its economy and our industry in this Draft Prospectus are subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete or unreliable. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data or report and do not take responsibility for any errors or omissions or for the results obtained from using their data or report. Accordingly, investors should not place undue reliance on, or base their investment decision on this information, refer chapter titled “Our Industry” beginning on Page No. 62 of this Draft Prospectus.

RISK RELATING TO OBJECTS OF THE OFFER

45. *The requirement of funds in relation to the objects of the Issue has not been appraised includes utilisation for general corporate purposes and is based on management estimates. We may have to revise our management estimates from time to time and which may affect our funding requirements.*

We intend to use the net proceeds of the Issue for the purposes described in the section titled “Objects of the Issue” beginning on Page No. 50 of this Draft Prospectus. The objects of the Issue have not been appraised by any bank or financial institution. These estimates are based on current conditions and are subject to changes in external circumstances or costs, or in other financial condition, business or strategy, as discussed further below and are based on management estimates. Based on the competitive nature of the industry, we may have to revise our management estimates from time to time and consequently our funding requirements may also change.

46. *The deployment of funds to be raised from the present Issue of shares is at our discretion and no independent agency has been appointed to monitor its deployment.*

Deployment of funds proposed to be raised from the present Issue of shares towards the objects of the Issue is entirely at the discretion of our Board of Directors and is not subject to monitoring by external independent agency. However, the deployment of funds towards the object of the Issue will be monitored by our audit committee and our Company shall inform about material deviations in the utilization of Issue proceeds, if any, to the stock exchange and provide the details in the balance sheet about the same.

- 47. *Portion of our Issue Proceeds are proposed to be utilized for general corporate purposes which constitute [●] % of the Issue Proceed. As on date we have not identified the use of such funds.***

Portion of our Issue Proceeds are proposed to be utilized for general corporate purposes which constitute [●]% of the Issue Proceed. We have not identified the general corporate purposes for which these funds may be utilized. The deployment of such funds is entirely at the discretion of our management in accordance with policies established by our Board of Directors from time to time and subject to compliance with the necessary provisions of the Companies Act.

RISK RELATING TO EQUITY SHARES

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

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

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

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

1. Our dependence on limited number of customers for a significant portion of our revenues;
2. Any failure to comply with the financial and restrictive covenants under our financing arrangements;
3. Our exposure to risks associated with fluctuations in foreign exchange rates;
4. Our ability to retain and hire key employees or maintain good relations with our workforce;
5. Impact of any reduction in sales of the products of our customers or defects in our customers' products;
6. Realization of Contingent Liabilities, if any;
7. Any disruption in labour industry or strikes by our workforce may affect the production capability;
8. Increased competition in industries/sector in which we operate;
9. General economic and business conditions in India and in the markets in which we operate and in the local, regional and national economies;
10. Changes in laws and regulations relating to the Sectors in which we operate;
11. Political instability or changes in the Government in India or in the government of the states where we operate could cause us significant adverse effects;
12. Any adverse outcome in the legal proceedings in which we are involved;
13. Failure to obtain any applicable approvals, licenses, registrations and permits in a timely manner;
14. Occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition and
15. Our inability to successfully diversify our product offerings may adversely affect our growth and negatively impact our profitability.

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

- 50. *The Issue price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue and the market price of our Equity Shares may decline below the Issue Price and you may not be able to sell your Equity Shares at or above the Issue Price.***

The Issue Price of our Equity Shares has been determined by the management and the lead manager on numerous factors and may not be indicative of the market price of our Equity Shares after the Issue. For further information please refer the chapter titled “*Basis for Issue Price*” beginning on Page No. 56 of this Draft Prospectus. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Amongst the factors that could affect our share price are:

- Quarterly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;
- Changes in revenue or earnings estimates or publication of research reports by analysts;
- Speculation in the press or investment community;
- General market conditions; and
- Changes in economic, legal and regulatory factors (both domestic and international) unrelated to our performance such as global recession, imposition of trade / non-trade barriers and sanctions etc.

51. There is no guarantee that the Equity Shares issued pursuant to the Issue will be listed on the EMERGE Platform of NSE in a timely manner, or at all.

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

EXTERNAL RISKS

Industry Risks

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

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

53. Malpractices by some players in the industry affect overall performance of emerging Companies.

The industry in which our Company operates is subject to risk associated with unethical business practices such as unethical marketing, dishonest advertising, questionable pricing practices, inaccurate claims with regards to safety and efficacy of the product etc. Consumers’ attitude toward the industry today is dominated by a sense of mistrust, paving a way for regulators for stricter entry barriers and introduction of code of conducts; making the entire industry environment regulated and controlled. Malpractices by some players in the industry affects the overall performance of the emerging Companies like our as the industry norms are applicable to all at parity. Any unethical business practices by any industry player or intermediary may impact our business and results of operations.

Other Risks

54. Significant differences exist between Indian GAAP and other accounting principles, such as US GAAP and IFRS, which may be material to investors’ assessments of Our Company’s financial condition. Our failure to successfully adopt IFRS may have an adverse effect on the price of our Equity Shares. The proposed adoption of IFRS could result in our financial condition and results of operations appearing materially different than under Indian GAAP.

Our financial statements, including the financial statements provided in this Draft Prospectus, are prepared in accordance with Indian GAAP. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Draft Prospectus, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Indian GAAP. For details,

refer chapter titled “*Certain Conventions, Presentation of Financial, Industry and Market Data*” beginning on Page No. 9 of this Draft Prospectus. 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 practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Prospectus should accordingly be limited

India has decided to adopt the “Convergence of its existing standards with IFRS” and not the “International Financial Reporting Standards” (“IFRS”), which was announced by the MCA, through the press note dated January 22, 2010. These “IFRS based / synchronized Accounting Standards” are referred to in India as IND (AS). Public companies in India, including our Company, may be required to prepare annual and interim financial statements under IND (AS). The MCA, through a press release dated February 25, 2011, announced that it will implement the converged accounting standards in a phased manner after various issues, including tax related issues, are resolved. Further, MCA Notification dated February 16, 2015, has provided an exemption to the Companies proposing to list their shares on the SME Exchange as per Chapter IX of the SEBI ICDR Regulations and hence the adoption of IND (AS) by a SME exchange listed Company is voluntary. Accordingly, we have made no attempt to quantify or identify the impact of the differences between Indian GAAP and IFRS or to quantify the impact of the difference between Indian GAAP and IFRS as applied to its financial statements. There can be no assurance that the adoption of IND-AS will not affect our reported results of operations or financial condition. Any failure to successfully adopt IND-AS may have an adverse effect on the trading price of our Equity Shares. Currently, it is not possible to quantify whether our financial results will vary significantly due to the convergence to IND (AS), given that the accounting principles laid down in the IND (AS) are to be applied to transactions and balances carried in books of accounts as on the date of the applicability of the converged standards (i.e., IND (AS)) and for future periods.

Moreover, if we volunteer for transition to IND (AS) reporting, the same may be hampered by increasing competition and increased costs for the relatively small number of IND (AS)-experienced accounting personnel available as more Indian companies begin to prepare IND (AS) financial statements. Any of these factors relating to the use of converged Indian Accounting Standards may adversely affect our financial condition.

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

Under the Income-tax Act, 1961, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India except any gain realised on the sale of shares on a Stock Exchange held for more than 12 months will not be subject to capital gains tax in India if the Securities Transaction Tax (“STT”) has been paid on the transaction. The STT will be levied on and collected by an Indian Stock Exchange on which equity shares are sold. Any gain realised on the sale of shares held for more than 12 months to an Indian resident, which are sold other than on a recognised Stock Exchange and as a result of which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realised on the sale of shares on a Stock Exchange held for a period of 12 months or less will be subject to short term capital gains tax. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to short term capital gains tax at a relatively higher rate as compared to the transaction where STT has been paid in India.

In Finance Bill 2017, Section 10(38) was amended to provide that exemption under this section for income arising on transfer of equity share acquired on or after 1st day of October, 2004 shall be available only if the acquisition of share is chargeable to STT under Chapter VII of the Finance (No 2) Act, 2004. In this case, this provision becomes effective, sale shares acquired on or after 1st day of October, 2004 on which STT was not charged will attract tax under provisions of Long Term Capital Gains.

As per Finance Bill 2018, exemption under section 10(38) for income arising from long term gains on transfer of equity share shall not be available on or after 1st day of April, 2018 if the long term capital gains exceeds Rs.1,00,000/- p.a. Such income arising from long term gains on transfer of equity share on or after 1st day of April, 2018 in excess of Rs.1,00,000/- p.a. shall be chargeable at the rate of 10%.

Capital gains arising from the sale of shares will be exempt from taxation in India in cases where an exemption is provided under a tax treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of the shares subject to relief available under the applicable tax treaty or under the laws of their own jurisdiction.

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

Our business and financial performance could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. Please refer to chapter titled “*Key Industry Regulations and Policies*” beginning on Page No. 78 of this Draft Prospectus for details of the laws currently applicable to us. There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of 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 applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

GST has been implemented with effect from July 1, 2017 and has replaced the indirect taxes on goods and services such as central excise duty, service tax, central sales tax, state VAT and surcharge currently being collected by the central and state governments. The GST is expected to increase tax incidence and administrative compliance. 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 future amendments may affect our overall tax efficiency, and may result in significant additional taxes becoming payable.

Further, the general anti avoidance rules (“GAAR”) provisions have been made effective from assessment year 2018-19 onwards, i.e.; financial Year 2017-18 onwards and the same may get triggered once transactions are undertaken to avoid tax. The consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences.

In the absence of any precedents on the subject, the application of these provisions is uncertain. The application of various Indian tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. If such tax laws, rules and regulations are amended, new adverse laws, rules or regulations are adopted or current laws are interpreted adversely to our interests, the results could increase our tax payments (prospectively or retrospectively) and/or subject us to penalties. Further, changes in capital gains tax or tax on capital market transactions or sale of shares could affect investor returns. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance.

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

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

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

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

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

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

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

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

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

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing may be available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of our Equity Shares.

62. *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.

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

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Incidents such as the terrorist attacks, other incidents such as those in US, Indonesia, Madrid and London, and other acts of violence may adversely affect the Indian stock markets where our Equity Shares will trade as well the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our Company's business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

SECTION IV – INTRODUCTION

THE ISSUE

PRESENT ISSUE IN TERMS OF THIS DRAFT PROSPECTUS:

Equity Shares⁽¹⁾: Present Issue of Equity Shares by our Company ⁽²⁾	Upto 25,00,000 Equity Shares of Rs. 10 each for cash at a price of Rs. [●] per share aggregating not more than Rs. [●] lakhs
Of which:	
Issue Reserved for the Market Maker	[●] Equity Shares of Rs. 10 each for cash at a price of Rs. [●] per share aggregating Rs. [●] lakhs
Net Issue to the Public	[●] Equity Shares of Rs. 10 each for cash at a price of Rs. [●] per share aggregating Rs. [●] lakhs
	Of Which⁽³⁾:
	[●] Equity Shares of Rs. 10 each at a price of Rs. [●] per Equity Share will be available for allocation for Investors of up to Rs. 2.00 lakhs
	[●] Equity Shares of Rs. 10 each at a price of Rs. [●] per Equity Share will be available for allocation for Investors of above Rs. 2.00 lakhs
Equity Shares outstanding prior to the Issue	52,55,570 Equity Shares
Equity Shares outstanding after the Issue	[●] Equity Shares
Objects of the Issue	Please refer chapter titled “ <i>Objects of the Issue</i> ” beginning on Page No. 50 of this Draft Prospectus

⁽¹⁾ 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 the section titled “Issue Related Information” beginning on Page No. 141 of this Draft Prospectus.

⁽²⁾ The present Issue has been authorized pursuant to a resolution of our Board dated May 12, 2020 and by Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of our shareholders held with a shorter notice on June 04, 2020.

⁽³⁾ The allocation is the net issue to the public category shall be made as per the requirements of Regulation 253 (2) of SEBI (ICDR) Regulations, as amended from time to time:

a) Minimum fifty percent to retail individual investors; and

b) Remaining to:

- i. Individual applicants other than retail individual investors; and
- ii. Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;

The unsubscribed portion in either of the categories specified in clauses (a) or (b) above may be allocated to the applicants in the other category.

If the retail individual investor category is entitled to more than fifty per cent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage. For further details please refer to the chapter titled “Issue Structure” beginning on Page No. 147 of this Draft Prospectus.

SUMMARY OF FINANCIAL INFORMATION

STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(Rs. in lakhs)

Particulars	As at December 31, 2019	As at March 31,		
		2019	2018	2017
EQUITY AND LIABILITIES				
1.Shareholder's fund				
a) Share Capital	525.56	525.56	290.80	290.80
b) Reserves and surplus	209.03	125.92	18.64	(14.48)
Total Shareholder's Fund (1)	734.59	651.48	309.44	276.32
2. Non-Current liabilities				
a) Long Term Borrowings	968.80	994.80	382.45	234.42
b) Deferred Tax Liabilities (Net)	27.75	25.56	15.39	15.93
c) Other Long Term Liabilities	46.30	46.30	46.43	195.84
d) Long Term Provisions	4.82	4.17	4.80	3.82
Total (2)	1047.67	1070.83	449.07	450.01
3.Current liabilities				
a) Short-term borrowings	358.46	244.60	193.45	270.68
b) Trade payables	98.70	127.21	137.68	135.67
c) Other current liabilities	254.30	277.58	142.97	195.16
d) Short Term Provisions	26.90	10.12	(2.00)	(1.26)
Total (3)	738.36	659.51	472.10	600.25
TOTAL(1+2+3)	2520.62	2381.82	1230.61	1326.58
ASSETS				
1.Non - Current Assets				
a) Property, plant & equipment				
i.) Tangible assets	844.90	590.49	513.87	453.99
ii.) Capital Work in Progress	-	-	-	23.47
b) Non-current Investments	5.04	5.04	5.04	5.04
c) Long Term Loans & Advances	3.55	2.65	14.95	13.95
d) Other non-current assets	-	2.02	2.02	13.43
Total (1)	8.59	9.71	22.01	32.42
2.Current Assets				
a) Inventories	738.85	165.78	87.50	121.89
b) Trade Receivables	171.48	204.11	193.14	152.29
c) Cash and Cash equivalents	27.44	80.81	21.19	11.99
d) Short Term Loans & Advances	720.54	1322.61	392.90	530.53
e) Other current assets	8.82	8.31	-	-
Total (2)	1667.13	1781.62	694.73	816.70
TOTAL(1+2)	2520.62	2381.82	1230.61	1326.58

STATEMENT OF PROFIT AND LOSS, AS RESTATED

(Rs. in lakhs)

Particulars	As at December 31, 2019	As at March 31,		
		2019	2018	2017
INCOME:				
Revenue from operations	1684.49	1756.72	1080.38	843.27
Other Income	1.85	5.54	8.75	7.63
Total Income	1686.34	1762.26	1089.13	850.90
EXPENSES:				
Cost of material consumed	1265.24	977.43	474.04	393.11
Purchases of stock in trade	39.96	254.66	269.34	120.65
Changes in Inventories of finished goods, WIP and stock in trade	(20.05)	(11.26)	(10.65)	11.95
Employee benefit expenses	60.89	80.31	60.77	68.97
Finance costs	88.08	98.22	73.89	69.12
Depreciation	54.24	58.51	48.54	36.36
Other Expenses	80.15	200.06	140.62	145.24
Total expenses	1568.51	1657.93	1056.55	845.40
Profit before exceptional item, extraordinary items and tax	117.83	104.33	32.58	5.50
Exceptional items	-	-	-	-
Profit before extraordinary items and tax	117.83	104.33	32.58	5.50
Extraordinary items	-	-	-	-
Net Profit before tax	117.83	104.33	32.58	5.50
Tax Expenses:				
Current Tax	19.67	21.48	6.21	1.05
Deferred tax	2.19	10.17	(0.54)	15.00
MAT Credit Entitlement	12.86	(6.43)	(6.21)	(1.05)
Total tax expense	34.72	25.22	(0.54)	15.00
Net profit / (loss) after tax	83.11	79.11	33.12	(9.50)

CASH FLOW STATEMENT, AS RESTATED

(Rs. in lakhs)

Particulars	As at December 31, 2019	As at March 31,		
		2019	2018	2017
Cash Flow From Operating Activities				
Net Profit before tax and after extra-ordinary items	117.83	104.33	32.58	5.50
Adjustments for items:				
Depreciation expense	54.24	58.51	48.54	36.36
Interest Paid	87.09	85.66	71.73	67.29
Provision of Gratuity	0.66	(0.67)	1.13	0.22
Interest Income	(0.43)	(0.28)	(2.45)	(0.25)
Dividend Received	(0.60)	(0.60)	(0.60)	(0.05)
Wrong Capitalization Reversed	-	(1.61)	-	-
Operating Profit Before Working Capital Adjustments	258.79	245.34	150.93	109.07
Adjustment for Changes in Working Capital				
(Increase) / decrease in inventories	(573.07)	(78.28)	34.39	100.14
(Increase) / decrease in trade receivables	32.63	(10.97)	(40.85)	238.03
(Increase) / decrease in Short Term Loans and advances	602.07	(929.71)	137.63	(217.40)
(Increase) / decrease in other assets	1.51	(8.31)	11.41	0.19
Increase / (decrease) in trade payable	(28.51)	(10.47)	2.01	5.58
Increase / (decrease) in other current liabilities	(22.57)	125.47	(52.19)	(44.19)
Increase / (decrease) in other long term liabilities	-	(0.13)	(149.41)	(102.49)
Increase / (decrease) in provisions	1.59	0.02	0.15	0.13
Cash Flow Generated from Operations	272.44	(667.04)	94.07	89.06
Income taxes paid	(17.34)	(2.90)	(1.03)	(4.53)
Net Cash flow from Operating Activities (A)	255.10	(669.94)	93.04	84.53
Cash Flow From Investing Activities				
Purchase of Fixed Assets including CWIP	(308.65)	(133.52)	(84.95)	(169.79)
Increase/(Decrease) in Long Term Loans and Advances	(0.90)	12.30	(1.00)	(12.80)
Interest Income	0.43	0.28	2.45	0.25
Dividend Income	0.60	0.60	0.60	0.05
Net Cash Flow from Investing Activities (B)	(308.52)	(120.34)	(82.90)	(182.29)
Cash Flow From Financing Activities				
Proceeds from Issue of Share Capital	-	262.93	-	24.00
Increase/(Decrease) in Short Term Borrowings	113.86	51.15	(77.23)	(72.33)
Increase/(Decrease) in Long Term Borrowings	(26.00)	612.35	148.03	210.67
Interest Paid	(87.81)	(76.53)	(71.14)	(67.29)
Net Cash Flow from Financing Activities (C)	0.05	849.90	(0.94)	95.05
Net Cash Flow during the year (A + B + C)	(53.37)	59.62	9.20	(2.71)
Cash & Cash equivalent at the beginning of the year	80.81	21.19	11.99	14.70
Cash & Cash Equivalent at the end of the year	27.44	80.81	21.19	11.99

GENERAL INFORMATION

Our Company was incorporated as “Sanmati Precision Engineering Private Limited” under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated May 10, 2013 bearing Registration No. 147341 issued by the Registrar of Companies, Maharashtra, Pune. Subsequently, our Company was converted into a Public Limited Company and the name of our Company was changed to “Sanmati Precision Engineering Limited” vide Special Resolution dated March 30, 2019. A fresh certificate of incorporation consequent to conversion into public limited company was issued to our Company by the Registrar of Companies, Maharashtra, Pune on May 03, 2019. The Company’s Corporate Identity Number is U28995PN2013PLC147341.

For further details, please refer to the chapter titled “History and Certain Corporate Matters” beginning on Page No. 87 of this Draft Prospectus.

Brief of the Company and Issue Information

Registered Office	Address: Plot No. 110, Sector – A, Shri Laxmi Co-op Industrial Estate, Hatkanangale, Kolhapur, Maharashtra – 416 109 Tel No.: 0230 – 2366213 Email: info@sanmatigroup.com Website: www.sanmatigroup.com
Date of Incorporation	May 10, 2013
Company Registration No.	147341
CIN	U28995PN2013PLC147341
Address of Registrar of Companies	Registrar of Companies, Maharashtra, Pune PCNTDA, Green Building, Block A, 1 st & 2 nd Floor, Near Akurdi Railway Station, Akurdi, Pune, Maharashtra – 411 044 Tel No.: 020 – 27651375 / 78 Fax No.: 020 – 25530042 Email: roc.pune@mca.gov.in Website: www.mca.gov.in
Designated Stock Exchange	EMERGE Platform of National Stock Exchange of India Limited (NSE Emerge)
Company Secretary & Compliance Officer	Name: Shahaji Annasaheb Patil Address: Plot No. 110, Sector – A, Shri Laxmi Co-op Industrial Estate, Hatkanangale, Kolhapur, Maharashtra – 416 109 Tel No.: 0230 – 2366213 Email: cs@sanmatigroup.com Website: www.sanmatigroup.com

Board of Directors of our Company

The following table sets forth the Board of Directors of our Company:

Name	Designation	Director’s Identification Number
Mr. Shital Adinath Ketkale	Managing Director	02162208
Mrs. Vaishali Shital Ketkale	Whole-Time Director	02162228
Mr. Sheetal Rajgonda Patil	Non-Executive Director	03524900
Mr. Pandurang Tukaram Kumbhar	Non-Executive Independent Director	07545215
Mr. Padmasinh Balasaheb Patil	Non-Executive Independent Director	08464418

For further details pertaining to the address, educational qualification and experience of our Directors, for details please refer to the chapter titled “Our Management” beginning on page no. 90 of this Draft Prospectus.

Note: Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre or post-issue related problems, such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account and unblocking of funds. All grievances relating to the Application process may be addressed to the Registrar to the Issue with a copy to the SCSBs, giving full details such as name, address of Bidder, Bid cum Application Form No, Number of Equity Shares applied for, amount blocked on application and designated branch or the collection centre of the SCSB/ Designated Intermediary, where the Application Form was submitted by the Bidders.

Details of Key Intermediaries pertaining to this Issue and Our Company

Lead Manager to the Issue



Fast Track Finsec Private Limited

B-502, Statesman House, 148, Barakhambha Road,
New Delhi – 110 001

Tel No.: 011 – 4141 1600

Email: mb@ftfinsec.com

Website: www.ftfinsec.com

Investor Grievance Email: investor@ftfinsec.com

Contact Person: Mr. Pawan Kumar Mahur

SEBI Registration No.: INM000012500

Registrar to the Issue



Bigshare Services Private Limited

1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai – 400 059.

Tel No.: 022 – 6263 8200

Email: ipo@bigshareonline.com

Website: www.bigshareonline.com

Contact Person: Mr. Arvind Tandel

SEBI Registration No.: INR000001385

Legal Counsel to the Issue

MV Kini, Law Firm

Kini House, 6/39, Jangpura – B,
New Delhi – 110 014.

Tel No.: 011 – 2437 1038/39/40

Fax No.: 011 – 2437 9484

Email: raj@mvkini.com

Website: www.mvkini.com

Contact Person: Ms. Raj Rani Bhalla

Designation: Partner

Statutory Auditors of the Company

R K Jagetiya & Co., Chartered Accountants

B-303, Eklavya CHSL,
N L Complex, Dahisar (East),
Mumbai – 400 068

Tel No.: +91 – 98208 – 00926

Email: rkjagetiya@gmail.com

Contact Person: Mr. Ravi K. Jagetiya

Membership No.: 134691

Firm Registration No.: 146264W

Peer Review No.: 011495

Except as stated below, there are no changes in Statutory Auditors of the Company during the three (3) years preceding the date of filing this Draft Prospectus:

Particulars	Date of Cessation	Reason for Change
M/s Sanjay Vhanbatte & Company 1 st Floor, Mahalaxmi Bank Building, Opp. Kelavar Hospital / IDBI Bank, Kolhapur, Maharashtra – 416 003 Email: smvcok@gmail.com	March 05, 2019	Auditor declared that he will not be in a position to meet the professional requirements of Company regarding ensuing public issue proposed by the company.

Firm Reg. No.: 112996W Contact Person: Mr. S. M. Vhanbatte Membership No. 044808 Peer Review: N.A.		
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Banker(s) to the Company

HDFC BANK LIMITED

12/215, Bungalow Road, Opp. Rani Bag,
 Ichalkaranji – 416 115
Tel No.: 0230 – 2422594
Contact Person: Mr. Rajesh Desai
Email: rajesh.sadashiv.desai@hdfcbank.com
Website: www.hdfcbank.com

RAJARAMBAPU SAHAKARI BANK LIMITED

At Post – Peth, Taluka – Walva,
 Dist – Sangli, Maharashtra – 415 407
Tel No.: 02342 – 252131
Contact Person: Mr. Ram Darade
Email: info@rajarambapubank.org
Website: www.rajarambapubank.org

Banker(s) to the Issue

[•]

Self Certified Syndicate Banks

The lists of banks that have been notified by SEBI to act as SCSB for the Applications Supported by Blocked Amount (ASBA) Process are provided on the website of SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on Designated Branches of SCSBs collecting the Application Forms, please refer to the above mentioned SEBI link.

Brokers to the Issue

Applicants can submit Application Forms in the Issue using the stock brokers network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centers. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of SEBI (www.sebi.gov.in) and updated from time to time. For details on Registered Brokers, please refer <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

Registrar to Offer and Share Transfer Agents

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

Collecting Depository Participants

The list of the CDPs eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange. 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 SEBI (www.sebi.gov.in) on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time.

Monitoring Agency

As per Regulation 262(1) of the SEBI (ICDR) Regulations, 2018 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 Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

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

This being an Issue of Equity Shares, the appointment of trustees is not required.

Details of the appraising Authority

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

Credit Rating

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

Expert Opinion

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from the Statutory Auditor namely R. K. Jagetiya & Co., Chartered Accountants, to include their name in respect of the reports on the Restated Financial Statements dated June 15, 2020 and the Statement of Tax Benefits dated June 15, 2020, issued by them and included in this Draft Prospectus, as required under section 26(5) of the Companies Act, 2013 in this Draft Prospectus and as “Expert” as defined under section 2(38) of the Companies Act, 2013 and such consent has not been withdrawn as on the date of this Draft Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

Filing of Offer Document

This Draft Prospectus is being filed with National Stock Exchange of India Limited situated at Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400051, Maharashtra, India.

This Draft Prospectus has not been filed with SEBI, nor has SEBI issued any observation on the Offer Document in terms of Regulation 246 of SEBI (ICDR), 2018. However, pursuant to sub regulation (5) of regulation 246, the copy of Draft Prospectus shall also be furnished to the Board in a soft copy.

Pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. A copy of the Prospectus along with the documents required to be filed under Section 26 of the Companies Act, 2013 will be delivered to the Registrar of Company, Maharashtra, Pune, situated at PCNTDA, Green Building, Block – A, 1st & 2nd Floor, Near Akurdi Railway Station, Akurdi, Pune – 411 044, Maharashtra, India.

Issue Programme

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

Event	Indicative Date
Issue Opening Date	[●]
Issue Closing Date	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of Allotment / Refunds / Unblocking of Funds	[●]
Credit of Equity Shares to demat accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchange	[●]

The above timetable is indicative and does not constitute any obligation on our Company or the Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company, or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Applications and any revision to the same shall be accepted **only between 10.00 a.m. and 5.00 p.m. (IST)** during the Issue Period (except for the Issue Closing Date). On the Issue Closing Date, the Applications and any revision to the same shall be accepted between **10.00 a.m. and 3.00 p.m. (IST)** or such extended time as permitted by the Stock Exchanges, in case of Applications by Retail Individual Applicants after taking into account the total number of applications received up to the closure of timings and reported by the Lead Manager to the Stock Exchanges. It is clarified that Applications not uploaded on the electronic system would be rejected. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Draft Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Business Days. Neither our Company nor the Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

In accordance with the SEBI Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their applications (in terms of the quantity of the Equity Shares or the Applications Amount) at any stage. Retail Individual Applicants can revise or withdraw their Applications prior to the Issue Closing Date. Except Allocation to Retail Individual Investors, Allocation in the Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or the electronic Application Form, for a particular Applicant, the details as per the file received from the Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSB or the member of the Syndicate for rectified data.

Underwriting

This Issue is 100% Underwritten. Our Company has entered into an Underwriting Agreement dated [●] with the Underwriters for the Equity Shares proposed to be issued through the Issue. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have given their consent for inclusion of their name in the Draft Prospectus as Underwriters and have indicated their intention to underwrite the following number of specified securities being issued through this Issue:

Details of the Underwriters	No. of Shares Underwritten	Amt Underwritten (Rs. in Lakhs)	% of the Total Issue Size Underwritten
[●]	[●]	[●]	[●]
Total	[●]	[●]	100.00%

As per Regulation 260(2) of SEBI (ICDR) Regulations, 2018, the Lead Manager has agreed to underwrite to a minimum extent of 15% of the Issue out of its own account.

In the opinion of the Board of Directors (based on certificate given by the Underwriter), the resources of the above mentioned Underwriter are sufficient to enable them to discharge their respective underwriting obligations in full.

Withdrawal of the Issue

Our Company in consultation with the Lead Manager, reserve the right not to proceed with the Fresh Issue at any time after the Application /Issue Opening Date but before the Board Meeting for Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Application /Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Lead Manager, through the Registrar to the Issue, shall notify the SCSBs and the Sponsor Bank (in case of RII's using the UPI Mechanism), to unblock the bank accounts of the ASBA Applicant and the Escrow Collection Bank to release the Application Amounts to the Anchor Investors, within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchange on which the Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment. If our Company withdraws the Issue after the Application/Issue Closing Date and thereafter determine that they will proceed with IPO, our Company shall file a fresh Draft Prospectus with the Stock Exchange.

Market Maker

[•]

Details of the Market Making Arrangement for this Issue

Our Company and the Lead Manager, have entered into Market Making Agreement dated [•] with [•], a Market Maker registered with EMERGE Platform of National Stock Exchange of India Limited in order to fulfil the obligations of Market Making.

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 Issue their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
3. The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and EMERGE Platform of National Stock Exchange of India Limited from time to time.
4. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
5. 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.
6. The shares of the Company will be traded in continuous trading session from the time and day the company gets listed on EMERGE Platform of National Stock Exchange of India Limited and Market Maker will remain present as per the guidelines mentioned under NSE and SEBI circulars.
7. 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 or 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.
8. 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.
9. The Market Maker shall have the right to terminate the said arrangement by giving a three months notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker.

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 the Company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional

Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time.

The Market Making Agreement is available for inspection at our Registered Office from 11.00 a.m. to 5.00 p.m. on working days.

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

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

12. **Price Band and Spreads:** SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for Issue size up to Rs. 250 Crores, the applicable price bands for the first day shall be:
 - In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
 - In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the Issue price.

Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The price band shall be 20% and the Market Maker Spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.

The following spread will be applicable on the SME Exchange Platform:

Sr. No.	Market Price Slab (in Rs.)	Proposed Spread (in % to sale price)
1	Up to 50	9
2	50 to 75	8
3	75 to 100	7
4	Above 100	6

13. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for Markets Maker(s) 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 Crore to Rs. 50 Crore	20%	19%
Rs. 50 Crore 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.

CAPITAL STRUCTURE

The share capital of the Company as on the date of this Draft Prospectus is set forth below:

(Rs. in lakhs, except share data)

Sr. No.	Particulars	Aggregate Value at Nominal Value	Aggregate Value at Issue Price
A.	Authorised Share Capital out of which :		
	1,00,00,000 Equity Shares of face value of Rs. 10 each	1000.00	-
B.	Issued, Subscribed and Paid-up Share Capital before the Issue out of which		
	52,55,570 Equity Shares of face value of Rs. 10 each	525.56	-
C.	Present Issue in terms of this Draft Prospectus⁽¹⁾		
	Issue of upto 25,00,000 Equity Shares of Rs. 10 each at a price of Rs. [●] per Equity Share	[●]	[●]
	Which comprises:		
	[●] Equity Shares of Rs. 10 each at a price of Rs. [●] per Equity Share reserved as Market Maker Portion	[●]	[●]
	Net Issue to Public of [●] Equity Shares of Rs. 10 each at a price of Rs. [●] per Equity Share to the Public	[●]	[●]
	Of which⁽²⁾:		
	[●] Equity Shares of Rs. 10 each at a price of Rs. [●] per Equity Share will be available for allocation for Investors of up to Rs. 2.00 lakhs	[●]	[●]
	[●] Equity Shares of Rs. 10 each at a price of Rs. [●] per Equity Share will be available for allocation for Investors of above Rs. 2.00 lakhs	[●]	[●]
D.	Paid-up Equity Share Capital after the Issue		
	[●] Equity Shares of Rs. 10 each	[●]	
E.	Securities Premium Account		
	Before the Issue (as on December 31, 2019)	28.17	
	After the Issue	[●]	

⁽¹⁾ The present Issue has been authorized pursuant to a resolution of our Board dated May 12, 2020 and by Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of our shareholders held on June 04, 2020.

⁽²⁾ The 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 Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.

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

Changes in Authorized Share Capital

Since incorporation, the capital structure of our Company has been altered in the following manner:

1. The initial authorized Share Capital of Rs. 1,00,000 (Rupees One Lakh) divided into 1,000 (One Thousand) Equity Shares of Rs. 100/- each was increased to Rs. 3,00,00,000 (Rupees Three Crores) divided into 3,00,000 (Three Lakhs) Equity Shares of Rs. 100/- each pursuant to Resolution of shareholders passed at the EGM held on March 30, 2015.

2. The authorized share capital of the company of Rs. 3,00,00,000 (Rupees Three Crores) divided into 3,00,000 (Three Lakhs) Equity Shares of Rs. 100/- each was sub-divided into 30,00,000 (Thirty Lakhs) Equity Shares of Rs. 10/- each pursuant to Resolution of shareholders passed at the EGM held on December 25, 2018.
3. The authorized share capital of the company of Rs. 3,00,00,000 (Rupees Three Crores) divided into 30,00,000 (Thirty Lakhs) Equity Shares of Rs. 10/- each was increased to Rs. 10,00,00,000 (Rupees Ten Crores) divided into 1,00,00,000 (One Crore) Equity shares of Rs. 10/- each pursuant to Resolution of shareholders passed at the EGM held on December 28, 2018.

NOTES TO THE CAPITAL STRUCTURE

1. Share Capital History of our Company:

i. Equity Share Capital

Our Company has made allotments of Equity Shares from time to time.

The following is the Equity Share Capital Build-up of our Company:

Date of Allotment of Equity Shares	No. of Equity Shares	Face Value (in Rs.)	Issue Price (in Rs.)	Nature / Reason of Allotment	Nature of Consideration	Cumulative No. of Equity Shares	Cumulative Paid Up Share Capital (in Rs.)	Cumulative Share Premium (Rs. in Lakhs)
Upon Incorporation ⁽¹⁾	1,000	100	100	Subscription to MOA	Cash	1,000	1,00,000	Nil
March 31, 2015 ⁽²⁾	2,19,200	100	100	Against Acquisition	Other than Cash	2,20,200	2,20,20,000	Nil
September 07, 2015 ⁽³⁾	46,600	100	100	Right Issue	Cash	2,66,800	2,66,80,000	Nil
December 26, 2016 ⁽⁴⁾	24,000	100	100	Right Issue	Cash	2,90,800	2,90,80,000	Nil
December 25, 2018	26,17,200	10	N.A.	Split	N.A.	29,08,000	2,90,80,000	Nil
February 25, 2019 ⁽⁵⁾	23,47,570	10	11.20	Conversion of Loan	Other than Cash	52,55,570	5,25,55,700	28.17

⁽¹⁾ Initial Subscription to the MOA of 1,000 Equity Shares having Face Value of Rs. 100/- each as mentioned below:

Sr. No.	Name	No. of Shares
1	Mr. Shital Adinath Ketkale	333
2	Mrs. Vaishali Shital Ketkale	334
3	Mr. Sheetal Rajgonda Patil	333

⁽²⁾ Pursuant to Board Meeting held on March 31, 2015, our Company has allotted 2,19,200 Equity Shares having face Value of Rs. 100/- each against acquisition of assets and liabilities of a sole proprietorship firm "Champion CNC" to Mrs. Vaishali Shital Ketkale.

⁽³⁾ Pursuant to Board Meeting held on September 07, 2015, our Company has further allotted 46,600 Equity Shares having face Value of Rs. 100/- each to Mrs. Vaishali Shital Ketkale.

⁽⁴⁾ Pursuant to Board Meeting held on December 12, 2016, our Company has further allotted 24,000 Equity Shares having face Value of Rs. 100/- each to Mr. Sheetal Rajgonda Patil.

⁽⁵⁾ Pursuant to Board Meeting held on February 25, 2019, our Company has further allotted 23,47,570 Equity Shares having face Value of Rs. 10/- each against conversion of Unsecured Loan as mentioned below:

Sr. No.	Name	No. of Shares
1	Mr. Shital Adinath Ketkale	21,39,284
2	Mrs. Vaishali Shital Ketkale	2,08,286

ii. Our Company has not issued Equity Shares for consideration other than cash or out of Revaluation Reserves except as disclosed below:

Date of Allotment	No. of Shares	Face Value (in Rs.)	Issue Price (in Rs.)	Nature / Reason of Allotment	Allotted Person	Benefit Accrued to the Company
March 31, 2015	2,19,200	100	100	To acquire assets and liabilities of “Champion CNC”	Mrs. Vaishali Shital Ketkale	Acquisition of assets and liabilities of a sole proprietorship firm “Champion CNC”
February 25, 2019	23,47,570	10	11.20	Conversion of Unsecured Loan	Mr. Shital Adinath Ketkale and Mrs. Vaishali Shital Ketkale	Reduction in Debt in the books of the Company

2. No shares have been allotted in terms of any scheme approved under sections 391-394 of the Companies Act, 1956 or Sections 230-234 of the Companies Act, 2013.
3. Our Company has not revalued its assets since inception and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
4. Our Company has not issued any shares pursuant to an Employee Stock Option Scheme.
5. Except as mentioned above, no shares have been issued at a price lower than the Issue Price within the last one year from the date of this Draft Prospectus.

6. The following is the shareholding pattern of the Company as on the date of this Draft Prospectus:

Category (I)	Category of Share- holder (II)	No. of Share-holder (III)	No. of fully paid-up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares Underlying Depository Receipts (VI)	Total Nos. Shares held (VII) = (IV) + (V) + (VI)	Share holding as a % of total No. of Shares (calculated As per SCRR, 1957)(VIII)As a % of (A+B+C2)	Number of Voting Rights held in each Class of securities (IX)			No of Underlying Outstanding Convertible securities (incl. Warrants) (X)	Share Holding as a % assuming Full convertible securities (as a % of Diluted Share Capital)(XI)=(VII)+(X) As a % of (A+B+C2)	Number of Locked In shares (XII)		No. of shares Pledged Or Otherwise encumbere d (XIII)		No. of Equity shares held in Demat form (XIV)	
								No of voting Right		Total As a % of (A+B+C)			No (a)	As a % of total shar es held (b)	No (a)	As a % of total shar es held (b)		
								Class Equity	C l a s s									Total
A	Promoters & Promoter Group	4	52,55,567	-	-	52,55,567	99.99%	52,55,567	-	52,55,567	99.99%	-	99.99%	[●]	[●]	-	-	52,55,567
B	Public	3	3	-	-	3	0.01%	3	-	3	0.01%	-	0.01%	-	-	-	-	3
C	Non Promoter Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C1	Shares Underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C2	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	7	52,55,570	-	-	52,55,570	100.00%	52,55,570	-	52,55,570	100.00%	-	100.00%	[●]	[●]	-	-	52,55,570

- i. 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 are:

Sr. No.	Particulars	No. of Shares	% of Shares to Pre – Issue Share Capital
1.	Mr. Shital Adinath Ketkale	21,42,611	40.77%
2.	Mrs. Vaishali Shital Ketkale	28,69,626	54.60%
3.	Mr. Sheetal Rajgonda Patil	2,43,329	4.63%
Total		52,55,566	100.00%

- ii. The list of Shareholders holding 1% or more of the paid-up Share Capital of our Company ten days prior to date of this Draft Prospectus are:

Sr. No.	Particulars	No. of Shares	% of Shares to Pre – Issue Share Capital
1.	Mr. Shital Adinath Ketkale	21,42,611	40.77%
2.	Mrs. Vaishali Shital Ketkale	28,69,626	54.60%
3.	Mr. Sheetal Rajgonda Patil	2,43,329	4.63%
Total		52,55,566	100.00%

- iii. The list of Shareholders holding 1% or more of the paid-up Share Capital of our Company one year prior to date of this Draft Prospectus are:

Sr. No.	Particulars	No. of Shares	% of Shares to Pre – Issue Share Capital
1.	Mr. Shital Adinath Ketkale	21,42,611	40.77%
2.	Mrs. Vaishali Shital Ketkale	28,69,626	54.60%
3.	Mr. Sheetal Rajgonda Patil	2,43,329	4.63%
Total		52,55,566	99.99%

- iv. The list of Shareholders holding 1% or more of the paid-up Share Capital of our Company two years prior to date of this Draft Prospectus are:

Sr. No.	Particulars	No. of Shares*	% of Shares to Pre – Issue Share Capital
1.	Mrs. Vaishali Shital Ketkale	2,66,134	91.52%
2.	Mr. Shital Adinath Ketkale	333	0.11%
3.	Mr. Sheetal Rajgonda Patil	24,333	8.37%
Total		2,90,800	100.00%

*Face Value of Rs. 100/- per Equity Share

7. Shareholding of our Promoters

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

Date of Allotment / Transfer	Nature of Transaction	Consideration	No. of Shares	F.V (in Rs.)	Issue / Transfer Price (in Rs.)	Cumulative no. of Shares	% of Pre-Issue Paid Up Capital	% of Post-Issue Paid Up Capital
Mr. Shital Adinath Ketkale								
May 10, 2013	Subscription to MOA	Cash	333	100	100	333	0.06%	[●]
December 25, 2018	Split of Shares	N.A.	N.A.	10	N.A.	3,330	0.06%	[●]
December 26, 2018	Transfer	Cash	(3)	10	10	3,327	0.06%	[●]
February 25, 2019	Allotment	Other than Cash	21,39,284	10	11.20	21,42,611	40.77%	[●]
Mrs. Vaishali Shital Ketkale								

May 10, 2013	Subscription to MOA	Cash	334	100	100	334	0.06%	[●]
March 31, 2015	Allotment	Other than Cash	2,19,200	100	100	2,19,534	41.77%	[●]
September 07, 2015	Allotment	Cash	46,600	100	100	2,66,134	50.64%	[●]
December 25, 2018 ⁽²⁾	Split of Shares	N.A.	N.A.	10	N.A.	26,61,340	50.64%	[●]
February 25, 2019 ⁽³⁾	Allotment	Other than Cash	2,08,286	10	11.20	28,69,626	54.60%	[●]

8. Promoter's Contribution and other Lock-In details:

i. Details of Promoter's Contribution locked-in for 3 years:

Pursuant to the Regulation 236 and 238 of the SEBI (ICDR) Regulations, an aggregate of 20% of the Post-Issue Equity Share Capital held by our Promoters shall be considered as promoter's contribution ("**Promoter's Contribution**") and locked-in for a period of three years from the date of Allotment. The lock-in of the Promoter's 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.

The details of the Promoter's Equity Shares proposed to be locked-in for a period of three years are as follows:

Name of Promoters	No. of Shares locked in	As a % of Post Issue Share Capital
Mr. Shital Adinath Ketkale	[●]	[●]
Mrs. Vaishali Shital Ketkale	[●]	[●]
Total	[●]	[●]

We confirm that in compliance with regulation 237 of SEBI ICDR Regulations, the minimum Promoters contribution of 20% as shown above which is subject to lock-in for three years does not consist of:

- Equity Shares acquired during the preceding three years for consideration other than cash and out of revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or reserves without accrual of cash resources.
- Equity Shares acquired by the Promoters during the preceding one year, at a price lower than the price at which Equity Shares are being issued to public in the Issue.
- Private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.
- The Equity Shares held by the Promoters and offered for minimum 20% Promoter's Contribution are not subject to any pledge.
- Equity Shares for which specific written consent has not been obtained from the shareholders for inclusion of their subscription in the minimum Promoter's Contribution subject to lock-in.

We further confirm that our Promoter's Contribution of 20% of the Post Issue Equity does not include any contribution from Alternative Investment Funds.

ii. Details of Shares locked-in for one year

- Pursuant to Regulation 238(b) of the SEBI (ICDR) Regulations, in addition to the Promoter's Contribution to be locked-in for a period of 3 years, as specified above, the entire Pre-Issue Equity Share capital will be locked in for a period of one (1) year from the date of Allotment in this Issue, other than the Equity Shares allotted and subscribed pursuant to the Offer for Sale.
- Pursuant to Regulation 242 of the SEBI Regulations, the Equity Shares held by our Promoters can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions for the purpose of financing one or more of the objects of the issue and the pledge of shares is one of the terms of sanction of such loan. However, as on date of this

Draft Prospectus, none of the Equity Shares held by our Promoters have been pledged to any person, including banks and financial institutions.

- c. Pursuant to Regulation 243 of the SEBI (ICDR) Regulations, Equity Shares held by our Promoters, which are locked in as per Regulation 238 of the SEBI (ICDR) Regulations, may be transferred to and amongst our Promoters / Promoter Group or to a new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.
- d. Pursuant to Regulation 243 of the SEBI (ICDR) Regulations, Equity Shares held by shareholders other than our Promoters, which are locked-in as per Regulation 239 of the SEBI (ICDR) Regulations, may be transferred to any other person holding shares, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.

Notes:

- None of the shares belonging to our Promoters have been pledged till date.
- The entire Promoter's shares shall be subject to lock-in from the date of allotment of the equity shares issued through this Draft Prospectus for periods as per applicable Regulations of the SEBI (ICDR) Regulations. For details please see Note no. 8 of "*Capital Structure*" on Page No. 42 of this Draft Prospectus.
- Our Promoters have confirmed to the Company and the Lead Manager that the Equity Shares held by our Promoters have been financed from their personal funds and no loans or financial assistance from any bank or financial institution has been availed by them for this purpose.
- All the shares held by our Promoters, were fully paid-up on the respective dates of acquisition of such shares.

9. Pre-Issue and Post Issue Shareholding of our Promoters and Promoter' Group:

- i. Set forth is the shareholding of our Promoters and Promoter Group before and after the proposed Issue:

Category of Promoter	Pre Issue		Post Issue	
	No. of Shares	% of Pre-Issue Paid Up Capital	No. of Shares	% of Post-Issue Paid Up Capital
3. Promoters				
Mr. Shital Adinath Ketkale	21,42,611	40.77%	■	■
Mrs. Vaishali Shital Ketkale	28,69,626	54.60%	■	■
4. Promoter Group (as defined by SEBI (ICDR) Regulations)				
Mr. Sheetal Rajgonda Patil	2,43,329	4.63%	■	■
Mr. Chandraj Shital Ketkale	1	Negligible	■	■
Total Promoters & Promoter Group Holding	52,55,567	100.00%	■	■
Total Paid up Capital	52,55,570	100.00%	■	■

- ii. None of the Promoters, members of the Promoter Group, Directors and their immediate relatives have purchased or sold any Equity shares of our Company within the last six months from the date of this Draft Prospectus.
 - iii. None of the members of the Promoter Group, Directors and their immediate relatives have financed the purchase by any other person of Equity shares of our Company other than in the normal course of business of the financing entity within the period of six months immediately preceding the date of this Draft Prospectus.
10. Except as disclosed in the Draft Prospectus, our Company presently does not have any intention or proposal to alter its capital structure for a period of six months commencing from the date of opening of this Issue, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares or

securities convertible into Equity Shares, whether on a preferential basis or issue of bonuses or rights or further public issue of specified securities or Qualified Institutional Placement.

11. Our Company has Seven (7) Shareholders, as on the Date of this Draft Prospectus.
12. Our Promoters and Promoter Group will not participate in the Issue. Neither the Company, nor its Promoter, Directors or the Lead Manager have entered into any buyback and/or standby arrangements for purchase of Equity Shares of the Company from any person. The Lead Manager and its associates do not directly or indirectly hold any shares of the Company.
13. None of our Directors or Key Managerial Personnel holds Equity Shares in the Company, except as stated in the chapter titled "*Our Management*" beginning on Page No. 90 of this Draft Prospectus.
14. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed under "*Basis of Allotment*" in the chapter titled "*Issue Procedure*" beginning on Page No. 149 of this Draft Prospectus. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 253 (2) of SEBI (ICDR) Regulations, as amended from time to time.
15. An investor cannot make an application for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
16. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock-in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
17. 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 Designated Stock Exchange. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines
18. No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoters to the persons who receive allotments, if any, in this Issue.
19. As on date of this Draft Prospectus, there are no outstanding financial instruments or any other rights that would entitle the existing Promoters or shareholders or any other person any option to receive Equity Shares after the Issue.
20. As on date of this Draft Prospectus, the entire issued share capital of our Company is fully paid-up. The Equity Shares issued through this Public Issue will be fully paid up.
21. There shall be only one denomination of Equity Shares of our Company unless otherwise permitted by law. Our Company shall comply with disclosure and accounting norms as may be specified by SEBI from time to time.
22. Our Company shall ensure that transactions in the Equity Shares by our Promoters and our Promoter Group between the date of the Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within 24 hours of such transaction.
23. Our Company has not made any public issue (including any rights issue to the public) since its incorporation.

OBJECTS OF THE ISSUE

Issue Proceeds & Net Issue Proceeds

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

(Rs. in lakhs)	
Particulars	Amount
Gross Proceeds of the Issue ⁽¹⁾	[●]
Less: Issue related expenses ⁽²⁾	[●]
Net Proceeds of the Issue	[●]

⁽¹⁾ Considering full subscription and allotment in the Issue.

⁽²⁾ The Issue related expenses are estimated expenses and are subject to change.

Net Issue

The Objects of the Net Fresh Issue is raise funds for:

- a) Acquisitions and other strategic initiatives;
- b) Funding Working Capital Requirements; and
- c) General Corporate Purpose

Further, our Company expects that the listing of the Equity Shares will enhance our visibility and our brand image among our existing and potential customers.

Proposed Schedule of Implementation and Deployment of the Net Proceeds

The Net Proceeds of the Issue are currently expected to be deployed in accordance with the schedule as stated below:

(Rs. in lakhs)			
Sr. No.	Particulars	Amount	% of Net proceeds
1.	Acquisitions and other strategic initiatives	250.00	[●]%
2.	Funding Working capital Requirements	147.00	[●]%
3.	General Corporate Purpose ⁽¹⁾	[●]	[●]%
Total		[●]	100.00%

⁽¹⁾ To be finalised on determination of the Issue Price.

Requirement of Funds and Means of Finance

The fund requirements mentioned above are based on the internal management estimates of our Company and have not been verified by the BRLM or appraised by any bank, financial institution or any other external agency. They are based on current circumstances of our business and our Company may have to revise its estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment, costs of commodities and interest or exchange rate fluctuations. Consequently, the fund requirements of our Company are subject to revisions in the future at the discretion of the management. In the event of any shortfall of funds for the activities proposed to be financed out of the Net Proceeds as stated above, our Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. Further, in case of a shortfall in the Net Proceeds or cost overruns, our management may explore a range of options including utilizing our internal accruals or seeking debt financing.

The entire fund requirements are to be financed from the Net Fresh Issue Proceeds, and there is no requirement to make firm arrangements of finance under Regulation 4(2)(g) of the SEBI Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the Offer.

For further details on the risks involved in our proposed fund utilization as well as executing our business strategies, please refer chapter titled “Risk Factors” beginning on Page No. 15 of this Draft Prospectus.

DETAILS OF THE FUND REQUIREMENTS

1) Acquisitions and other strategic initiatives

In pursuit of our strategy of inorganic growth through strategic acquisitions and alliances, we continue to evaluate opportunities for continued backward integration and to identify targets or partners for forward integration, including by way of selectively evaluating targets or partners for strategic acquisitions and investments, so as to strengthen our range of products and our customer portfolio, and to benefit from economies of scale, leveraging multi-level operational synergies, knowledge sharing and acquiring new product platforms in order to strengthen our position as a manufacturing company. Our strategy is to seek to acquire businesses with high growth potential, along with their existing customer relationships and product and process competencies, and to integrate and grow their businesses through enhanced quality and products parameters and platforms coupled with our management know-how and experience. In particular, we intend to explore opportunities in the engineering and other sectors to complement our existing business and to leverage our existing assets to offer our clients a wider, flexible and more comprehensive range of products. We may also seek to expand our nationwide operations, based on demand and workforce in various geographies, to fuel our growth, going forward.

Pursuant to our Board's discussion on the Board meeting dated May 12, 2020, we intend to utilise Rs. 250.00 lakhs from the Net Proceeds towards such potential acquisitions and strategic initiatives. As on the date of this Draft Prospectus, we have not entered into any definitive agreements towards any such potential acquisitions or strategic initiatives. This amount is based on our management's current estimates of the amounts to be utilised towards this Object, considering our discussions and negotiations with potential targets and partners and other relevant considerations. The actual deployment of funds will depend on a number of factors, including the timing, nature, size and number of strategic initiatives undertaken, as well as general factors affecting our results of operation, financial condition and access to capital. These factors will also determine the form of investment for these potential strategic initiatives, i.e., whether they will involve equity, debt or any other instrument or combination thereof. The portion of the Net Proceeds allocated towards this Object may not be the total value or cost of any such strategic initiatives, but is expected to provide us with sufficient financial leverage to enter into binding agreements. In the event that there is a shortfall of funds required for such strategic initiatives, such shortfall shall be met out of the portion of the Net Proceeds allocated for general corporate purposes and/or through our internal accruals or bridge financing or any combination thereof.

2) Funding Working Capital Requirement

Our business is working capital intensive and we fund the majority of our working capital requirements in the ordinary course of our business from financing from various banks, financial institutions and internal accruals. Our Company intends to expand its current operations using part of funds from this Issue, we intend to remain well funded and liquid on balance sheet level. Hence, we intend to raise funds for estimated working capital from proceeds of this Issue.

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

Our existing working capital requirement on the basis of our Restated Financial Statements for the Fiscal 2019 and period ended December 31, 2019 are as set out in the table below:

(Rs. in lakhs)

Particulars	For the year ended March 31, 2019	For the period of nine months ended December 31, 2019
Current Assets		
Inventories	165.78	738.85
Trade Receivables	162.85	90.85
Short Term Loans and Advances	2.02	22.25
Cash & Cash equivalents	80.81	27.44
Other Current Assets	1336.75	712.84
Total (A)	1748.21	1592.23
Current Liabilities		
Trade Payables	128.24	98.70
Short-Term Provisions	17.51	20.38
Other Current Liabilities	281.03	261.00
Total (B)	426.78	380.08

Net Working Capital Requirement (A-B)	1321.43	1212.15
Existing Funding Pattern		
Working Capital funding from Banks	1238.48	1212.15
Internal accruals	82.95	-

The details of the Company's estimated and projected working capital requirements for the Fiscal 2020 and 2021 respectively and funding of the same are as set out in the table below:

(Rs. In lakhs)

Particulars	For the year ended March 31, 2020 (Estimated)	For the year ended March 31, 2021 (Projected)
Current Assets		
Inventories	760.00	591.00
Trade Receivables	130.30	319.18
Short Term Loans and Advances	6.00	35.00
Cash & Cash equivalents	19.75	37.28
Other Current Assets	708.25	634.81
Total (A)	1624.30	1617.27
Current Liabilities		
Trade Payables	139.55	153.51
Short-Term Provisions	21.50	34.81
Other Current Liabilities	293.71	308.71
Total (B)	454.76	497.03
Net Working Capital Requirement (A-B)	1169.54	1120.24
Funding Pattern		
Working Capital funding from Banks ⁽¹⁾	1169.54	973.24
Internal accruals	-	-
Amount proposed to be utilized from Net proceeds	-	147.00

⁽¹⁾Our sanctioned working capital facilities as on December 31, 2019 comprised Rs. 358.46 lakhs from various banks and other financial institutions.

Assumptions for Working Capital requirements

Holding level

Provided below are details of the holding levels (months) considered:

Particulars	As on December 31, 2019 (Actual)	For year ended on March 31, 2020 (Estimated)	For year ended on March 31, 2021 (Projected)
Current Assets			
Inventories	4.29	4.24	3.00
Trade Receivables	0.5	1.09	2.00
Current Liabilities			
Trade Payables	0.64	0.75	0.75

Justification for holding period levels

Particulars	Details
Current Assets	
Inventories	Inventories days are computed from the historic Restated Financial Statements and management estimates. The engineering industry is highly competitive and in order to obtain better and bigger orders, we need to have inventory for building materials at easy disposal. Further, this inventory is also required for our order supplies trade. Hence, our Company estimates, Inventory level to be at 4.24 and 3.00 months for the financial year 2019-20 and 2020-21 respectively.
Trade Receivables	Trade Receivables days are computed from the historic Restated Financial Statements and are adjusted for future estimates based on management estimates. Our Company has estimated the holding level for Trade Receivable as 1.09 and 2.00 months of revenue from operations for the Financial Year 2019-20 and 2020-21 respectively, considering continuation of current credit period due to volatile turnover growth.
Current Liabilities	
Trade Payables	Trade Payables are computed from the historic Restated Financial Statements and are adjusted for future estimates based on management estimates. Our Company estimates that with increased orders for raw materials, we will be able to bargain a better Creditor period and estimates the same to as 0.75 month for the Financial Year 2019-20 and 2020-21.

Thus, our Company intends to utilize Rs. 147.00 lakhs for Working capital requirements.

3) General Corporate Purposes

Our Company proposes to deploy the balance Net Proceeds, aggregating to Rs. [●] Lakhs, towards general corporate purposes, including but not restricted to for our working capital requirements, bank deposits, deposits for renting or otherwise acquiring business premises, margin money, acquiring business assets, to renovate and refurbish certain of our existing Company owned/leased and operated facilities or premises, starting new products or services, obtaining new or enabling accreditations and licenses, investment in business venture, strategic alignment, strategic initiatives as per the objects of the Company, expansion into new geographies, brand building exercises, strengthening of our marketing capabilities, implementing enterprise resource planning tools and methodology, in our operations and other project related investments and commitments and execution capabilities in order to strengthen our operations.

Our management, in accordance with the policies of the Board, will have flexibility in utilizing any amounts for general corporate purposes under the overall guidance and policies of our Board. The quantum of utilization of funds towards any of the purposes will be determined by the Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further, we confirm that the amount for general corporate purposes, as mentioned in this Draft Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

ISSUE RELATED EXPENSES

The total estimated Issue Expenses are Rs. [●] lakhs, which is [●]% of the total Issue Size. The details of the Issue Expenses are tabulated below:

Sr. No.	Particulars	Amount (Rs. in lakhs)	% of Total Expenses ⁽¹⁾	% of Total Issue Size ⁽¹⁾
1.	Issue Management fees including Merchant Banking fees and reimbursements of Market Making fees, Underwriting fees and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses	[●]	[●]%	[●]%
2.	Brokerage and selling commission ⁽¹⁾⁽²⁾⁽³⁾	[●]	[●]%	[●]%
3.	Printing & Stationery, Distribution, Postage, etc.	[●]	[●]%	[●]%
4.	Stock Exchange Fees, Regulatory and other Expenses**	[●]	[●]%	[●]%

Sr. No.	Particulars	Amount (Rs. in lakhs)	% of Total Expenses ⁽¹⁾	% of Total Issue Size ⁽¹⁾
	Total	[●]	[●]%	[●]%

⁽¹⁾The SCSBs and other intermediaries will be entitled to a commission of Rs. [●]/- per every valid Application Form submitted to them and uploaded on the electronic system of the Stock Exchange by them.

⁽²⁾The SCSBs would be entitled to processing fees of Rs. [●]/- per Application Form, for processing the Application Forms procured by other intermediaries and submitted to the SCSBs.

⁽³⁾Further the SCSBs and other intermediaries will be entitled to selling commission of [●]% of the Amount Allotted (product of the number of Equity Shares Allotted and the Issue Price) for the forms directly procured by them and uploaded on the electronic system of the Stock Exchange by them.

The Issue expenses are estimated expenses and subject to change. The payment towards commission and processing fees will be completed within 30 days from the date of receipt of final invoice from the respective entities.

Appraisal and Bridge Loans

The Objects have not been appraised by any banks, financial institutions or agency. Further, our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Prospectus, which are proposed to be repaid from the Net Proceeds. However if the company avails any bridge loans from the date of the Draft Prospectus upto the date of the IPO; the same shall be refunded from the IPO proceeds and related details will be updated in the Prospectus or likewise.

Monitoring of Utilization of Funds

Since the proceeds from the Fresh Issue do not exceed Rs. 10,000 lakhs, in terms of Regulation 262 of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Board and Audit Committee will monitor the utilization of the proceeds of the Issue. Our Company will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant fiscals subsequent to receipt of listing and trading approvals from the Stock Exchange.

Pursuant to the SEBI Listing Regulations, our Company shall disclose to the Audit Committee of the Board of Directors the uses and applications of the Net Proceeds. Our Company shall prepare a statement of funds utilized for purposes other than those stated in this Draft Prospectus and place it before the Audit Committee of the Board of Directors, as required under applicable law. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with the Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchange on a half yearly basis, a statement indicating (i) deviations, if any, in the utilization of the proceeds of the Issue from the objects of the Issue as stated above; and (ii) details of category wise variations in the utilization of the proceeds from the Issue from the objects of the Issue as stated above.

Interim Use of Funds

Pending utilization of the Net Proceeds 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.

Variation in Objects

In accordance with Section 13(8) and 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. The notice in respect of such resolution to Shareholders shall simultaneously be published in the newspapers, one in English and one in Regional language of the jurisdiction where our Registered Office is situated. The Shareholders who do not agree to the above stated proposal, our Promoters or controlling Shareholders will be required to provide an exit opportunity to such dissenting Shareholders, at a price as may be prescribed by SEBI, in this regard.

Other Confirmations

No part of the Net Proceeds will be paid by our Company as consideration to our Promoters, our board of Directors, our Key Management Personnel or Group Companies except in the normal course of business in compliance with applicable law.

BASIS FOR ISSUE PRICE

The Issue Price has been determined by our Company in consultation with the Lead Manager on the basis of the key business strengths. The face value of the Equity Shares is Rs.10 and Issue Price is Rs. [●]/- per Equity Shares and is [●] times of the face value. Investors should read the following basis with the sections titled “Risk Factors” and “Financial Information” and the chapter titled “Our Business” beginning on Page No. 15, 110 and 70 respectively, of this Draft Prospectus to get a more informed view before making any investment decisions. The trading price of the Equity Shares of Our Company could decline due to these risk factors and you may lose all or part of your investments.

Qualitative Factors

Some of the qualitative factors and our strengths which form the basis for the Issue Price are:

- Experienced Promoters and Management Expertise
- Diversified Customer Base
- Wide Range of Products
- Research & Development
- Quality Assurance & Quality Products
- Consistent Financial Performance

For further details regarding some of the qualitative factors, which form the basis for computing the Issue Price, please refer chapter titled “Our Business” beginning on Page No. 70 of this Draft Prospectus.

Quantitative Factors

The information presented in this section for the nine months period ended December 31, 2019, and for the Fiscal ended March 31, 2019, March 31, 2018 and March 31, 2017 is derived from our Restated Financial Statements. For more details on financial information, investors please refer the chapter titled “Financial Statements” beginning on Page No. 110 of this Draft Prospectus.

Investors should evaluate our Company taking into consideration its earnings and based on its growth strategy. Some of the quantitative factors which may form the basis for computing the price are as follows:

1) Basic and Diluted Earnings / Loss Per Share (“EPS”)

Year ended March 31,	Basic & Diluted	
	EPS (in Rs.) ⁽¹⁾	Weights
2019	2.52	3
2018	1.14	2
2017	(0.35)	1
Weighted Average	1.58	
For December 31, 2019 ⁽²⁾	1.58	

⁽¹⁾Based on Restated Financials of Our Company, EPS for the year ended on March 31, 2018 and 2017 has been calculated considering the face value as Rs. 10/- each.

⁽²⁾Not Annualised.

Notes:

- a. Basic EPS has been calculated as per the following formula:

$$\text{Basic EPS (Rs.)} = \frac{\text{Net profit/ (loss) as restated, attributable to Equity Shareholders}}{\text{Weighted average number of Equity Shares outstanding during the year/period}}$$

- b. Diluted EPS has been calculated as per the following formula:

$$\text{Diluted EPS (Rs.)} = \frac{\text{Net profit/ (loss) as restated, attributable to Equity Shareholders}}{\text{Diluted Weighted average number of Equity Shares outstanding during the year/period}}$$

- c. Basic and Diluted EPS calculations are in accordance with Accounting Standard 20 “Earnings per Share”, notified under section 133 of Companies Act, 2013 read together along with paragraph 7 of Companies (Accounting) Rules, 2014
- d. The above statement should be read in conjunction with Significant Accounting Policies and Notes to Restated Financial Statements as appearing in the Section titled “*Financial Information*” beginning on Page No. 110 Draft Prospectus.

2) Price Earnings Ratio (“P/E”) in relation to the Price of Rs. [●]/- per share of Rs. 10/- each

Particulars	P/E
P/E ratio based on Basic and Diluted EPS as at December 31, 2019	[●]
P/E ratio based on Basic and Diluted EPS as at March 31, 2019	[●]
P/E ratio based on Weighted Average EPS	[●]

**The same shall be updated once IPO Price is finalised and updated in the Prospectus prior to opening of the Issue.*

Particulars	Industry P/E*
Highest – Bharat Forge Limited	16.33
Lowest – MM Forgings Limited	5.35
Industry Average	10.84

**For the purpose of industry, we believe the Bharat Forge Limited, Rico Auto Industries Limited, Kranti Industries Limited and M M Forgings Limited are the listed peer Companies engaged in the similar line of business segment. However, the same may not be exactly comparable in size or business portfolio on a whole with that of our business.*

Note: P/E Ratio has been computed based on the closing market price of peer group’s equity shares on June 19, 2020 at BSE Limited, as divided by the Basic EPS provided as per the Annual report for the period ending 2018-19.

3) Return on Net worth (RONW)

Year ended March 31,	RoNW (%)	Weight
2019	12.14%	3
2018	10.70%	2
2017	(3.44)%	1
Weighted Average	9.06%	
For December 31, 2019 ⁽¹⁾	11.31%	

⁽¹⁾Not Annualised

Note: Return on Net worth has been calculated as per the following formula:

$$\text{RONW} = \frac{\text{Net profit/loss after tax, as restated}}{\text{Net worth excluding preference share capital and revaluation reserve}}$$

4) Net Asset Value (NAV)

Financial Year	NAV (in Rs.)
NAV as at March 31, 2019	12.40
NAV as at December 31, 2019	13.98
NAV after Issue	[●]
Issue Price (in Rs.)	[●]

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

$$\text{NAV} = \frac{\text{Net worth excluding preference share capital and revaluation reserve}}{\text{Outstanding number of Equity shares at the end of the year}}$$

5) Comparison with Industry Peers

Name of the Company	Standalone/ Consolidated	Face Value (Rs. per share)	EPS (Rs. per share)		NAV (Rs. per share) ⁽¹⁾	P/E Ratio ⁽²⁾	RoNW (%) ⁽³⁾
			Basic	Diluted			
Company							
Sanmati Precision Engineering Limited*	Standalone	10	1.58	1.58	13.98	【●】	11.31%
Peers							
Rico Auto Industries Limited**	Standalone	1	3.60	3.60	42.89	9.42	8.40%
Kranti Industries Limited**	Standalone	10	2.60	2.60	23.15	5.77	9.94%
MM Forgings Limited**	Standalone	10	33.70	33.70	180.71	5.35	18.65%
Bharat Forge Limited**	Standalone	2	23.00	23.00	115.97	16.33	19.85%

*Based on Restated Financial Information as on and for the nine months period ended December 31, 2019.

**Source: Annual Report for Financial Year 2018-19

⁽¹⁾Computed as equity share capital + other equity divided by closing outstanding number of fully paid up equity shares as sourced from the latest audited report

⁽²⁾P/E figures for the peer is computed based on closing market price as on June 19, 2020, of relevant peer companies as available at BSE, (available at www.bseindia.com) divided by Basic EPS for FY 2018-19 reported in Annual Report.

⁽³⁾Computed as net profit after tax for the year divided by equity share capital + other equity as sourced from the latest audited report

Note: Considering the nature and size of business of the Company, the peer is not comparable on apple to apple basis. However the same has been included for broad comparison.

- 6) The Company in consultation with the Lead Manager believes that the Issue price of Rs. [●] per share for the Public Issue is justified in view of the above parameters. The investors may also want to peruse the Risk Factors and Financials of the company including important profitability and return ratios, as set out in the Financial Statements included in this Draft Prospectus to have more informed view about the investment proposition. The Face Value of the Equity Shares is Rs. 10 per share and the Issue Price is [●] times of the face value i.e. Rs. [●] per share.

STATEMENT OF SPECIAL TAX BENEFITS

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

To
The Board of Directors,
SANMATI PRECISION ENGINEERING LIMITED
Plot No. 111, Sector –A,
ShriLaxmi Co-Op Industrial Estate,
Hatkanangle, Maharashtra, India - 416109

Dear Sirs,

Fresh Issue of Equity shares

We refer to the proposed Fresh Issue of Equity Shares of face value Rs. 10/- each ("Equity Shares") of Sanmati Precision Engineering Limited ("the Company"). We enclose herewith the statement showing the current position of special tax benefits available to the Company and to its shareholders as per the provisions of the Income-tax Act, 1961 ("the Act"), for inclusion in the Draft Offer Document and Offer Document for the proposed fresh issue of Equity 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 these direct tax benefits is dependent upon their fulfilling such conditions, if any.

The benefits discussed in the enclosed statement are neither exhaustive nor conclusive. The contents stated herein are based on the information and explanations obtained from the Company from time to time. This statement is only intended to provide general information to guide 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 their own tax consultant with respect to specific tax implications arising out of participation in the issue. We are neither suggesting nor are we advising the investor to invest money based on this statement.

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

- the Company will continue to obtain these benefits in future;
- the conditions prescribed for availing the benefits have been/would be met with; and
- the revenue authorities/courts will concur with the views expressed herein.

We hereby give our consent to include the enclosed statement regarding the tax benefits available to the Company and to its shareholders in the Offer Documents for the fresh issue of Equity Shares which the Company intends to submit to the stock exchange.

Limitations

Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. 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 change from time to time. We do not assume responsibility to update the views consequent to such changes. The views are exclusively for the use of Sanmati Precision Engineering Limited and shall not without our prior written consent, be disclosed to any other person.

Access of all or any part of this Statement by any person is on the basis that, to the fullest extent permitted by law, neither our firm nor any of our associate accepts any duty of care or liability of any kind to such person, and any reliance on this Statement by any person is at his own risk.

This statement has been prepared solely in connection with the Fresh issue of Equity shares by the Company under the Securities and Exchange Board of India ("SEBI") (Issue of Capital and Disclosure Requirement) Regulations, 2018, as amended.

Yours faithfully,

For R K Jagetiya & CO.

Chartered Accountant

FRN: 146264W

(Ravi K Jagetiya)

Proprietor

M. No. 134691

Place: Mumbai

Date: 15th June, 2020

NOTE ON SPECIAL TAX BENEFITS AVAILABLE TO SANMATI PRECISION ENGINEERING LIMITED (“THE COMPANY”) AND IT’S SHAREHOLDERS

1. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY

There are no special tax benefits available to the Company.

2. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS

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

Notes:

1. The above statement of Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax law presently in force in India.
2. 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 tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his or her participation in the issue.
3. We have not commented on the taxation aspect under any law for the time being in force, as applicable, of any country other than India. Each investor is advised to consult its own tax consultant for taxation in any country other than India.

SECTION V – ABOUT THE COMPANY

OUR INDUSTRY

The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. You should read the entire Draft Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Statements” and related notes beginning on Page No. 15 and 110 of this Draft Prospectus.

Global Economic Outlook

The COVID-19 pandemic is inflicting high and rising human costs worldwide. Protecting lives and allowing health care systems to cope have required isolation, lockdowns, and widespread closures to slow the spread of the virus. The health crisis is therefore having a severe impact on economic activity. As a result of the pandemic, the global economy is projected to contract sharply by 3 percent in 2020, much worse than during the 2008–09 financial crisis. In a baseline scenario, which assumes that the pandemic fades in the second half of 2020 and containment efforts can be gradually unwound, the global economy is projected to grow by 5.8 percent in 2021 as economic activity normalizes, helped by policy support. There is extreme uncertainty around the global growth forecast. The economic fallout depends on factors that interact in ways that are hard to predict, including the pathway of the pandemic, the intensity and efficacy of containment efforts, the extent of supply disruptions, the repercussions of the dramatic tightening in global financial market conditions, shifts in spending patterns, behavioural changes (such as people avoiding shopping malls and public transportation), confidence effects, and volatile commodity prices. Many countries face a multi layered crisis comprising a health shock, domestic economic disruptions, plummeting external demand, capital flow reversals, and a collapse in commodity prices.

The COVID-19 pandemic differs markedly from past triggers of downturns. Infections reduce labour supply. Quarantines, regional lockdowns, and social distancing, curtail mobility, with particularly acute effects on sectors that rely on social interactions (such as travel, hospitality, entertainment, and tourism). Workplace closures disrupt supply chains and lower productivity. Layoffs, income declines, fear of contagion, and heightened uncertainty make people spend less, triggering further business closures and job losses. There is a de facto shutdown of a significant portion of the economy. Health care expenditures necessarily rise sharply above what had been expected. These domestic disruptions spill over to trading partners through trade and global value chain linkages, adding to the overall macroeconomic effects.

The economic impact is already visible in the countries most affected by the outbreak. For example, in China, industrial production, retail sales, and fixed asset investment dropped dramatically in January 2020 and February 2020. As more countries are forced to respond to the pandemic with stringent quarantine and containment efforts of the kind seen, for example, in China, Italy, and Spain, this will necessarily entail similar sharp economic activity slowdowns from closures of nonessential workplaces, travel restrictions, and behavioural changes. Initial jobless claims in the United States during the fourth week of March, for example, exceeded 6.6 million, compared with about 280,000 just two weeks before. And surveys of purchasing managers pointed to plummeting economic activity in March in the euro area, Japan, and the United States.

The fast deterioration of the global economic outlook as the epidemic has spread and the breakdown of the OPEC+ (Organization of the Petroleum Exporting Countries, including Russia and other non-OPEC oil exporters) agreement among oil suppliers have weighed heavily on commodity prices. From mid-January to end-March, base metal prices fell about 15 percent, natural gas prices declined by 38 percent, and crude oil prices dropped by about 65 percent (a fall of about \$40 a barrel). Futures markets indicate that oil prices will remain below \$45 a barrel through 2023, some 25 percent lower than the 2019 average price, reflecting persistently weak demand. These developments are expected to weigh heavily on oil exporters with undiversified revenues and exports, particularly on high-cost producers, and compound the shock from domestic infections, tighter global financial conditions, and weaker external demand.

(Source: World Economic Outlook Update, April 2020)

Many uncertainties lie ahead, but assuming our base case for new infections of the novel corona virus to peak in April/May, the bulk of the economic pain could be concentrated in the first half of 2020, with the global economy contracting on an annualized basis by 0.6% and 2.1%, respectively, in the first and second quarters. If a

recovery takes root in the third quarter, the global economy could rebound to 4.8% growth, year on year, in 2021.

Even before the coronavirus outbreak, the post-GFC global economy had been facing the triple challenge of demographics, debt and disinflation, which we last faced in the 1930s. From a big picture perspective, the coronavirus pandemic growth shock foregrounds these structural issues. On the positive side, we are already seeing an aggressive policy response across the world to shore up businesses and workers, maintain liquidity in markets and inject stimulus to create the necessary conditions for a more robust recovery from this shock to the global economic system.

(Source: 2020 Global Macro Outlook, Calmer Waters Ahead, Morgan Stanley Research)

Indian Economic Overview

India became the world's fifth largest economy last year, according to data from the IMF's October World Economic Outlook. When ranked by nominal GDP, the country leapfrogged France and the UK. The country's GDP growth has been among the highest in the world in the past decade – regularly achieving annual growth of between 6-7%.

(Source: <https://theprint.in/economy/india-is-now-the-worlds-5th-largest-economy-according-to-imf/369335/>)

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships.

India's nominal GDP growth rate is estimated at 12 per cent in 2019-20. The estimate for 2018-19 was 11.5 per cent. During Q1 of 2019-20, GDP (at constant 2011-12 prices) grew by 5 per cent. India has retained its position as the third largest startup base in the world with over 8,900-9,300 startups, with about 1,300 new start-ups being founded in 2019, according to a report by NASSCOM. India also witnessed the addition of 7 unicorns in 2019 till August, taking the total tally up to 24. India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute. India's foreign exchange reserves were US\$ 448.59 billion in the week up to November 22, 2019, according to data from the RBI.

India is expected to achieve the ambitious goal of doubling farm income by 2022. The agriculture sector in India is expected to generate better momentum in the next few years due to increased investments in agricultural infrastructure such as irrigation facilities, warehousing and cold storage. Furthermore, the growing use of genetically modified crops will likely improve the yield for Indian farmers. India is expected to be self-sufficient in pulses in the coming few years due to concerted efforts of scientists to get early-maturing varieties of pulses and the increase in minimum support price. The government of India targets to increase the average income of a farmer household at current prices to Rs. 219,724 (US\$ 3,420.21) by 2022-23 from Rs 96,703 (US\$ 1,505.27) in 2015-16. Going forward, the adoption of food safety and quality assurance mechanisms such as Total Quality Management (TQM) including ISO 9000, ISO 22000, Hazard Analysis and Critical Control Points (HACCP), Good Manufacturing Practices (GMP) and Good Hygienic Practices (GHP) by the food processing industry will offer several benefits.

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

Though, the Indian economy had been experiencing significant slowdown over the past few quarters, there was a strong hope of recovery in the last quarter of the current fiscal. However, the new coronavirus epidemic has made the recovery extremely difficult in the near to medium term. The outbreak has presented fresh challenges for the Indian economy now, causing severe disruptive impact on both demand and supply side elements which has the potential to derail India's growth story. Consumption is getting impacted due to job losses and decline in income levels of people particularly the daily wage earners due to slowing activity in several sectors including retail, construction, entertainment, etc. With widespread fear and panic now increasing among people, overall confidence level of consumers has dropped significantly, leading to postponement of their purchasing decisions. Greater uncertainty about the future course and repercussion of Covid-19 has also made the financial market extremely volatile, leading to huge crashes and wealth erosion, which in turn is impacting consumption levels. On the supply side, shutdown of factories and the resulting delay in supply of goods from China has affected many Indian manufacturing sectors which source their intermediate and final product requirements from China. Some sectors like automobiles, pharmaceuticals, electronics, chemical products etc. are facing an imminent raw material and component shortage. This is hampering business sentiment and affecting investment and production schedules of companies. Besides having a negative impact on imports of important raw materials, the slowdown in manufacturing activity in China and other markets of Asia, Europe and the US is impacting India's exports to these countries as well.

Given the challenges that the businesses and people are facing currently, the Indian economy is most likely to experience a lower growth during the last quarter of the current fiscal. In case the spread of corona virus continues, growth may remain subdued in the first quarter of FY 20-21 as well. Most multilateral agencies and credit rating agencies have therefore revised their 2020 and 2021 growth projections for India keeping in view the negative impact of coronavirus-induced travel restrictions, supply chain disruptions, subdued consumption and investment levels on the growth of both global and the Indian economy.

- (Sources: *Impact of Covid-19 on Indian Economy*, FICCI)

Engineering and Capital Goods Industry

The Indian Engineering sector has witnessed a remarkable growth over the last few years driven by increased investments in infrastructure and industrial production. The engineering sector, being closely associated with the manufacturing and infrastructure sectors, is of strategic importance to India's economy.

The Government of India has appointed the Engineering Export Promotion Council (EEPC) as the apex body in charge of promotion of engineering goods, products and services from India. India exports transport equipment, capital goods, other machinery/equipment and light engineering products such as castings, forgings and fasteners to various countries of the world. The Indian semiconductor industry offers high growth potential areas as the industries which source semiconductors as inputs are themselves witnessing high demand.

India became a permanent member of the Washington Accord (WA) in June 2014. The country is now a part of an exclusive group of 17 countries who are permanent signatories of the WA, an elite international agreement on engineering studies and mobility of engineers.

Market size

The Capital Goods in India has a market size of \$ 43.2 bn in 2018-19. India exports its engineering goods mostly to the US and Europe, which accounts for over 60 per cent of the total exports. Engineering exports for the period of FY18 were US\$ 76.20 million as against US\$ 65.23 million in the same period previous year. Exports of electrical machinery and equipment grew at a CAGR of 7.00 per cent during FY10-18 to reach US\$ 5.5 billion in FY19. Direct and indirect employment expected to reach 5 mn and 25 mn, respectively by 2025.

Investments

The engineering sector in India attracts immense interest from foreign players as it enjoys a comparative advantage in terms of manufacturing costs, technology and innovation. The above, coupled with favourable regulatory policies and growth in the manufacturing sector has enabled several foreign players to invest in India. The Foreign Direct Investment (FDI) inflows into India's miscellaneous mechanical and engineering industries during April 2000 to June 2019 stood at around US\$ 8.2 billion, as per data released by the Department of Industries Policy and Promotion (DIPP).

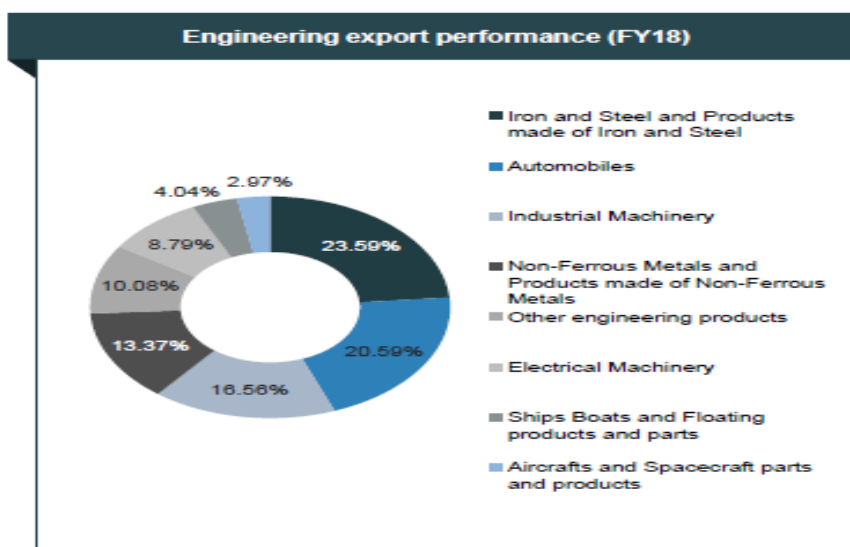
In the recent past there have been many major investments and developments in the Indian engineering and design sector:

- As of December 2018, SANY India, the Indian arm of Beijing-headquartered construction equipment maker SANY Group, is planning to invest Rs. 1,000 crore (US\$ 142.49 million) to expand its construction machinery production capacity to 25,000 units.
- The Central government plans to spend \$ 459.7 mn to implement various programs under the National Capital Goods Policy.
- 100% FDI allowed under the automatic route in the Electrical machinery sector.
- 200 low cost airports in next 20 years.
- 100 million houses to be built under "Housing for all" by 2022.

(Source: <https://www.investindia.gov.in/>)

Exports

Engineering exports include transport equipment, capital goods, other machinery/equipment and light engineering products such as castings, forgings and fasteners. Engineering exports of India can be divided into eight major categories. Out of these eight categories, Iron and Steel and Products of Iron and Steel form a substantial share (23.59 per cent) of the total engineering exports. Automobiles (20.59 per cent) and Industrial Machinery (16.56 per cent) also contribute a major share of total exports.



According to the provisional data available from DGCI&S up to March 2018, India's export of engineering goods have registered a growth of 16% in US \$ Mn during the financial year 2017-18 in comparison to the same period in the previous fiscal. The provisional data indicates that exports of engineering goods from India have reached US \$ 76,204.42 Mn up to March 2018 in comparison to US \$ 65,239.16Mn in the previous fiscal.

This is the highest Engineering Export figure since Independence. In rupee terms India's export of engineering goods are valued at Rs. 4,53,111.42 crores during April-March 2017-18 which is 3.58% higher than Rs. 4,37,428.76 crores during April-March 2016-17. The engineering sector appears to retain its share around 25.16% in overall export from the country, which is maximum in terms of sectoral contribution.

Engineering exports are expected to reach US\$ 80 billion in FY19 on the back of healthy growth in key markets, including US and Europe.

(Source: [https://www.eepcindia.org/download/Annual-Report-\(2017-18\)180924174844.pdf](https://www.eepcindia.org/download/Annual-Report-(2017-18)180924174844.pdf))

Key Trends

Diversification

Several companies in the engineering sector have diversified, either geographically (mainly to Middle Eastern countries) or sector-wise. For e.g. BHEL plans to foray into Ukraine, Simplex Infra has moved to the Middle East, Larsen and Toubro (L&T) has diversified into power equipment manufacturing and Thermax entered the power utility segment etc.

Shift to value-added products

Rising competition is driving domestic players to focus on improving their capabilities, become more quality conscious and upgrade their technology base in line with global requirements. More than 2,500 firms in the engineering sector have ISO 9000 accreditation. Companies are increasingly focusing on R and D and product development. To enhance competitiveness in India's capital goods industry, the Dept. of Heavy Industry has approved 4 centres of Excellence in textile machinery, machine tools, welding technology and smart pumps.

Entry of International Companies

With 100 per cent FDI allowed through the automatic route, major international players such as Cummins, ABB and Alfa Laval have entered the Indian engineering sector due to growth opportunities. As of December 2018, SANY India, the Indian arm of Beijing-headquartered construction equipment maker SANY Group, is planning to invest Rs. 1,000 crore (US\$ 142.49 million) to expand its construction machinery production capacity to 25,000 units.

Leveraging Indian Operations

Bigger companies are currently focusing on process improvement and a smaller set of key strategies. ABB has set up global R&D centre in Bengaluru and is also aiming at making India as production hub for markets worldwide due to its labour cost advantage. Cummins has also opened R&D centre in Pune, for providing designing and technical abilities worldwide

Operational Efficiency

Companies understand the need of operations management following the crisis period. Good set of operational structure in place helps them target future business opportunities with better precision. There is emphasis on human resource management, automation and higher labour productivity

Graphical Expansion

Most Indian companies are increasing their global footprints. Cheap cost of labour in India is giving them an edge over companies in higher wage economies. Besides targeting the developed economies of Europe and US, Indian companies are currently diversifying in the developing markets of Africa, South America and the Middle East.

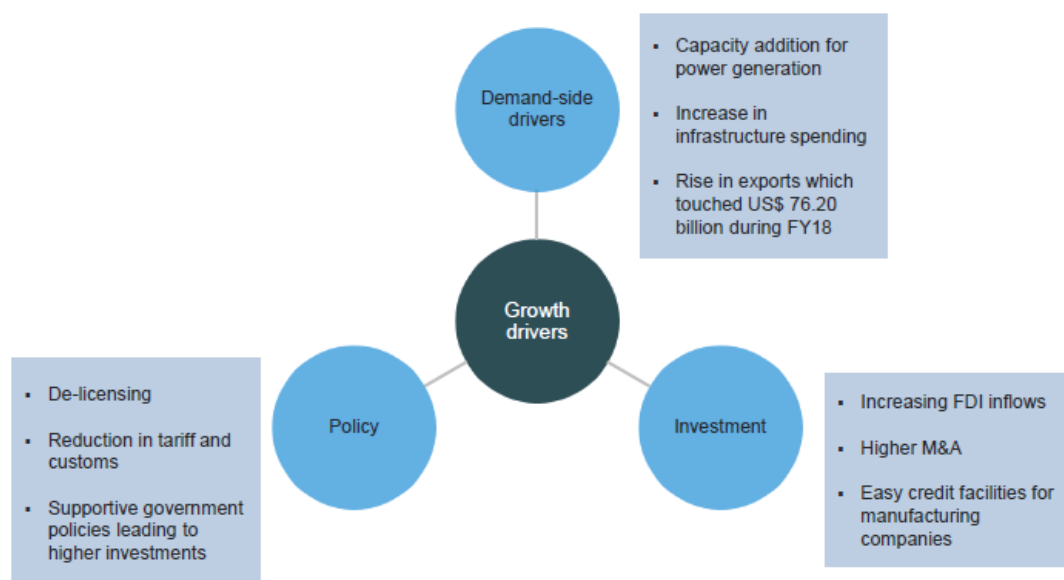
Skill Improvement

Many companies are collaborating with institutions for developing skilled manpower for the highly technical engineering sector. In June 2017, Schneider Electric signed an MoU with Kalinga Institute of Technology (KIIT) and CV Raman College of Engineering in Odisha for training students to enhance their engineering skills.

PSU Stake Sale

Government of India decided to divest 10 percent stake in IRCON International for around 467 crore (US \$ 66.54 million)

Growth Drivers



(Source: <https://www.ibef.org/download/engineering-and-capital-goods-feb-2019.pdf>)

Government Initiatives

Under the economic reforms period, a number of steps have been taken with huge positive impact on the overall manufacturing scenario including the Capital Goods sector in India. Crafted over the years, a strong supportive architecture helps companies strategize for meeting the domestic and export demand for Capital Goods.

- All sectors, bar a few pertaining to national security, have been opened up for participation by the private sector, including Foreign Direct Investments.

- In most sectors, 100 per cent FDI is permitted under the automatic approval route.
- Tariffs on capital goods and equipment have been lowered to nil or 5 per cent in general.
- Tax incentives are applicable such as 15 per cent exemption on tax to manufacturing companies that invest more than Rs 100 crore (\$18.4 million) in plant and machinery.
- Public sector enterprises are being encouraged to leverage their funds for investing in large projects.
- To make the Capital Goods sector globally competitive, advanced centers of excellence for R&D and technology development are in the process of being established in academic institutions.
- In the export sector, India has entered into a number of free trade agreements with ASEAN, Japan, Korea, Malaysia, Singapore, and others.

New initiatives

The Indian Government has initiated several critical strategies in the last year which open up new avenues for the Capital Goods sector:

- Make in India for taking the share of manufacturing to 25 per cent of GDP and creating millions of new jobs to cater to the large number of youth entering the workforce;
- 100 Smart Cities for urban redevelopment and creation of world-class new urban agglomerations to absorb rising city population;
- Swachh Bharat for a new approach to preventive public health, including by changing toilet habits, improving waste management and curbing pollution;
- Clean Energy, a campaign for increasing renewable energy power capacity by 2020;
- Clean Ganga for spreading intelligent water management and upgrading cities alongside the major rivers of India;
- Digital India, a campaign that converges universal access to digital resources;
- Housing-for-all that aims to build 20 million urban dwellings and 40 million rural dwellings in the next eight years; and
- Skill India mission, an initiative to raise the skill penetration of the country.

(Source: <http://www.makeinindia.com/article/-/v/defence-indigenisation-the-way-forward>)

Growth Opportunities

Turnover of capital goods industry is expected to increase to US\$ 115.17 billion by 2025F. India's engineering R&D market will increase from US\$ 28 billion in FY18 to US\$ 42 billion by FY22F. Sales of construction equipment are expected to reach 90,115 and 100,000 in 2018 and 2022, respectively, while the market size of construction equipment industry is expected to grow from US\$ 4.3 billion in FY18 to US\$ 5 billion by FY20. Production of machine tools industry is forecasted to increase to Rs 9,000 crore (US\$ 1.40 billion) in 2018-19.

Infrastructure investments are expected to increase to Rs. 50.2 trillion (US \$ 778.9 billion) in FY18-22E, which will provide a significant boost to demand for capital goods.

Foundry Industry in India

The Indian foundry industry manufactures metal cast components for applications in Auto, Tractor, Railways, Machine tools, Sanitary, Pipe Fittings, Defence, Aerospace, Earth Moving, Textile, Cement, Electrical, Power machinery, Pumps / Valves, Wind turbine generators etc. Foundry Industry has a turnover of approx. USD 19 billion with export approx. USD 3.06 billion. However, Grey iron castings have the major share i.e. approx 68% of total castings produced. There are approx 5000 units out of which 90% can be classified as MSMEs.

Approx 1500 units are having International Quality Accreditation. Several large foundries are modern & globally competitive. Many foundries use cupolas using LAM Coke. However, these are gradually shifting to Induction Melting. There is growing awareness about environment & many foundries are switching over to induction furnaces & some units in Agra are changing over to cokeless cupolas.

Major Foundry Clusters: Each cluster is known for its products. The major foundry clusters are located in Batala, Jalandhar, Ludhiana, Agra, Pune, Kolhapur, Sholapur, Rajkot, Mumbai, Ahmedabad, Belgaum, Coimbatore, Chennai, Hyderabad, Howrah, Kolkata, Indore, Chennai, Ahmedabad, Faridabad, Gurgaon etc. Typically, each foundry cluster is known for catering to some specific end-use markets. For example, the Coimbatore cluster is famous for pump-sets castings, the Kolhapur and the Belgaum clusters for automotive castings and the Rajkot cluster for diesel engine castings, Howrah cluster for sanitary castings etc.

Manpower: The total Manpower in Foundry Sector is approx. 500,000 Directly & 150,00,00 indirectly. The foundry sector is highly labour intensive & currently generates employment for 2 Millions directly & indirectly mainly from socially & economically weaker sections of society. It has potential to generate additional employment of 2 Million in next 10 years.

Auto Sector: Auto, Auto Components & Capital Goods Industry have drawn up ambition plans to grow three folds in next 10 years Which will drive the demand for metal casting industry .The Capital Goods Policy of Govt envisages the sector to grow from USD 35 Bn to USD 115 Bn Industry by 2025 .Whereas the auto sector as per Automotive Mission plan 2016-26 envisages auto sector to grow 3.5 to 4 times of the current value of USD 74 billion to USD 260 billion to 300 billion. Even if these plans are realized by 75-80%, it will augur well for the Indian Foundry Industry .The casting demand for iron & Aluminium castings could grow by 35-40 % by 2019-20 from current levels.

Role in Manufacturing Sector: The new manufacturing policy envisages the increase in the share of manufacturing in the GDP to 25% from current 15% & to create 100 Million additional jobs in next 10 years. Since all engineering & other sectors use metal castings in their manufacturing, the role of foundry industry to support manufacturing is very vital. It is not possible to achieve the above goal without the sustainable corresponding growth of the foundry sector.

Exports Import Trends: The Exports have been showing healthy trends approx 25-30% YOY till 2011-12 after that there was slow down in export. However, the current exports for FY 2018-19 are approx USD 3.06 Bn.

(Source : http://www.foundryinfo-india.org/profile_of_indian.aspx)

Foundry Clusters based on Geographical presence

There are more than 5,000 foundry units in India, having an installed capacity of approximately 7.5 million tonnes per annum. The majority (nearly 95%) of the foundry units in India falls under the category of small-scale industry. The foundry industry is an important employment provider and provides direct employment to about half a million people.

A peculiarity of the foundry industry in India is its geographical clustering. Some of the major foundry clusters in the country are shown in the map. Typically, each foundry cluster is known for catering to some specific end-use markets. For example, the Coimbatore cluster is famous for pump-sets castings, the Kolhapur and the Belgaum clusters for automotive castings and the Rajkot cluster for diesel engine castings.

A summary of the five major foundry clusters in India - Belgaum, Batala/Jalandhar, Coimbatore, Kolhapur and Rajkot is provided below:

Foundry Cluster – Belgaum:

Belgaum, located in the state of Karnataka, is an important foundry cluster. There are about 100 foundry units at Belgaum. The geographical spread of the cluster includes Udyambag and Macche industrial areas. The foundry industry at Belgaum came up primarily to cater to the needs of the automobile industry at Pune. Belgaum is recognised to be a reliable source of high precision, high volume and economical castings. A significant percentage (almost 20%) of the foundry units at Belgaum has ISO 9000 certification and export casting.

Cupola is the most common melting furnace at Belgaum. Three out of every four foundry use cupola as their main melting furnace. Most of the cupolas are of conventional designs. Divided blast cupola is not very common yet in the cluster. Low ash coke is commonly used in the cupolas. About 40% of the foundry units have electric induction furnace, which are used either as the main melting furnace or for duplexing with cupola. A relatively small percentage (about 5%) of the foundry units use rotary furnaces.

Foundry Cluster – Coimbatore:

Coimbatore, located in the state of Tamil Nadu, is an important foundry cluster in Southern India. The foundry industry at Coimbatore came up mainly to cater to the needs of the local textile and pump-set industries. There are about 600 foundry units in Coimbatore. The geographical spread of the cluster includes Thanneer Pandal/Peelamedu, Ganapathy, SIDCO, Singanallur, Mettupalayam Road and Arasur Village. Most of the foundry units cater to the needs of the domestic market. A small percentage (about 10%) of the foundry units are also exporting castings. Nearly half the number of foundry units are manufacturing castings for the pump-set industry.

Cupola is the predominant melting furnace employed by the foundry units. Majority (about 70%) of the cupolas in the cluster are of conventional designs. Electric induction furnaces are used by just 10% of the foundry units, mainly to manufacture graded castings and for duplexing operation.

Foundry Cluster – Batala and Jalandhar:

Batala and Jalandhar, located in the state of Punjab, are important foundry clusters in Northern India. The majority of the foundry units is in the small-scale and produces grey iron castings. About 15% of the foundry units are also exporting their products. The foundry units at Batala and Jalandhar are predominantly making machinery parts and agricultural implements.

Cupola is the predominant melting furnace employed by about 95% of the foundry units at Batala and Jalandhar. The majority of the cupolas are of conventional designs. The foundry units at Batala and Jalandhar usually use high-ash coke in the cupolas.

Foundry Cluster – Kolhapur:

Kolhapur, located in the state of Maharashtra, is an important foundry cluster for automotive castings. Historically, the foundry cluster came up to cater to the casting requirements of the local industries like oil engine manufacturing, sugar mills and machine tool industry. There are about 250 foundry units at Kolhapur. The geographical spread of the cluster includes Kolhapur, Sangli, Ichalkaranji and Hatkanangale areas.

Cupola is the predominant melting furnace employed by about 75% of the foundry units. The majority of cupolas in the cluster are of conventional type. Divided blast cupola (DBC) can be found in some of the foundry units. Most of the foundries use low ash coke. A number of foundry units (about 40%) have electric induction furnace, which is used to manufacture graded castings and for duplexing with cupola.

Foundry Cluster – Rajkot:

Rajkot, located in the state of Gujarat, is an important foundry cluster in Western India. There are about 500 foundry units at Rajkot. The cluster came-up mainly to cater to the casting requirements of the local diesel engine industry. The geographical spread of the cluster includes Aji Vasahat, Gondal Road and Bhavanagar Road areas. Majority of the foundry units at Rajkot produces grey iron castings for the domestic market. A relatively small percentage (about 10%) of the foundry units export castings such as electric motor castings, etc. (Source: https://www.indianfoundry.org/cms-index.php?topsubmenu_id=Ng==)

OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You shall read the chapter titled “Forward Looking Statements” beginning on Page No. 10 of this Draft Prospectus, for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the twelve-month period ending March 31 of that year.

The financial information used in this section, unless otherwise stated, is derived from our Financial Information, as restated prepared in accordance with Ind AS/ Indian GAAP, Companies Act and SEBI Regulations. The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Information” beginning on Page No. 15 and 110 respectively.

BUSINESS OVERVIEW

Our Company is a world class manufacturer of Grey Cast Iron and Ductile Iron Machined Castings having a built-up manufacturing area of more than 20,000 Sq. Feet and workforce of 65. Our Company has fully integrated casting and machining operations run in environmentally friendly foundries and machine shops. Our specialization is in supplying intricate, cored and fully machined cast components in the weight range of 6-70 kg and in the volume range of 100-15,000 quantities per month to OEMs and system manufacturers.

Our Company was incorporated in 2013 and Our Company offers a single stop solution for customized manufacturing of machine parts including Casting, Machining, Fabrication, Assembly Testing & Inspection and provides the most varied range of these products in various possible sizes which are used by Original Equipment Manufacturers (OEMs). Our business has been set up by well qualified engineers, who have expertise in selecting Machine shop equipment. The Company also specializes in the supplying of variety of core shooters with advanced technology.

As a backward integration we also offer foundry business operations which produce equipment based on superior designs, special aspects, and excellent workmanship and built in quality & safety features. Our Company is committed to supply quality products with cost effectiveness besides excellent pre and post sales services. Our Company thus offers products which are long term trouble free operations and gives real value for your money.

Our esteemed clients include Kirloskar Oil Engines Limited, JCB India Limited, Rieter India Private Limited etc. We are dedicated to developing brands and products for our customers and consumers that create more enriched lives.

As per Restated Financial statements for the nine months period ended December 31, 2019, March 31, 2019, 2018 and 2017, our total revenues were Rs. 16.84 Crores, Rs. 17.57 Crores, Rs. 10.80 Crores and Rs. 8.43 Crores, respectively. Our Profit after Tax for the for the nine months period ended December 31, 2019, March 31, 2019, 2018 and 2017 were Rs. 83.11 lakhs, Rs. 79.11 lakhs, Rs. 33.12 lakhs and Rs. (9.50) lakhs, respectively.

Our Location

Registered Office & Factory	Plot No. 110, Sector – A, Shri Laxmi Co-op Industrial Estate, Hatkanangle – 416109, Maharashtra, India.
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OUR COMPETITIVE STRENGTH

1. Growing Domestic Economy:

India is moving as developed country from developing country now. The GDP rate of India is also higher as compared to the other countries. It forecast more demand for our products and there will be a huge expansion of disposable incomes and our main products will have huge demand.

2. Experienced & Qualified Management:

Our Company is managed by a team of professionals led by our Chairman & Managing Director Mr. Shital Ketkale. We believe that the leadership and exemplary vision of our Promoters have been instrumental in driving our growth and implementing our business strategies. Our management team has the requisite experience to manage the current scale of business as well as the expansion plans for the future. We believe that we have achieved a measure of success in attracting an experienced senior management team with operational and technical capabilities, management skills, business development experience and financial management skills. For further details, please refer “Our Management” on Page No. 90 of this Draft Prospectus.

3. Cordial relationships with our suppliers

We have cordial relationship with our suppliers for supply of materials, which we believe provides us with the competitive advantage of effective and timely sourcing of raw materials. We also believe effective sourcing of materials ensures timely delivery of our products to our customers, thereby enhancing the value provided to our customers.

4. Quality Assurance and Standards

We believe in providing our customers the best possible quality. We adopt stringent quality check process which 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.

5. Strong customer relationship

We believe that we constantly try to address our customer’s needs which help us to maintain a long-lasting working relationship with them and improve our customer retention strategy. We believe that our existing relationship with our customers represents a competitive advantage in gaining new customers and increasing our business.

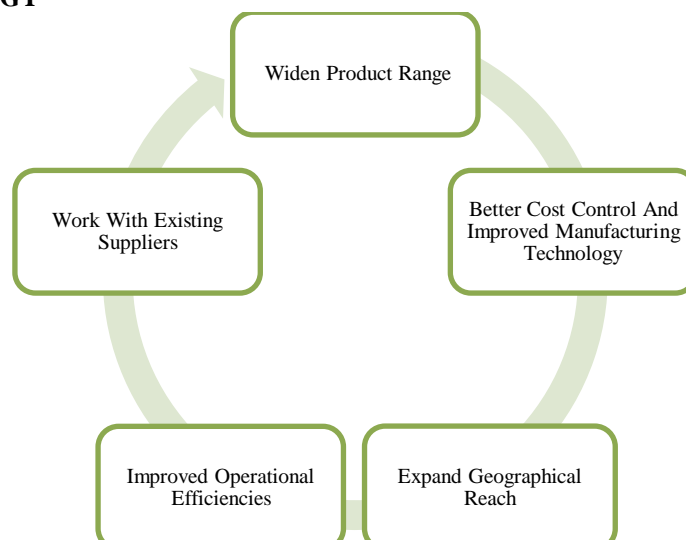
6. Strong financial planning:

We believe that our strong financial position and capital structure will provide us with the financial flexibility to fund our growth and expansion and allow us to respond quickly and competitively to further capitalize on emerging opportunities in the Indian market.

SWOT ANALYSIS OF OUR BUSINESS

Strengths: <ul style="list-style-type: none">• Experienced & Qualified Management Team• Comprehensive Product Portfolio• Research & Development• Strong Customers Base	Weakness: <ul style="list-style-type: none">• Working Capital intensive nature of operation leading to moderate liquidity position• Moderate returns on funds invested
Opportunities: <ul style="list-style-type: none">• Government spending on infrastructure development• Technical Collaborations• Expansion Strategies• Demand in defense sector/ Aerospace• Advance manufacturing with advance technology & automation	Threats: <ul style="list-style-type: none">• Fairly competitive operations• Volatility in prices of raw materials• Cyclical nature of business• New competitors

BUSINESS STRATEGY



Our business strategies are to grow our business by increasing the scale and reliability of our business and building trust with our clients. Our strategy will be to focus on capitalizing on our core strengths and expanding the operations of our business. The following are the key strategies in Our Company for its Business:

1. Improving Operational Efficiencies

Our Company makes continuous efforts to improve Efficiencies to achieve cost reductions so that we can be competitive in market. We believe that we can achieve the same by gaining economies of scale in our operations and continuous research and development. Our operating team including senior management adopts good practices in line with industry standards across our trading facilities.

We will continue to invest in increasing our operational efficiency throughout the organization. We are addressing the increase in operational output through continuous process improvement, quality check and technology development. Our employees are regularly motivated to increase efficiency with error free exercise.

2. Work with existing suppliers

Instead of finding new suppliers, we support our existing suppliers. It helps us to save the time in the procurement phase of the raw material.

3. Expand Geographical Reach

Our Company seeks to expand and enhance our presence in our existing business segments by identifying markets where we can provide cost-effective and quality materials to prospective consumers. We seek to capitalize on our existing experience, established contracts with suppliers and entering into the new products considering the local working conditions.

4. Better Cost Control And Improved Manufacturing Technology













The existing plant material movement needs to be thoroughly automated by extensively using automatic convey or belts for movement between processes and of the raw material. The moulding line needs to be further automated by installing an additional Automatic Moulding lines. This would result in faster production cycles as well as higher dimensional accuracy. More core shooters are to be added to remove bottlenecks in manufacturing cores.

5. To Widen Product Range

To reduce excessive dependence on the HCV industry, which is subject to cyclical trends, although less marked in the last few years, the Company needs to diversify and widen its product range towards small castings also to cater to more applications like passenger cars and Light Commercial Vehicles. The Company is already supplying a sizeable portion of castings to the Tractor industry. However further widening of the


product base would provide better market presence. For developing a product line the cost and time involved is considerable, hence a dedicated team of personnel and resources needs to be apportioned towards this effort.

OUR PRODUCTS

Gear Casting	Front Cover	Header	Pulley
			
			
			

INTELLECTUAL PROPERTY RIGHTS

As on the date of this Draft Prospectus, our Promoter – Mr. Shital Adinath Ketkale have provided his consent through No Objection Certificate to our Company to use below mentioned registered Trademark for general business purpose:

Sr. No.	Logo	Date of Application	Valid Upto	Application No.	Class	Current Status
1		March 9, 2015	March 9, 2025	2916948	21	Registered

PROPERTIES

Details of our properties are as follows:

Sr. No.	Address of Property	Name of the Seller/ Lessor	Consideration	Status of Use of the Property	Period of Lease/Rent
1	Plot No. 111, Sector 'A', Phase-1, Shri Laxmi Sahakari Aoudhogik Vasahat Limited, Hatkanangale	Shital Adinath Ketkale	Rs. 10,000/-	Industrial	11 months (Till April 2020)
2	Plot No. 108, 109, Sector 'A', Phase-1, Shri Laxmi Sahakari Aoudhogik Vasahat Limited, Hatkanangale	Shri Laxmi Sahakari Aoudhogik Vasahat Limited	Rs. 2,613/- per year	Industrial	99 years

Sr. No.	Address of Property	Name of the Seller/ Lessor	Consideration	Status of Use of the Property	Period of Lease/Rent
3	Plot No. 110, 112 & 113; Sector 'A', Phase-1, Shri Laxmi Sahakari Aoudhogik Vasahat Limited. Hatkanangle	Shri Laxmi Sahakari Aoudhogik Vasahat Limited	Rs.3,274/- per year	Industrial	99 years

Some of our group entities named Sanmati Value Marketing Private Limited and Hatkanangle Tools Cluster Association share properties as Plot No. 110 & 111 and Plot No. 110 with our Company, respectively for their regular operations.

LIST OF MACHINES

CNC (11nos)

Make	Model	Capacity
LMW (Coimbatore)	Pilatus 20 T	Ø 260 X 375 L
ACE Designers (Bangalore)	Classic 20 T	Ø 350 X 630 L
LMW (Coimbatore)	Pilatus 25 T	Ø 350 X 500 L
ACE Designers (Bangalore)	Classic LT 20 C	Ø 375 X 630 L
LMW (Coimbatore)	LL 25 T	Ø 265 X 480 L
Retrofit CNC	Gurudatta	Ø 375 X 630 L
Retrofit CNC	Gurudatta	Ø 375 X 630 L
Retrofit CNC	Global Machines	Ø 375 X 630 L
Retrofit CNC	Global Machines	Ø 375 X 630 L
Marshall (Ludhiana)	Fortius	Ø 300 X 360 L
Marshall (Ludhiana)	SL-25	Ø 500 X 360 L

VMC (14 nos)

Make	Model	Capacity
BFW (Bangalore)	BMV 45 TC 20	XYZ: 600 X 450 X 450
AMS (Bangalore)	MCV 500S TC 24	XYZ: 800 X 510 X 510 with Auto Pallet Changer
AMS (Bangalore)	MCV 500S TC 24	XYZ: 800 X 510 X 510 with Auto Pallet Changer & Coolant through Spindle
AMS (Bangalore)	MCV 450S TC 30	XYZ: 800 X 450 X 450 with Auto Pallet Changer with probing system
AMS (Bangalore)	MCV 450 TC 30	XYZ: 800 X 450 X 450 with Auto Pallet Changer
BFW (Bangalore)	BMV 51 TC 20	XYZ: 800 X 510 X 510 with Auto Pallet Changer
AMS (Bangalore)	MCV 450 TC 24	XYZ: 800 X 450 X 500 with Auto Pallet Changer
Lokesh (Hyderabad)	VML 800	XYZ: 787 X 512 X 503 with Auto Pallet Changer
AMS (Bangalore)	MCV 450 TC 24	XYZ: 800 X 450 X 500 with Auto Pallet Changer
Lokesh (Hyderabad)	VML 800	XYZ: 787 X 512 X 503
AMS (Bangalore)	ACER	XYZ: 800 X 500 X 512 with Rotary Table
AMS(Bangalore)	MCV 450 TC 24	XYZ: 800 X 450 X 500 with Auto Pallet Changer

HMC (3nos)

Make	Model	Capacity
AMS (Bangalore)	400XL	XYZ:600x450x400
BFW (Bangalore)	Max Pro H440E	XYZ:600X560 X530
AMS (Bangalore)	400XL	XYZ:600x450x400

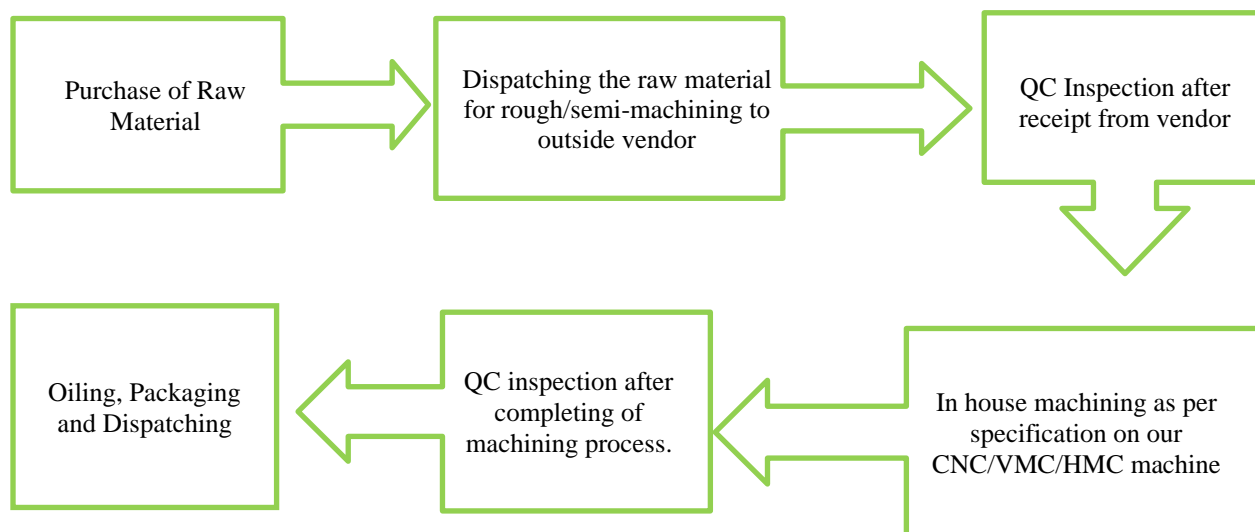


COLLABORATIONS

As on date of Draft Prospectus, we do not have any technical, financial and performance guarantee collaborations with any parties.

OUR MANUFACTURING PROCESS

Our machines are well equipped for both individual and diversified processes, and their flexibility enables us to employ them in the most optimum manner to suit the customer's preferences. Additionally, most of our machinery with certain modification is capable of being used interchangeably for either of our sectors, depending on the demand for such products. We have and may have dedicated production lines based on the size and frequency of the orders of our customers. Typically, our manufacturing process consists of machining inspection and assembly (if any). The production process may be diagrammatically explained in the following manner:



MELTING PROCESS

Metal	Specification	Facility
Cast Iron	Grade fe 260 Grade fe 300	Medium frequency induction furnace 500 kg; 550 kw Quantity – 2 Company name – inductotherm
SG Iron	FGG 45/12 FGG 50/7 FGG 40/3 FGG 80/2	Medium frequency induction furnace 500 kg; 550 kw Quantity – 2 Company name – inductotherm

POWER

Name of Electricity supplying Company	Total Meter in factory	Electricity Consumer Number	Sanctioned Electricity Load in (KW)
Maharashtra State Electricity Distribution Company Limited	4	250490005389, 250490195251, 250490193967, 250490192600	167 KWM

WATER

Water required for the manufacturing and allied process is procured through the existing water supply network in that area. There is no effluent wastage of water from the production process, since from the last evaporation stage the water gets recycled.

HUMAN RESOURCE

Human resource plays an essential role in developing a company's strategy as well as handling the employee centered activities of an organization. We believe that our employees are key contributors to our business success. To achieve this, we focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for its kind of business.

As on June 20, 2020, we have 30 permanent employees with our Company. Our manpower is a prudent mix of the experienced and young people which gives us the dual advantage of stability and growth, along with execution of services within time and quality. Our skilled resources together with our strong management team have enabled us to successfully implement our growth plans.

Sr. No.	Category	No. of Employees
1	Administrative staff	13
2	Skilled Workers	13
3	Semi-Skilled Workers	02
4	Unskilled Workers	02
Total		30

OUR PROJECTS

Some of the projects which have been executed by our Company:

Sr. no.	Name of the company	Amount (Rs. in lakhs)
1	Kirlosakar Oil Engines Limited (Kagal)	699.51/-
2	Rieter India Private Limited	282.03/-
3	JCB India Limited	20.26/-
4	Shahu Raje M.A.S Sanstha Maryadit Chandraur	85.87/-
5	Rangoli Enterprises	74.44/-
6	V.S.T Tillers Tractors Limited	62.64/-
7	Aerostar Manufacturing	52.47/-
8	Emerson Climate Technologies (India) Private Limited	24.97/-
9	Kirlosakar Pneumatic Company Limited	16.05/-
10	VST Tillers Tractors Limited (Hosur)	11.082/-

Our Company has undertaken following projects which are currently on-going:

Sr. No.	Name of the contractor	Location	Description	Value of Tender (Rs. in Lakhs)
1	VST Tractors	Mysore	Crank Case Casting	50.37
2	VST Tractors	Malur	V-Pulley, Engine Pulley, Flywheel, Transmission Case Casting	16.32
3	VST Tractors	Hosur	Final Case-LH & RH Casting	2.36

ERECTION & FIXTURES

We also derive small amount of our revenue from erection and fixtures of machines for our clients. In this type of work we get the work through bidding process of tenders. Based on the requirement of client and post award of contract from the client our Company by using the capabilities and experience of our team undertake the analysis (location, resources advantage) do the installation, setting up and erection work of machinery & factory as a whole at the client's manufacturing facilities.



KEY INDUSTRY REGULATIONS AND POLICIES

Except as otherwise specified in this Draft Prospectus, the Companies Act, 1956 / the Companies Act, 2013, we are subject to several central and state legislations which regulate substantive and procedural aspects of our business. Additionally, our operations require sanctions from the concerned authorities, under the relevant Central and State legislations and local bye-laws. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business as a player in business of manufacturing of Grey Cast Iron and Ductile Iron Machined Castings. Taxation statutes such as the I.T. Act, and applicable Labour laws, contractual laws, intellectual property laws as the case may be, apply to us as they do to any other Indian company. 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. The regulations set out below may not be exhaustive and are only intended to provide general information to Investors and is neither designed nor intended to be a substitute for professional legal advice.

APPROVALS

For the purpose of the business undertaken by our Company, its required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the chapter titled “Government and Other Approvals” beginning on Page No. 129 of this Draft Prospectus.

APPLICABLE LAWS AND REGULATIONS

Business/Trade Related Laws/Regulations

Factories Act, 1948 (the “Factories Act”)

The Factories Act aims at regulating labour employed in factories. A “factory” is defined as “any premises, whereon ten or more workers are working or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on with the aid of power, or is ordinarily so carried on, or whereon twenty or more workers are working, or were 81 working on any day of the preceding twelve months, and in any part of which a manufacturing process is carried on without the aid of power, or is ordinarily so carried on..”. The main aim of the said Factories 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 thereunder rests on the “occupier”, being the person who has ultimate control over the affairs of the factory. 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 Bureau of Indian Standards Act, 2016 (the “BIS Act”)

The BIS Act, as amended from time to time provides for the “harmonious development of the activities of standardization, marking and quality certification of goods and for matters connected therewith”. Specifically, it establishes the bureau called the Bureau of Indian Standards (“BIS”). The BIS Act provides for the powers, duties and functions of the BIS, which, inter alia, include, making such inspection and taking such samples of any material or substance, as may be necessary, to see whether any article or process in relation to which the Standard Mark has been used, confirms to the Indian Standard or whether the Standard Mark has been improperly used in relation to any article or process with or without a license.

The Micro, Small and Medium Enterprises Development Act, 2006 (the “MSME Act”)

In order to promote and enhance the competitiveness of Micro, Small and Medium Enterprise (MSME), the MSME Act is enacted. A National Board shall be appointed and established by the Central Government for MSME enterprises with its head office at Delhi.(a) In the case of the enterprises engaged in the manufacture or

production of goods pertaining to any industry mentioned in first schedule to Industries (Development and Regulation) Act, 1951 as “Micro enterprise”, where the investment in plant and machinery does not exceed twenty-five lakh rupees; “Small enterprise”, where the investment in plant and machinery is more than twenty-five lakh rupees but does not exceed five crore rupees; or a “Medium enterprise”, where the investment in plant and machinery is more than five crore but does not exceed ten crore rupees and (b) In the case of the enterprise engaged in the services, as “Micro enterprise”, where the investment in equipment does not exceed ten lakh rupees, “Small Enterprise” where the investment in equipment is more than ten lakh rupees but does not exceed two crore rupees, or “Medium Enterprise” where the investment in equipment is more than two crore rupees but does not exceed five crore rupees.

On June 01, 2020, abovementioned definition has been changed by Central Government vide notification numbering 1702(E) dated 01.06.2020.

The criteria for classification has been changed as follows, which shall come into effect from July 01, 2020:

- i. a micro enterprise, where the investment in Plant and Machinery or Equipment does not exceed one crore rupees and turnover does not exceed five crore rupees;
- ii. a small enterprise, where the investment in Plant and Machinery or Equipment does not exceed ten crore rupees and turnover does not exceed fifty crore rupees; and
- iii. a medium enterprise, where the investment in Plant and Machinery or Equipment does not exceed fifty crore rupees and turnover does not exceed two hundred and fifty crore rupees.

Laws Relating to Specific State Where Establishment is Situated

Maharashtra Factories Rules, 1963

Maharashtra Factories Rules, 1963 The Maharashtra Factories Rules, 1962 seeks to regulate labour employed in factories in the state of Maharashtra and makes provisions for the Inspection of staff, safety, health and welfare of the workers. Under this Rule, the occupier or manager of every factory is required to obtain previous permission for the construction or extension of a factory from the Chief Inspector of Factories. The occupier or manager is required to obtain certificate of stability and registration and notice of occupation for the factory. The Rules also requires inter alia the maintenance of various registers dealing with health, holidays and extent of child labour, white washing, humidity, workers attending machinery. Further, notice of accident or dangerous occurrence in the factory is to be provided to the inspector by the manager of the factory.

Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017 (the “Act”)

Under the provisions of the Act, establishments are required to be registered. Such laws regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

Maharashtra Tax on Professions, Trade, Callings and Employments Act, 1975 (the “Act”)

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 tax is 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.

Maharashtra Stamp Act, 1958 (the “Stamp Act”)

The purpose of Stamp Act was to streamline and simplify transactions of immovable properties and securities by the State Government. The Stamp Act provides for the imposition of stamp duty at the specified rates on instruments listed in Schedule IA of the Stamp Act. Stamp duty is payable on all instruments/ documents evidencing a transfer or creation or extinguishment of any right, title or interest in immoveable property.

However, under the Constitution of India, the states are also empowered to prescribe or alter the stamp duty payable on such documents executed within the state.

General Corporate Compliance

Companies Act, 2013 (the ‘Companies Act’)

The Companies Act, 2013, has replaced the Companies Act, 1956 in a phased manner. The Act received the assent of President of India on 29th August 2013.

The Companies 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 related to appointment of Directors. The procedure relating to winding up, voluntary winding up, appointment of liquidator also forms part of the Act.

Further, Schedule V (read with sections 196 and 197), Part I lays down the conditions to be fulfilled for the appointment of a managing or whole-time 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 a Company. The provisions relating to remuneration of the directors payable by the companies is under Part II of the said schedule.

The Registration Act, 1908 (“Registration Act”)

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

Employment and Labour Laws

The Code on Wages, 2019 (the “Code”)

The Code was enacted vide Gazette notification dated August 8, 2019. The Code replaces the four existing ancient laws namely (i) the Payment of Wages Act, 1936, (ii) the Minimum Wages Act, 1948, (iii) the Payment of Bonus Act, 1965, and (iv) the Equal Remuneration Act, 1976. The Code will apply to all employees and allows the Central Government to set a minimum statutory wage.

The four existing laws are as follows:

- **The Payment of Wages Act, 1936**

Payment of Wages Act, 1936, as amended, Payment of Wages (Amendment) Act, 2017 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. The Act confers on the person(s) responsible for payment of wages certain obligations with respect to the maintenance of registers and the display in such factory/establishment, of the abstracts of this Act and Rules made there under.

- **The Minimum Wages Act, 1948**

The Minimum Wages Act, 1948 came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to this Act, in respect of which minimum rates of wages have been fixed or revised under the Act.

- **The Payment of Bonus Act, 1965 (the “PoB Act”)**

The PoB Act provides for payment of minimum bonus to factory employees and every other establishment in which 20 or more persons are employed and requires maintenance of certain books

and registers and filing of monthly returns showing computation of allocable surplus, set on and set off of allocable surplus and bonus due.

- **The Equal Remuneration Act, 1976**

The Equal Remuneration Act 1979 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against female employees in the matters of employment and for matters connected therewith. The Act was enacted with the aim of state to provide Equal Pay and Equal Work as envisaged under Article 39 of the Constitution.

Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("the EPF Act") and the Employees Provident Fund Scheme, 1952

The EPF Act is applicable to an establishment employing more than 20 employees and as notified by the government from time to time. 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. The Central Government under Section 5 of the EPF Act (as mentioned above) frames Employees Provident Scheme, 1952.

Employees Deposit Linked Insurance Scheme, 1976

The scheme shall be administered by the Central Board constituted under section 6C of the EPF Act. The provisions relating to recovery of damages for default in payment of contribution with the percentage of damages are laid down under Section 8A of the Act. The employer falling under the scheme shall send to the Commissioner within fifteen days of the close of each month a return in the prescribed form. The register and other records shall be produced by every employer to Commissioner or other officer so authorized shall be produced for inspection from time to time. The amount received as the employer's contribution and also Central Government's contribution to the insurance fund shall be credited to an account called as "Deposit-Linked Insurance Fund Account."

The Employees Pension Scheme, 1995

Family pension in relation to this Act means the regular monthly amount payable to a person belonging to the family of the member of the Family Pension Fund in the event of his death during the period of reckonable service. The scheme shall apply to all the employees who become a member of the EPF or PF of the factories provided that the age of the employee should not be more than 59 years in order to be eligible for membership under this Act. Every employee who is member of EPF or PF has an option of the joining the scheme. The employer shall prepare a Family Pension Fund contribution card in respect of the all the employees who are members of the fund.

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

It is an Act to provide for certain benefits to employees in case of sickness, maternity and 'employment injury' and to make provision for certain other matters in relation thereto. It shall apply to all factories (including factories belonging to the Government) other than seasonal factories. The ESI Act requires all the employees of the establishments to which this Act applies to be insured in the manner provided there under. Employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the Employee State Insurance department.

Payment of Gratuity Act, 1972 (the "Act")

The Act shall apply to every factory, mine plantation, port and railway company; to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; such other establishments or class of establishments, in which ten or more employees are employed, on any day of the preceding twelve months, as the Central Government, may by notification, specify in this behalf. 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 gratuity shall be payable to an employee on termination of his employment after he has rendered continuous service of not less than five years on superannuation or his retirement or resignation or death or disablement due to accident or disease. The five year period shall be relaxed in case of termination of service due to death or disablement.

Maternity Benefit Act, 1961 (the “Act”)

The Act provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The Act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances, to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the state government may, with the approval of the Central Government, after giving at least two months’ notice shall apply any of the provisions of this Act to establishments or class of establishments, industrial, commercial, agricultural or otherwise.

Child Labour Prohibition and Regulation Act, 1986 (the “Child Labour Act”)

The Child Labour Act prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Employment of Child Labour in our industry is prohibited as per Part B (Processes) of the Schedule.

Trade Union Act, 1926 and Trade Union (Amendment) Act, 2001 (the “Act”)

The Act provides that any dispute between employers and workmen or between workmen and workmen, or between employers and employers which is connected with the employment, or non-employment, or the terms of employment or the conditions of labour, of any person shall be treated as trade dispute. For every trade dispute a trade union has to be formed. For the purpose of Trade Union Act, 1926, Trade Union means combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, or between employers and employers, or for imposing restrictive condition on the conduct of any trade or business etc.

The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 (the “Act”)

In order to curb the rise in sexual harassment of women at workplace, this Act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace are both defined in the Act. Every employer should also constitute an “Internal Complaints Committee” and every officer and member of the company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organising awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

Industrial Disputes Act, 1947 (“ID Act”) and Industrial Dispute (Central) Rules, 1957

The ID Act and the Rules made there under provide for the investigation and settlement of industrial disputes. Workmen under the ID Act 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 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 ID Act also sets out certain requirements in relation to the termination of the services of the workman. The ID Act 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.

Tax Related Legislations

Income Tax Act, 1961 (“IT Act”)

The IT Act is applicable to every Company, whether domestic or foreign whose income is taxable under the provisions of the IT Act or Rules made thereunder depending upon its Residential Status and Type of Income involved. The IT Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or

arising in India. Every Company assessable to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like. Every such Company is also required to file its returns by September 30 of each assessment year.

Central Goods and Services Tax Act, 2017 (the "GST Act")

The GST Act levies indirect tax throughout India to replace many taxes levied by the Central and State Governments. The GST Act was applicable from July 1, 2017 and combined the Central Excise Duty, Commercial Tax, Value Added Tax (VAT), Food Tax, Central Sales Tax (CST), Introit, Octroi, Entertainment Tax, Entry Tax, Purchase Tax, Luxury Tax, Advertisement Tax, Service Tax, Customs Duty, Surcharges. GST is levied on all transactions such as sale, transfer, purchase, barter, lease, or import of goods and/or services. India has adopted a dual GST model, meaning that taxation is administered by both the Union and State Governments. Transactions made within a single state are levied with Central GST (CGST) by the Central Government and State GST (SGST) by the government of that state. For inter-state transactions and imported goods or services, an Integrated GST (IGST) is levied by the Central Government. GST is a consumption-based tax; therefore, taxes are paid to the state where the goods or services are consumed and not the state in which they were produced.

Environmental Related Laws

The Environment (Protection) Act, 1986 (the "Environment Protection Act")

The purpose of the Environment Protection Act is to act as an "umbrella" legislation designed to provide a framework for Central government co-ordination of the activities of various central and state authorities established under previous laws. The Environment Protection Act authorizes the central government to protect and improve environmental quality, control and reduce pollution from all sources, and prohibit or restrict the setting and/or operation of any industrial facility on environmental grounds. The Act prohibits persons carrying on business, operation or process from discharging or emitting any environmental pollutant in excess of such standards as may be prescribed. Where the discharge of any environmental pollutant in excess of the prescribed standards occurs or is apprehended to occur due to any accident or other unforeseen act, the person responsible for such discharge and the person in charge of the place at which such discharge occurs or is apprehended to occur is bound to (a) prevent or mitigate the environmental pollution caused as a result of such discharge and should intimate the fact of such occurrence or apprehension of such occurrence; and (b) be bound, if called upon, to render all assistance, to such authorities or agencies as may be prescribed.

Air (Prevention and Control of Pollution) Act, 1981 (the "Air Act")

The Air Act was enacted with an objective to protect the environment from smoke and other toxic effluents released in the atmosphere by industries. With a view to curb air pollution, the Air Act has declared several areas as air pollution control area and also prohibits the use of certain types of fuels and appliances. Prior written consent is required of the board constituted under the Air Act, if a person intends to commence an industrial plant in a pollution control area.

Water (Prevention and Control of Pollution) Act, 1974 (the "Water Act")

The Water Act was enacted with an objective to protect the rivers and streams from being polluted by domestic and industrial effluents. The Water Act prohibits the discharge of toxic and poisonous matter in the river and streams without treating the pollutants as per the standard laid down by the Pollution control boards constituted under the Act. A person intending to commence any new industry, operation or process likely to discharge pollutants must obtain prior consent of the board constituted under the Water Act.

Water (Prevention and Control of Pollution) Cess Act, 1977 (the "Water Cess Act")

The Water Cess Act provides for the levy and collection of cess on water consumed by persons carrying on certain industries and by local authorities, with a view to augment the resources of the Central Board and the State Boards for the prevention and control of water pollution constituted under the Water (Prevention and Control of Pollution) Act, 1974.

Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 as amended ("Hazardous Wastes Rules")

The Hazardous Wastes Rules impose an obligation on every occupier of an establishment generating hazardous waste to recycle or reprocess or reuse such wastes in a registered recycler or to dispose of such hazardous wastes

in an authorized disposal facility. Every person engaged, inter alia, in the generation, processing, treatment, package, storage and destruction of hazardous waste is required to obtain an authorization from the relevant state pollution control board for collecting, recycling, reprocessing, disposing, storing and treating the hazardous waste. The Environmental Impact Assessment Notification dated September 14, 2006 read with notifications dated October 11, 2007, December 1, 2009, April 4, 2011 and January 25, 2012, issued under the Environment Protection Act and the Environment (Protection) Rules, 1986, requires prior environmental clearance of the Ministry.

Noise Pollution (Regulation & Control) Rules 2000 (“Noise Regulation Rules”)

Noise Regulation Rules regulate noise levels in industrial, commercial and residential zones. The Noise Regulation Rules also establish zones of silence of not less than 100 meters near schools, courts, hospitals, etc. The rules also assign regulatory authority for these standards to the local district courts. Penalty for non-compliance with the Noise Regulation Rules shall be under the Provisions of the Environment (Protection) Act, 1986.

Generator sets (Noise and Emissions)

Central Pollution Control Board (CPCB) has prescribed guidelines for emission and noise pollution of gensets up to 1000 KVA. The said guidelines are effective from January 15, 2008 for system procedure for compliance with noise limits.

National Environmental Policy, 2006

This Policy seeks to extend the coverage, and fill in gaps that still exist, in light of present knowledge and accumulated experience. This policy was prepared through an intensive process of consultation within the Government and inputs from experts. It does not displace but builds on the earlier policies. It is a statement of India's commitment to making a positive contribution to international efforts. This is a response to our national commitment to a clean environment, mandated in the Constitution in Articles 48 A and 51 A (g), strengthened by judicial interpretation of Article 21. The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource. Following are the objectives of the National Environmental Policy:

- Conservation of Critical Environmental Resources
- Intra-generational Equity: Livelihood Security for the Poor
- Inter-generational Equity
- Integration of Environmental Concerns in Economic and Social Development
- Efficiency in Environmental Resource Use
- Environmental Governance
- Enhancement of resources for Environmental Conservation

Intellectual Property Legislations

In general, the Intellectual Property Rights includes but is not limited to the following enactments:

- Indian Copyright Act, 1957
- The Trade Marks Act, 1999
- The Designs Act, 2000
- The Patent Act, 1970

The Acts applicable to our Company will be:

Trade Marks Act, 1999 (“TM Act”)

The Trade Marks Act, 1999 provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement for commercial purposes as a trade description. The TM Act prohibits any registration of deceptively similar trademarks or chemical compounds among others. It also provides for penalties for infringement, falsifying and falsely applying for trademarks.

Anti-Trust Laws

Competition Act, 2002 (the “Act”)

The Act is to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect interest of consumer and to ensure freedom of trade in India. The Act deals with prohibition of anti-competitive agreements. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Act.

General Laws

Apart from the above list of laws – which is inclusive in nature and not exhaustive - general laws like the Negotiable Instrument Act 1881, The Information Technology Act, 2000, Sale of Goods Act 1930, Workmen Compensation Act, 1923, Industrial Employment (Standing Orders) Act, 1946, Employment Exchanges (Compulsory Notification Of Vacancies) Act, 1959, Consumer Protection Act 1986, The Public Liability Insurance Act, 1991, Indian Contract Act, 1872, Transfer of Property Act, 1882 etc.

Other Laws

Foreign Trade (Development and Regulation) Act, 1992 (the “Act”)

The Development and Regulation of foreign trade by facilitating imports and exports from and to India. The Import-Export Code number and licence to import or export includes a customs clearance permit and any other permission issued or granted under this Act. The Export and Import policy, provision for development and regulation of foreign trade shall be made by the Central Government by publishing an order. The Central Government may also appoint Director General of Foreign Trade (“DGFT”) for the purpose of Export-Import Policy formulation.

If any person makes any contravention to any law or commits economic offence or imports/exports in a manner prejudicial to the trade relations of India or to the interest of other person engaged in imports or exports then there shall be no Import Export Code number granted by Director-General to such person and if in case granted shall stand cancelled or suspended. Provision of search and seizure of Code of Criminal Procedure, 1973 shall apply to every search and seizure made under this Act. In case of appeals in a case the order made by the appellate authority shall be considered to be final. The powers of the civil court under Code of Civil Procedure, 1908 shall vest in him.

The EXIM Policy is a set of guidelines and instructions established by the DGFT in matters related to the export and import of goods in India. This policy is regulated under the said Act. DGFT is the main governing body in matters related to the EXIM Policy. The Act shall provide development and regulation of foreign trade by facilitating imports into, and augmenting exports from India. Trade Policy is prepared and announced by the Central Government (Ministry of Commerce).

Foreign Exchange Management Act, 1999 (“FEMA”)

Foreign investment in India is primarily governed by the provisions of FEMA and the rules and regulations promulgated there under. FEMA aims at amending the law relating to foreign exchange with facilitation of external trade and payments for promoting orderly developments and maintenance of foreign exchange market in India. It applies to all branches, offices and agencies outside India owned or controlled by a person resident in India and also to any contravention there under committed outside India by any person to whom this Act applies. Every exporter of goods is required to a) furnish to the Reserve Bank or to such other authority a declaration in such form and in such manner as may be specified, containing true and correct material particulars, including the amount representing the full export value or, if the full export value of the goods is not ascertainable at the time of export, the value which the exporter, having regard to the prevailing market conditions, expects to receive on the sale of the goods in a market outside India; b) furnish to the Reserve Bank such other information as may be required by the Reserve Bank for the purpose of ensuring the realization of the export proceeds by such exporter. The Reserve Bank may, for the purpose of ensuring that the full export value of the goods or such reduced value of the goods as the Reserve Bank determines, having regard to the prevailing market conditions, is received without any delay, direct any exporter to comply with such requirements as it deems fit. Every exporter of services shall furnish to the Reserve Bank or to such other authorities a declaration in such form and in such manner as may be specified, containing the true and correct material particulars in relation to payment for such services.

FEMA Regulations

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

The Foreign Direct Investment

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("**FDI**") through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("**DIPP**"), has issued consolidated FDI Policy Circular of 2017 ("**FDI Policy 2017**"), which with effect from August 28, 2017, 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 Reserve Bank of India ("**RBI**") also issues Master Directions Foreign Investment in India and updates at the same from time to time. Presently, FDI in India is being governed by Master Directions on Foreign Investment No. RBI/FED/2017-18/60 FED Master Direction No. 11/2017-18 dated January 4, 2018, as updated from time to time by RBI. In terms of the Master Directions, 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 Directions. 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 the filing of Form FC-GPR.

OUR HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as “Sanmati Precision Engineering Private Limited” under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated May 10, 2013 bearing Registration No. 147341 issued by the Registrar of Companies, Maharashtra, Pune. Subsequently, our Company was converted into a Public Limited Company and the name of our Company was changed to “Sanmati Precision Engineering Limited” vide Special Resolution dated March 30, 2019. A fresh certificate of incorporation consequent to conversion into public limited company was issued to our Company by the Registrar of Companies, Maharashtra, Pune on May 03, 2019. The Company’s Corporate Identity Number is U28995PN2013PLC147341.

Our Company currently operates from our registered office situated at Plot No. 110, Sector-A, Shri Laxmi Co-Op Industrial Estate, Hatkanangale, Kolhapur, Maharashtra – 416 109. The said premise is taken on lease by the Company. For further details regarding our business operations, please refer chapter titled “*Our Business*” beginning on Page No. 70 of this Draft Prospectus.

Our Company has 7 shareholders as on the date of filing of this Draft Prospectus. For further details regarding Shareholding pattern, please refer chapter titled “*Capital Structure*” beginning on Page No. 42 of this Draft Prospectus.

MAJOR EVENTS IN THE HISTORY OF OUR COMPANY

Year	Major Event
2013	Incorporation of our Company as Private Limited
	Gold Winner in 46 th Chapter Mini Convention on Quality Circle and Allied Concepts organized by Quality Circle Forum of India held at Pune Chapter.
2014	Second Runner up in Supplier Quality Improvement contest by Kirloskar Oil Engines Limited
	Gold Winner for Quality Circle & Allied Concepts at 29 th Annual Chapter Convention (CCQC 2014) organized by Quality Circle Forum of India held at Pune Chapter
2015	Winner for Supplier Quality Improvement contest by Kirloskar Oil Engines Limited
	Acquisition of assets and liabilities of “Champion C.N.C. Engineering Works”, a proprietorship concern of Mrs. Vaishali Ketkale vide Business Takeover Agreement dated June 30, 2014.
2017	Best Development Award by Rieter India Private Limited
2018	Achieved revenue from operations of more than Rs. 1,000 Lakhs
2019	Conversion of the Company from Private Limited Company to Public Limited Company.

MAIN OBJECTS AS PER MEMORANDUM OF ASSOCIATION

Our Company’s Main Object as per the Memorandum of Association is as follows:

1. To carry on India or elsewhere the business of manufacturing, developing, engineering, precision and mechanical engineering, fabricating, calibrating, assembling, arranging, erecting, installing, repairing, servicing, renovating, altering, improving, testing and commissioning, buying, selling, importing, exporting, trading and generally dealing in all kinds of metal and non-metal items, vacuum plants, Vacuum impregnation Plant, Resin Plant, Autoclave, Heavy duty insulation system and allied engineering items enclosures and articles and supply, erect, give and take on hire or lease. Gears, Ferrous–Non Ferrous, casting components to engineering industry in government, Semi government and private sector.

CHANGES IN REGISTERED OFFICE OF OUR COMPANY

Date of Change	Registered Address Changed From	Changed to	Reason
Upon Incorporation	Plot No. 111, Sector-A, Shri Laxmi Co-Op Industrial Estate, Hatkanangale, Kolhapur, Maharashtra - 416 109		Incorporation
June 20, 2019	Plot No. 111, Sector-A, Shri Laxmi Co-Op Industrial Estate, Hatkanangale, Kolhapur, Maharashtra - 416 109	Plot No. 110, Sector-A, Shri Laxmi Co-Op Industrial Estate, Hatkanangale, Kolhapur, Maharashtra - 416 109	Administrative / Operational Convenience

AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION

Dates on which some of the main clauses of the Memorandum of Association of our Company have been changed citing the details of amendment as under:

Date	Nature of Amendment
March 30, 2015	The initial authorised share capital of Rs. 1,00,000/- divided into 1,000 Equity Shares of Rs.100/- each was increased to Rs. 3,00,00,000/- divided into 3,00,000 Equity Shares of Rs.100/- each.
December 25, 2018	The authorised share capital of Rs. 3,00,00,000/- divided into 3,00,000 Equity Shares of Rs.100/- each was changed to Rs. 3,00,00,000/- divided into 30,00,000 Equity Shares of Rs.10/- each.
December 28, 2018	The authorised share capital of Rs. 3,00,00,000/- divided into 30,00,000 Equity Shares of Rs.10/- each was increased to Rs. 10,00,00,000 divided into 1,00,00,000 Equity Shares of Rs.10/- each.
March 30, 2019	Our Company adopted new set of MoA and was converted to Public Limited and subsequently name was changed from “ <i>Sanmati Precision Engineering Private Limited</i> ” to “ <i>Sanmati Precision Engineering Limited</i> ”.

STRATEGIC PARTNERS

Our Company doesn't have any strategic partners as on the date of this Draft Prospectus.

TIME AND COST OVERRUN

As on date of the Draft Prospectus, there has been no time and cost overruns in the Company.

DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS / BANKS

There have been no defaults or rescheduling of borrowings with any financial institutions / banks as on the date of this Draft Prospectus.

ACQUISITION OF BUSINESS / UNDERTAKINGS

Our Company has acquired assets and liabilities of “*Champion C.N.C. Engineering Works*” a proprietorship firm of Mrs. Vaishali Ketkale vide Business Takeover Agreement dated June 30, 2014 for an aggregate consideration of Rs. 219.20 Lakhs. The said consideration was paid by Our Company through issuance of 2,19,200 Equity Shares having Face Value of Rs. 100/- each on March 30, 2015.

DIVESTMENT OF BUSINESS / UNDERTAKING BY COMPANY IN THE LAST TEN YEARS

Our company has not divested any of its business / undertaking since its inception.

REVALUATION OF ASSETS IN THE LAST TEN YEARS

There has been no revaluation of assets of our company since its inception.

HOLDING COMPANY

As on the date of this Draft Prospectus, there is no Holding Company of our Company.

SUBSIDIARIES

As on the date of this Draft Prospectus, there are no subsidiaries of our Company.

JOINT VENTURES

As on the date of this Draft Prospectus, there are no joint ventures of our Company.

THE AMOUNT OF ACCUMULATED PROFIT/ (LOSSES) NOT ACCOUNTED FOR BY OUR COMPANY

There is no accumulated profit / (losses) not accounted for by our Company.

SHAREHOLDERS' AGREEMENT

There are no Shareholders' Agreements existing as on the date of this Draft Prospectus.

FINANCIAL PARTNERS

As on the date of this Draft Prospectus, apart from the various arrangements with bankers and financial institutions which our Company undertakes in the ordinary course of business, our Company does not have any other financial partners.

OTHER AGREEMENTS

Except the contracts / agreements entered in the ordinary course of the business carried on or intended to be carried on by our Company, we have not entered into any other agreement / contract as on the date of this Draft Prospectus.

INJUNCTIONS OR RESTRAINING ORDERS

There are no injunctions / restraining orders that have been passed against the company.

OUR MANAGEMENT

Board of Directors:

Our Company has five (5) Directors consisting of one (1) Managing Director, one (1) Whole Time Director, one (1) Non-Executive Directors and two (2) Non-Executive Independent Directors. The following table sets forth the details of our Board of Directors as on the date of this Draft Prospectus:

Particulars	Nationality	Age	Other Directorships
Mr. Shital Ketkale <i>(Managing Director and Chairman)</i> Date of Birth: March 02, 1972 Address: 19/149, Namokar Bungalow, Opp. Upavan Hotel, Kolhapur Road, Ichalkaranji, Maharashtra – 416 115 Date of Appointment as Director: On Incorporation Date of Appointment as Managing Director: May 31, 2019 Term: Appointed as Managing Director for a period of five years i.e. till May 30, 2024. Occupation: Business DIN: 02162208	Indian	48 Years	<ul style="list-style-type: none"> • Mahabeema Bamboo Producer Company Limited • Sanmati Value Marketing Private Limited • Awaken Sales India Private Limited • Garcinia Value Marketing Foundation • Garcinia Valley Bamboo Cluster Foundation • Shri Laxmi Industrial Estate Foundry Cluster Association • Hatkanangale Tools Cluster Association
Mrs. Vaishali Ketkale <i>(Whole Time Director)</i> Date of Birth: April 10, 1977 Address: 19/149, Namokar Bungalow, Opp. Upavan Hotel, Kolhapur Road, Ichalkaranji, Maharashtra – 416 115 Date of appointment as Executive Director: On Incorporation Date of appointment as Whole Time Director: May 31, 2019 Term: Appointed as Whole Time Director for a period of five years i.e. till May 30, 2024. Occupation: Business DIN: 02162228	Indian	43 Years	<ul style="list-style-type: none"> • Mahabeema Bamboo Producer Company Limited • Sanmati Value Marketing Private Limited • Hatkanangale Tools Cluster Association
Mr. Sheetal Patil <i>(Non-Executive Director)</i> Date of Birth: July 06, 1980 Address: 411, Akatekar, Patil Galli, Kumbhoj, Hatkanangale, Kolhapur, Maharashtra – 416 111 Date of appointment as Non-Executive Director: On Incorporation	Indian	39 Years	<ul style="list-style-type: none"> • Awaken Agrolink Private Limited • Awaken Sales India Private Limited • Shiruni Overseas Private Limited • AirGtc India Private Limited

Particulars	Nationality	Age	Other Directorships
Term: Liable to retire by rotation Occupation: Business DIN: 03524900			
Mr. Padmasinh Balasaheb Patil <i>(Non-Executive Independent Director)</i> Date of Birth: February 28, 1984 Address: Main Road, At Post – Ispurli, Taluka – Karveer, Dist – Kolhapur, Maharashtra – 416 207 Date of Appointment as Additional Non-Executive Independent Director: May 31, 2019 Date of Regularisation: June 04, 2019 Term: for a period of five years i.e. till May 30, 2024. Occupation: Professional DIN: 08464418	Indian	36 Years	Nil
Mr. Pandurang Tukaram Kumbhar <i>(Non-Executive Independent Director)</i> Date of Birth: June 02, 1952 Address: Plot No. 10, Ashirwad Vibhute Housing Society, Bypass Road, Jaysingpur, Kolhapur, Maharashtra – 416 101. Date of Appointment as Additional Non-Executive Independent Director: May 31, 2019 Date of Regularisation: June 04, 2019 Term: for a period of five years i.e. till May 30, 2024. Occupation: Professional DIN: 07545215	Indian	68 Years	<ul style="list-style-type: none"> Srujanshakti Foundation Knowledge

For further details on their qualification, experience etc., please see their respective biographies under the heading “*Brief Biographies*” below:

Notes:

- None of the Directors is or was a director of any listed company during the last five years preceding the date of this Draft Prospectus, whose shares have been or were suspended from being traded on any Stock Exchange, during the term of their directorship in such company.
- None of the Directors is or was a director of any listed company which has been or was delisted from any recognized stock exchange in India during the term of their directorship in such company.

- There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Directors or Key Management Personnel were selected as a Director or member of the senior management.
- There is no service contracts entered into by the Directors with our Company providing for benefits upon termination of employment.
- None of the Directors is categorized as a wilful defaulter, as defined under SEBI (ICDR) Regulations, 2018.
- None of the Promoters, or Directors has been or is involved as a promoters or director of any other Company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

Relationship between Directors and KMPs

Except as disclosed below, none of our directors are related to each other in terms of the definition of ‘relative’ under Section 2 (77) of the Companies Act, 2013:

Particulars	Relationship
Mr. Shital Adinath Ketkale to Mrs. Vaishali Shital Ketkale	Husband – Wife
Mrs. Vaishali Shital Ketkale and Mr. Sheetal Rajgonda Patil	Sister – Brother

Brief Biographies of Our Directors

Mr. Shital Adinath Ketkale, aged 48 years is the Managing Director and founding promoter of our Company. He has completed Diploma in Mechanical Engineering (DME) from Dr. J. J. Magdum Polytechnic Institute, Jaysingpur. Post completion of DME, he joined M/s Pragati Founders as Jr. Engineer for over 2 years. He has played major part in setup of few proprietary firms namely M/s Sanmati CNC Engineering Works, M/s Adinath CNC Engineering Works and M/s Champion CNC Engineering Works. He has overall experience of more than 25 years in Engineering Industry. From past few years, he has been participating in social work through Rotary club and has also established few NGOs.

Mrs. Vaishali Shital Ketkale, aged 43 years is Co-Promoter and Whole Time Director of our Company. She has completed graduation in Arts (Economics) from Shivaji University, Kolhapur. She was engaged in the same industry with a proprietary firm named “*M/s Champion CNC Engineering Works*” which subsequently was acquired by our Company. She has more than 10 years of experience in Engineering Industry.

Mr. Sheetal Rajgonda Patil, aged 39 years, is Non-Executive Non-Independent Director of our Company. He has done DME from Bombay Technical Education. He has his own proprietary firm named M/s Vardhaman CNC Engineering Works and has more than 13 years of experience in the same industry.

Mr. Padmasinh Balasaheb Patil, aged 36 years, is a Non-Executive Independent Director of our Company. He holds Bachelor of Commerce and Bachelors of Law degree from Shivaji University of Kolhapur. He is also a member of the Institute of Company Secretaries of India having more than 5 years of experience as Practising Company Secretary.

Mr. Pandurang Tukaram Kumbhar, aged 68 years, is a Non-Executive Independent Director of our Company. He holds number of qualifications which includes Bachelor in Commerce (B.Com.), Master in Commerce (M.Com.), Cost and Management Accountant (CMA), Company Secretary (CS), Chartered Secretary (ICSA) from London, etc. He has also done many diploma/certification courses from reputed organizations like ICFAI, RBI, AIMA, AMFI, NIBM, EDII, etc. He is having work experience of more than 28 years with Syndicate Bank and more than 15 years with Kajis Bank. He has overall experience of more than 43 years in Banking, Finance, Compliance and Training field. He is active through an NGO named Rural Development & Self Employed Training Centre (RUDSET) under the banner of SDME (Dharmsthal) for imparting Skill Development programmes for youths.

Borrowing Powers of our Board of Directors

Our Company at its Extra-Ordinary General Meeting held on June 04, 2019 passed a resolution authorizing Board of Directors pursuant to the provisions of section 180 (1) (c) of the Companies Act, 2013 for borrowing from time to time any sum or sums of moneys which together with the moneys already borrowed by the Company (apart from temporary loans obtained from the bankers of the Company in ordinary course of business) shall not exceed in the aggregate at any one time Rs. 100 Crores (Rupees One Hundred Crores Only)

irrespective of the fact that such aggregate amount of borrowings outstanding at any one time may exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

Remuneration of Executive Directors

The compensation package payable to them as resolved in the shareholders meeting held on June 04, 2019 is stated as below:

Name of the Directors	Designation	Maximum Remuneration Paid shall not exceed (in Rs.)	Remuneration paid in FY 2018-19 (in Rs.)
Mr. Shital Adinath Ketkale	Managing Director	12 Lacs (Per Annum)	4 Lacs
Mrs. Vaishali Shital Ketkale	Whole Time Director	12 Lacs (Per Annum)	4 Lacs

Remuneration Paid to Directors of Our Subsidiaries or Associate Companies

As on date of filing this Draft Prospectus, the Company doesn't have any Subsidiary or Associate Company.

Compensation to the Non-Executive Directors

Pursuant to a resolution passed at the meeting of the Board of the Company on June 01, 2019 the Non-Executive Independent Directors will be paid Rs. 5,000/- each for attending every Board Meeting & every committee meeting of the Company by them.

No remuneration and sitting fees was paid to our Non-Executive Directors and Non-Executive Independent Director in FY 2018-19.

Shareholding of Directors

The following table sets forth the shareholding of our Directors as on the date of this Draft Prospectus:

Name of Directors	No. of Equity Shares held	% of Pre-Issue Paid Up Capital
Mr. Shital Adinath Ketkale	21,42,611	40.77%
Mrs. Vaishali Shital Ketkale	28,69,626	54.60%
Mr. Sheetal Rajgonda Patil	2,43,329	4.63%
Total Holding of Directors	52,55,566	100.00%
Total Paid up Capital	52,55,570	100.00%

Interest of the Directors

Our Directors may be deemed to be interested in the promotion of the Company to the extent of the Equity Shares held by them and also to the extent of any dividend payable to them on their holding of such shares and other distributions in respect of the aforesaid Equity Shares. For further details, refer to chapter titled "*Financial Statements - Related Party Transactions*" and "*Our Promoters and Promoter's Group*" beginning on Page No. 110 and 100 of this Draft Prospectus.

All of our Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or allotted to the companies in which they are interested as Directors, Members, and Promoters, pursuant to this issue. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Except as stated in this chapter titled "*Our Management*" and the chapter titled "*Financial Statements - Related Party Transactions*" beginning on Page No. 90 and 110 of this Draft Prospectus respectively, our Directors do not have any other interest in our business.

Except as disclosed in “*Properties*” within the section titled “*Our Business*” on Page No. 70 of this Draft Prospectus, our Directors have no interest in any property acquired or proposed to be acquired by our Company as on the date of this Draft Prospectus.

Changes in the Board of Directors in the last three years

Following are the changes in our Board of Directors in the last three years:

Sr.	Name of Director	Date of Change	Reason for change
1.	Mr. Shital Adinath Ketkale	May 31, 2019	Appointment as Managing Director
2.	Mrs. Vaishali Shital Ketkale	May 31, 2019	Change in designation from Executive to Whole Time Director
3.	Mr. Padmasinh Balasaheb Patil	May 31, 2019	Appointment as Additional Non-Executive Independent Director
4.	Mr. Pandurang Tukaram Kumbhar	May 31, 2019	Appointment as Additional Non-Executive Independent Director
5.	Mr. Padmasinh Balasaheb Patil	June 04, 2019	Regularization as Non-Executive Independent Director
6.	Mr. Pandurang Tukaram Kumbhar	June 04, 2019	Regularization as Non-Executive Independent Director

Corporate Governance

The provisions relating to corporate governance prescribed under the SEBI Listing Regulations will be applicable to us immediately upon listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of applicable regulations, including the SEBI Listing Regulations, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance including the constitution of our Board and committees thereof and formulation and adoption of various policies.

Our Board has been constituted in compliance with the Companies Act and the SEBI Listing Regulations. The Board functions either as a full board or through various committees constituted to oversee specific operational areas.

Currently, our Board has five (5) Directors. In compliance with the requirements of the Companies Act we have one (1) Managing Director, one (1) Whole Time Director, one (1) Non-Executive Directors and two (2) Non-Executive Independent Directors. We have one (1) woman director on our Board.

Committees of our Board

We have constituted the following committees of our Board of Directors for compliance with Corporate Governance requirements:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholder’s Relationship Committee

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 May 31, 2019. The audit committee presently consists of the following Directors of the Board:

Name of the Member	Nature of Directorship	Designation in Committee
Mr. Pandurang Tukaram Kumbhar	Non-Executive Independent Director	Chairman
Mr. Padmasinh Balasaheb Patil	Non-Executive Independent Director	Member
Mr. Sheetal Rajgonda Patil	Non-Executive Director	Member

The Company Secretary of our Company shall act as a Secretary to the Audit Committee. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to furnish clarifications to the Shareholders in any matter relating to accounts.

The scope and function of the Audit Committee and its terms of reference shall include the following:

- A. Tenure:** The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.
- B. Meetings of the Committee:** The committee shall meet as often as necessary subject to minimum number of frequency prescribed by any law or any authority or as stipulated by Board. 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.
- C. Role and Powers of the Audit Committee:** The Role of Audit Committee together with its powers shall be as under:
 - Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
 - Examination of the financial statement and the auditors' report thereon;
 - 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;
 - Review and monitor the auditor's independence and performance, and effectiveness of audit process;
 - Approving initial or any subsequent modification of transactions of the company with related parties;
 - Scrutinizing inter-corporate loans and investments;
 - Valuation of undertakings or assets of the company, wherever it is necessary;
 - Monitoring the end use of funds raised through public offers and related matters;
 - Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
 - Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 - To do all acts, deeds and things as may be required or considered necessary or incidental in the above matters along with another terms as may be decided by Board.

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 May 31, 2019. The Nomination and Remuneration Committee presently consists of the following Directors of the Board:

Name of the Member	Nature of Directorship	Designation in Committee
Mr. Padmasinh Balasaheb Patil	Non-Executive Independent Director	Chairman
Mr. Pandurang Tukaram Kumbhar	Non-Executive Independent Director	Member
Mr. Sheetal Rajgonda Patil	Non-Executive Director	Member

The Company Secretary of the Company shall act as a secretary to the Nomination and Remuneration Committee. The Chairman of the committee is entitled to attend the General Meeting of the Company to furnish clarifications to the Shareholders on any matter relating to remuneration.

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. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher.

C. Terms of Reference:

- Identify persons who are qualified to become directors and may be appointed in senior management in accordance with the Criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the board a policy relating to the remuneration for directors, KMPs and other employees.
- Formulation of criteria for evaluation of performance of independent directors and our Board;
- 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.
- Determine our Company's policy on specific remuneration package for the Managing Director / Executive Director including pension rights.
- Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors.
- Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.
- Decide the amount of Commission payable to the Whole time Directors.
- Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc.
- To formulate and administer the Employee Stock Option Scheme.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

3. Stakeholder's 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 May 31, 2019. The Stakeholders Relationship Committee presently consists of the following Directors of the Board:

Name of the Member	Nature of Directorship	Designation in Committee
Mr. Sheetal Rajgonda Patil	Non-Executive Director	Chairman
Mr. Shital Adinath Ketkale	Executive Director	Member
Mrs. Vaishali Shital Ketkale	Executive Director	Member

The Company Secretary of the Company shall act as a Secretary to the Stakeholder's 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 Committee shall meet as and when the need arise and 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 either two members or one third of the members of the committee, whichever is higher.
- C. **Terms of Reference:** Redressal of shareholders' and investors' complaints, including and in respect of:
 - 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.

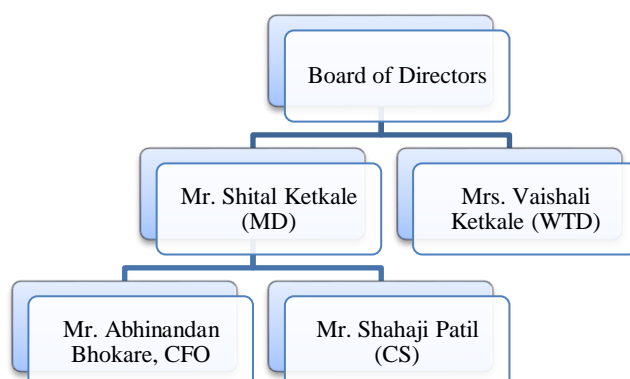
- Considering and resolving grievances of the security holders of the Company, including complaints related to the transfer of shares, non-receipt of annual report and non-receipt of declared dividends;
- Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of 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.
- To do all acts, deeds and things as may be required or considered necessary or incidental in the above matters along with another terms as may be decided by the Board.

Policy on Disclosures & 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 Stock Exchange. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of our Equity Shares on stock exchange. Further, Board of Directors have approved and adopted the policy on insider trading in view of the proposed public issue.

Mr. Shahaji Annasaheb Patil (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.

Management Organization Structure



Terms & Abbreviations:

MD	-	Managing Director
WTD	-	Whole Time Director
CFO	-	Chief Financial Officer
CS & CO	-	Company Secretary and Compliance Officer

Key Managerial Personnel

The details of our key managerial personnel are as below:

Name of Employee	Designation	Date of Appointment	Compensation for FY 2018-19 (Rs. in lakhs)	Qualification	Name of Previous Employer(s)	Total years of Experience
Mr. Shahaji Annasaheb Patil	Company Secretary & Compliance Officer	December 19, 2018	0.25	<ul style="list-style-type: none"> • C.S. • B.A. • LL.B. • LL.M. 	<ul style="list-style-type: none"> • Mantri Mettallics Private Limited 	9 Years (including Internship)

Name of Employee	Designation	Date of Appointment	Compensation for FY 2018-19 (Rs. in lakhs)	Qualification	Name of Previous Employer(s)	Total years of Experience
					<ul style="list-style-type: none"> • Mr. Dilip Pange (PCS) • M/s Amar Patil & Co (PCS Firm) • M/s PG Associates (PCS Firm) 	
Mr. Abhinandan Bharat Bhokare	Chief Financial Officer	May 31, 2019	N.A.	• B.B.A.	• Pragati Founders Private Limited	7 Years

Other Notes – The aforementioned KMP's are on the payrolls of our Company as permanent employees. Also, they are not related parties as per the Accounting Standard 18.

Relationship amongst the Key Managerial Personnel

None of the aforementioned KMPs are related to each other.

Arrangement / Understanding with Major Shareholders / Customers / Suppliers

None of the KMPs have been selected pursuant to any arrangement / understanding with major shareholders / customers / suppliers.

Shareholding of Key Managerial Personnel

None of our KMPs holds any shares of our Company as on the date of this Draft Prospectus. For details in relation to Shareholding Pattern, please refer to chapter titled "*Capital Structure*" beginning on Page No. 42 of this Draft Prospectus.

Contingent and deferred compensation payable to our Director and Key Managerial Personnel

There is no contingent or deferred compensation payable to our Directors and Key Managerial Personnel, which does not form a part of their remuneration.

Interest of Key Managerial Personnel

The Key Managerial Personnel of our Company do not have any interest in our Company, other than to the extent of remuneration of benefits to which they are entitled as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. Further, if any Equity Shares are allotted to our Key Managerial Personnel prior to/ in terms of this Issue, they will be deemed to be interested to the extent of their shareholding and / or dividends paid or payable on the same.

Bonus or Profit Sharing Plan for the Key Managerial Personnel during the last three years

As on the date of filing of this Draft Prospectus, our Company does not have a bonus or a profit sharing plan with the Key Management Personnel nor have we proposed any allotment of equity shares by way of employee stock options.

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.

Employee Share Purchase and Employee Stock Option Scheme

Presently, we do not have ESOP/ESPS scheme for employees.

Payment or Benefit to our Key Managerial Personnel

Except for the payment of salaries and yearly bonus, we do not provide any other benefits to our employees.

Changes in the Key Managerial Personnel in the three years preceding the date of filing this Draft Prospectus

Except as mentioned below, there has been no change in KMPs in past three years from the date of this Draft Prospectus:

Name	Reason	Date
Mr. Shahaji Annasaheb Patil	Appointment as CS	December 19, 2018
Mr. Abhinandan Bharat Bhokare	Appointment as CFO	May 31, 2019



OUR PROMOTERS AND PROMOTER GROUP

THE PROMOTERS OF OUR COMPANY ARE:

1. Mr. Shital Adinath Ketkale
2. Mrs. Vaishali Shital Ketkale

As on the date of this Draft Prospectus, our Promoters hold 50,12,237 Equity Shares in aggregate, representing 95.37% of the 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 "*Shareholding of our Promoters*" from chapter titled "*Capital Structure*" beginning on Page No. 42 of this Draft Prospectus.

The details of our Promoters are provided below:

Mr. Shital Ketkale (Chairman and Managing Director)	
	Mr. Shital Adinath Ketkale, aged 48 years is the founding promoter of our Company. He has completed Diploma in Mechanical Engineering (DME) from Dr. J. J. Magdum Polytechnic Institute, Jaysingpur. Post completion of DME, he joined M/s Pragati Founders as Jr. Engineer for over 2 years. He has played major part in setup of few proprietary firms namely M/s Sanmati CNC Engineering Works, M/s Adinath CNC Engineering Works and M/s Champion CNC Engineering Works. He has overall experience of more than 25 years in Engineering Industry. From past few years, he has been participating in social work through Rotary club and has also established few NGOs.
	Date of Birth: March 02, 1972
	Address: 19/149, Namokar Bunglow, Opp. Upavan Hotel, Kolhapur Road, Ichalkaranji, Maharashtra – 416 115.
	PAN: ABUPK3324N
	Passport No.: N3537468
	Driver's License No.: MH09 20100044943
	Aadhar Card No.: 7938 0785 3692
	Bank A/c No.: 0020001010007011
	Name of Bank & Branch: Sanmati Sahakari Bank Limited, Ichalkaranji Branch
	Other Interests: <ul style="list-style-type: none">• Sanmati CNC Engineering Works• Mahabeema Bamboo Producer Company Limited• Sanmati Value Marketing Private Limited• Awaken Sales India Private Limited• Garcinia Value Marketing Foundation• Garcinia Valley Bamboo Cluster Foundation• Shri Laxmi Industrial Estate Foundry Cluster Association• Hatkanangale Tools Cluster Association
Mrs. Vaishali Ketkale (Whole Time Director)	
	Mrs. Vaishali Shital Ketkale, aged 43 years is a Co-Promoter of our Company. She has completed graduation in Arts (Economics) from Shivaji University, Kolhapur. She was engaged in the same industry with a proprietary firm named " <i>M/s Champion CNC Engineering Works</i> " which subsequently was acquired by our Company. She has more than 10 years of experience in Engineering Industry.
	Date of Birth: April 10, 1977
	Address: 19/149, Namokar Bunglow, Opp. Upavan Hotel, Kolhapur Road, Ichalkaranji, Maharashtra – 416 115.
	PAN: AIJPK8883C
	Passport No.: N.A.
	Driver's License No.: N.A.
	Aadhar Card No.: 5514 2958 2463
	Bank A/c No.: 094410025557
	Name of Bank & Branch: Dena Bank, Ichalkaranji Branch

Mrs. Vaishali Ketkale (Whole Time Director)	
	Other Interests: <ul style="list-style-type: none"> • Mahabeema Bamboo Producer Company Limited • Sanmati Value Marketing Private Limited • Hatkanangale Tools Cluster Association

For further details on our Individual Promoters, please refer the chapter titled “Our Management” beginning on Page No. 90 of this Draft Prospectus.

Other Undertakings and Confirmations

We confirm that the Permanent Account Number, Bank Account Number, Passport Number of our Promoters will be submitted to the Stock Exchange at the time of filing of the Draft Prospectus with the Stock Exchange.

Our Promoters and the members of our Promoter Group have confirmed that they have not been identified as wilful defaulters by the RBI or any other governmental authority.

No violations of securities laws have been committed by our Promoters or members of our Promoter Group or any Group Companies in the past or are currently pending against them. None of (i) our Promoters and members of our Promoter Group or persons in control of or on the boards of bodies corporate forming part of our Group Companies (ii) the Companies with which any of our Promoters are or were associated as a promoters, director or person in control, are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

Change in control of our Company

There is no change in control of our Company in the five years immediately preceding the date of this Draft Prospectus.

Experience of our Promoters in the business of our Company

For details in relation to experience of our Promoters in the business of our Company, refer chapter titled “Our Management” beginning on Page No. 90 of this Draft Prospectus.

Interests of Promoters

None of our Promoters / Directors have any interest in our Company except to the extent of compensation payable / paid and reimbursement of expenses (if applicable) and to the extent of any equity shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and / or trustee, and to the extent of benefits arising out of such shareholding. For further details on the interest of our promoters in our Company, Please refer the chapters titled “Capital Structure”, “Our Business”, “Financial Statements” and “Our Management” beginning on Page No. 42, 70, 110 and 90 of this Draft Prospectus, respectively.

Except as stated otherwise in this Draft Prospectus, we have not entered into any contract, agreements or arrangements in which our Promoters is directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company other than in the normal course of business.

For Further details on the related party transaction, to the extent of which our Company is involved, please refer “Related Party Transaction” in chapter titled “Financial Statements” beginning on Page No. 110 of this Draft Prospectus.

Interest of Promoters in the Promotion of our Company

Our Company is currently promoted by the promoters in order to carry on its present business. Our Promoters are interested in our Company to the extent of their shareholding in our Company and the dividend declared, if any, by our Company.

Interest of Promoters in the Property of our Company

Our Promoters have confirmed that they do not have any interest in any property acquired by our Company within three years preceding the date of this Draft Prospectus or proposed to be acquired by our Company as on the date of this Draft Prospectus except as mentioned in the para titled “*Properties*” in the chapter titled “*Our Business*” beginning on Page No. 70 of this Draft Prospectus. For more details, please refer “*Related Party Transactions*” in chapter titled “*Financial Statements*” beginning on Page No. 110 of this Draft Prospectus.

Further, other than as mentioned in the chapter titled “*Our Business*” beginning on Page No. 70 of this Draft Prospectus, our Promoters do not have any interest in any transactions in the acquisition of land, construction of any building or supply of any machinery.

Our promoters may be interested in rent being paid by our Company for the premises being occupied by the Company. For further details, please refer chapter titled “*Our Business*” and “*Financial Statements*” beginning on Page No. 70 and 110 of this Draft Prospectus, respectively.

Interest of Promoters in our Company other than as Promoters

Other than as Promoters, our Promoters are interested in our Company to the extent of their shareholding in our Company and the dividend declared, if any, by our Company. For details, please refer chapters titled “*Our Management*” and “*Capital Structure*” beginning on Page No. 90 and 42 of this Draft Prospectus, respectively.

Except as mentioned in this section and the chapters titled “*Capital Structure*”, “*Our Business*”, “*History and Certain Corporate matters*” and “*Financial Statements*” beginning on Page No. 42, 70, 87 and 110 of this Draft Prospectus, respectively, our Promoters do not have any interest in our Company other than as promoters.

Related Party Transactions

Except as stated in the “*Related Party Transactions*” from the chapter titled “*Financial Statements*” beginning on Page No. 110 of this Draft Prospectus, our Company has not entered into related party transactions with our Promoters.

Common Pursuits of Promoters and Promoter Group Company

Our Company do not have any common pursuits with our Promoter Group entities.

Payment of Amounts or Benefits to the Promoters or Promoter Group during the last two years

Except as stated in the chapter titled “*Financial Statements - Related Party Transactions*” beginning on Page No. 110 of this Draft Prospectus, there has been no other payment of benefits to our Promoters during the two years preceding the date of this Draft Prospectus.

Material Guarantees

Except as stated in the chapter titled “*Financial Statements*” beginning on Page No. 110 of this Draft Prospectus respectively, 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.

Companies with which the Promoters have disassociated in the last three years

Our Promoters have not disassociated themselves from any companies, firms or entities during the last three years preceding the date of this Draft Prospectus.

Outstanding Litigation

There is no other outstanding litigation against our Promoters except as disclosed in the chapters titled “*Risk Factors*” and “*Outstanding Litigation and Material Developments*” beginning on Page No. 15 and 122 of this Draft Prospectus, respectively.

Other Confirmations

Our Company has neither made any payments in cash or otherwise to our Promoters or to firms or companies in which our Promoters is interested as members, directors or promoters nor have our Promoters been offered any inducements to become directors or otherwise to become interested in any firm or company, in connection with the promotion or formation of our Company otherwise than as stated in the the chapter titled “*Financial Statements – Related Party Transactions*” beginning on Page No. 110 of this Draft Prospectus.

OUR PROMOTER GROUP

In addition to the Promoters named above, the following natural persons and entities form part of our Promoters Group in terms of Regulation 2(1)(pp) of the SEBI (ICDR) Regulation, 2018.

A. Natural Persons who are Part of the Promoter Group:

Name of the Promoter	Name of the Relative	Relationship with Promoter
Mr. Shital Ketkale	Mr. Adinath Pirappa Ketkale	Father
	Mrs. Champavati Adinath Ketkale	Mother
	Mrs. Vaishali Shital Ketkale	Spouse
	Mr. Chandraj Shital Ketkale	Sons
	Mr. Yug Shital Ketkale	
	Mr. Ajit Adinath Ketkale	Brother
	Mrs. Ujwala Manoj Patil	Sister
	Late Shri Rajgonda Balgonda Patil	Spouse's Father
	Mrs. Laxmibai Rajgonda Patil	Spouse's Mother
	Mr. Sheetal Rajgonda Patil	Spouse's Brother
Mrs. Vaishali Ketkale	Late Shri Rajgonda Balgonda Patil	Father
	Mrs. Laxmibai Rajgonda Patil	Mother
	Mr. Shital Adinath Ketkale	Spouse
	Mr. Chandraj Shital Ketkale	Sons
	Mr. Yug Shital Ketkale	
	Mr. Sheetal Rajgonda Patil	Brother
	Mr. Adinath Pirappa Ketkale	Spouse's Father
	Mrs. Champavati Adinath Ketkale	Spouse's Mother
	Mr. Ajit Adinath Ketkale	Spouse's Brother
	Mrs. Ujwala Manoj Patil	Spouse's Sister

B. Companies / Corporate Entities forming part of the Promoter Group

The Companies / Trusts / Partnership firms / HUFs or Sole Proprietorships forming part of our Promoter Group:

Sr. No.	Name of Promoter Group Entity / Company
1.	Mahabeema Bamboo Producer Company Limited
2.	Sanmati Value Marketing Private Limited
3.	Garcinia Value Marketing Foundation
4.	Garcinia Valley Bamboo Cluster Foundation
5.	Shri Laxmi Industrial Estate Foundry Cluster Association
6.	Hatkanangale Tools Cluster Association
7.	Awaken Agrolink Private Limited
8.	Awaken Sales India Private Limited
9.	Shiruni Overseas Private Limited
10.	AirGTC India Private Limited
11.	Sanmati CNC Engineering Works
12.	Vardhaman CNC Engineering Works

Shareholding of the Promoter Group in our Company

For details of shareholding of members of our Promoter Group as on the date of this Draft Prospectus, please refer the chapter titled “*Capital Structure*” beginning on Page No. 42 of this Draft Prospectus.

OUR GROUP COMPANY

In accordance with the provisions of SEBI (ICDR) Regulations, for the purpose of identification of Group Companies, our Company has considered companies as covered under the applicable Accounting Standards, being Accounting Standard 18 issued by the Institute of Chartered Accountants of India (“AS 18”) as per the Restated Financial Statements and other companies as per the policy adopted by our Board. Our Board has adopted a policy of materiality for determining the Group Company by passing a resolution at its meeting held on May 31, 2019. Our Board of Directors have considered a Company as Group Company only if (i) Company forming part of Promoter Group in terms of Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, 2018; (ii) 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 latest audited financial year; and (iii) 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.

Accordingly, based on the abovementioned parameters, following companies have been identified as Group Company:

1. Mahabeema Bamboo Producer Company Limited
2. Sanmati Value Marketing Private Limited

Further, our Board has approved that other than the Group Companies mentioned above; there are no companies which are considered material by the Board to be identified as a group Company.

I. DETAILS OF OUR GROUP COMPANIES:

1. Mahabeema Bamboo Producer Company Limited (“MBBPCL”)

Incorporation	Mahabeema Bamboo Producer Company Limited is a Company incorporated on June 29, 2012.
CIN	U20299PN2012PTC143886
Registration Number	143886
Registered Office	Plot No.46,83 & 84, Sector – A, Phase – I, Shri Laxmi Sahakari Audyogik Vasahat Ltd., Hatkanangale, Kolhapur – 416109.
Nature of Business	MBBPCL is engaged in strategic developmental activities on bamboo and cane.
Registrar of Companies	Registrar of Companies, Pune

Main Objects

The Main Objects of MBBPCL are:

1. To identify, plan, undertake, co-ordinate and support strategic developmental activities on bamboo and cane, to help co-ordinate activities of organizations, agencies and other bodies and institutions (including government organizations) working in India on the development and utilization of bamboo and cane.
2. To facilitate the linking of scientific, technical, management and financial expertise with local partners with relation to bamboo and cane, to provide expert resources that bridge scientific knowledge with local needs in strategic areas of research, technology transfer, policy formulation and information services for bamboo and cane related products/industries.
3. To trade in bamboo and cane based products / industries and related technologies for promotion and development of the weaker section of the society, and to provide consultancy, assistance and research support to bamboo and cane related technology with regard to the setting up and structuring of bamboo and cane based industries, cultivation and development of bamboo and cane made products.
4. To carry on the business of manufacturing, producing, buying, selling, importing, exporting or in any manner dealing purely organic solid and liquid fertilizers/manure obtaining end products called compost, especially from Vegetable waste, Agro – Industrial waste such as press mud, all agriculture residue like sugarcane trashes and biodegradables waste/material together with municipal solid waste which useful for agriculture on retail as well as on wholesale basis in India or elsewhere.

Interest of our Company, Promoters and Promoter Group

Our Company do not hold any shares of MBBPCL. However, Promoter and Promoter Group aggregately hold 94.93% of shares in MBBPCL.

Board of Directors of MBBPCL:

- Mr. Shital Adinath Ketkale;
- Mrs. Vaishali Shital Ketkale
- Mr. Rajesh Chougule
- Mr. Amit Bargale and
- Mr. Chandraj Shital Ketkale

Shareholding pattern of MBBPCL as on June 16, 2020

Name of Shareholders	No. of Equity Shares held	% of Total Paid-up Share Capital of the MBBPCL
Mr. Shital Adinath Ketkale	10,930	92.40%
Mrs. Vaishali Shital Ketkale	100	0.845%
Mr. Sheetal Rajgonda Patil	100	0.845%
Mr. Shital Chougule	100	0.845%
Mr. Abhinandan Bharat Bhokare	100	0.845%
Mr. Amit Bargale	100	0.845%
Mr. Prashant Nigave	100	0.845%
Mr. Rajesh Chougule	100	0.845%
Mr. Chandraj Shital Ketkale	100	0.845%
Mr. Kishor Devmore	100	0.845%
Total	11,830	100.00%

Financial Information

The following information has been derived from the audited financial statements/results of MBBPCL for the last three financial years:

(Rs. in lakhs)

Sr. No.	Particulars	As at March 31,		
		2019	2018	2017
1.	Share Capital	1.00	1.00	1.00
2.	Reserves (Excluding revaluation reserve) and Surplus	12.79	0.00	(0.67)
3.	Sales (including other income)	0.00	0.00	0.00
4.	Profit/(Loss) after tax	(2.21)	0.00	0.00
5.	Basic Earnings per share (in Rs.)	(221.15)	0.00	0.00
6.	Diluted Earnings per Share (in Rs.)	(221.15)	0.00	0.00
7.	Net Asset Value per Share (in Rs.)	1378.85	100.00	33.00

There are no significant notes of the auditors in relation to the aforementioned financial statements.

Other Disclosures

- The Equity Shares of MBBPCL are not listed on any stock exchange;
- No application has been made to RoC for striking off the name of MBBPCL.
- MBBPCL is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up.
- MBBPCL has positive net worth as on March 31, 2019 and has incurred loss in immediate preceding financial year.
- MBBPCL is not prohibited from accessing the capital markets for any reasons by the SEBI or any other authorities.
- There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against MBBPCL.

2. Sanmati Value Marketing Private Limited (“SVMPL”)

Incorporation	Sanmati Value Marketing Private Limited is a Private Company, incorporated on November 06, 2012.
CIN	U52500PN2012PTC145308
Registration Number	145308
Registered Office	Plot No. 110 & 111, Sector – A, Shri Laxmi Co-Op Industrial Estate, Hatkanangle, Kolhapur – 416109.
Nature of Business	SVMPL is engaged in trading and marketing of various products.
Registrar of Companies	Registrar of Companies, Pune

Main Object

The main object of SVMPL is:

1. To carry on the business of buying, selling, reselling, importing, exporting, transporting, storing, developing, promoting, marketing or supplying, trading, dealing in any manner whatsoever in all type of goods on retail as well as on wholesale basis in India or elsewhere.

Interest of our Company, Promoters and Promoter Group

Our Company do not hold any shares in SVMPL. However, Promoter and Promoter Group hold 100.00% of shares in SVMPL.

Board of Directors of SVMPL:

- Mr. Shital Adinath Ketkale and
- Mrs. Vaishali Shital Ketkale

Shareholding pattern of SVMPL as on June 16, 2020

Name of Shareholders	No. of Equity Shares held	% of Total Paid-up Share Capital of the VCMPL
Mr. Shital Adinath Ketkale	500	50.00%
Mrs. Vaishali Shital Ketkale	500	50.00%
Total	1,000	100.00%

Financial Information

The following information has been derived from the audited financial statements/results of SVMPL for the last three financial years:

(Rs. in lakhs)

Sr. No.	Particulars	As at March 31,		
		2019	2018	2017
1.	Share Capital	1.00	1.00	1.00
2.	Reserves (Excluding revaluation reserve) and Surplus	4.84	(0.33)	(2.48)
3.	Sales (including other income)	965.15	365.82	0.00
4.	Profit/(Loss) after tax	5.17	1.48	(0.53)
5.	Basic Earnings per share (in Rs.)	517.40	148.11	(52.59)
6.	Diluted Earnings per Share (in Rs.)	517.40	148.11	(52.59)
7.	Net Asset Value per Share (in Rs.)	584.24	66.84	(148.27)

There are no significant notes of the auditors in relation to the aforementioned financial statements.

Other Disclosures

- The Equity Shares of SVMPL are not listed on any stock exchange;
- No application has been made to RoC for striking off the name of SVMPL.
- SVMPL is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up.

- SVMPL has positive net worth as on March 31, 2019 and has incurred losses in immediately preceding three years except Financial Year 2018-19.
- SVMPL is not prohibited from accessing the capital markets for any reasons by the SEBI or any other authorities.
- There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against SVMPL.

II. DETAILS OF OUR LOSS MAKING GROUP COMPANY

Our Group Company Mahabeema Bamboo Producer Company Limited (“MBBPCL”) is a loss making Company. For details of MBBPCL please refer para titled “*Details of our Group Company*” in the chapter titled “*Our Group Company*” beginning on Page No. 104 of this Draft Prospectus.

III. DETAILS OF OUR GROUP COMPANY WITH NEGATIVE NETWORTH

Based on available financial of Group Companies for year ended March 31, 2019, none of our Group Company has Negative Networth.

Other Confirmations

Except as disclosed in the chapter titled “*Outstanding Litigation and Material Developments*” beginning on Page No. 122 of this Draft Prospectus, there is no litigation, legal action, regulatory or disciplinary action pending or taken by any ministry, department of the Government, statutory authority or stock exchange during the last five years preceding the date of the Issue against our Group Company.

There have been no defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs during past three years by our Group Company.

Further, no part of the Issue proceeds is payable to or proposed to be invested in any of our group companies. The equity shares of our group companies are not listed on any stock exchange. Hence, none of our Group Company has failed to get listed on any recognized stock exchange in India or abroad. For further details, kindly refer chapter titled “*Other Regulatory and Statutory Disclosures*” beginning on Page No. 132 of this Draft Prospectus.

Outstanding litigation involving the group company which has a material impact on the issuer

Other than as disclosed in the chapter titled “*Outstanding Litigation and Material Developments*” beginning on Page No. 122 of this Draft Prospectus, there are no pending litigations involving our Group Company having material impact on us.

Group Company which are a sick industrial companies

None of our Group Company has become sick companies under the erstwhile Sick Industrial Companies (Special Provisions) Act, 1995.

Defunct Group Company

During the five years immediately preceding the date of this Draft Prospectus, our Group Company have not remained defunct and no application has been made to the relevant registrar of companies for striking off the name of our Group Company.

Group Company under winding up/insolvency proceedings

None of our Group Company is under winding up/insolvency proceedings.

Common Pursuits between the Company and its Group Company

There are no other common pursuits or conflict of interest situations between our Group Company and our Company.

Our Company will adopt the necessary procedures and practices as permitted or required by law to address any conflict of interest situation as and when it arises.

Related Business Transactions within the Group Companies and Significance on the Financial Performance of our Company

Other than the transactions disclosed in the chapter titled “*Financial Statements – Related Party Transactions*” beginning on Page No. 110 of this Draft Prospectus, there are no other related business transactions within the Group Company.

Sale/Purchase between Group Company and our Company

Except as disclosed in the chapter titled “*Financial Statements – Related party Transactions*” beginning on Page No. 110 of this Draft Prospectus, our Group Company is not involved in any sales or purchase with our Company where such sales or purchases exceed in value in the aggregate ten per cent of the total sales or purchases of our Company.

NATURE AND EXTENT OF THE INTEREST OF THE GROUP COMPANY IN OUR COMPANY

In the promotion of our Company

Our Group Company does not have any interest in the promotion of our Company.

In the properties acquired by our Company

Our Group Company do not have any interest in the properties acquired by our Company within the three years of the date of filing this Information Memorandum or proposed to be acquired by our Company, except as disclosed in the chapter titled “*Our Business*” on Page No. 70 of this Draft Prospectus.

In transactions for acquisition of land, construction of building and supply of machinery

Our Group Company does not have any interest in our Company in relation to transactions for acquisition of land, construction of building and supply of machinery, except as disclosed in the chapter titled “*Our Business*” beginning on Page No. 70 of this Draft Prospectus.

Payment of amount or benefits to our Group Companies during the last two years

Except as disclosed in the chapter titled “*Financial Statements – Related Party Transactions*” beginning on Page No. 110 of this Draft Prospectus, no amount or benefits were paid or were intended to be paid to our Group Companies since the incorporation of our Company except to the extent of their shareholding and the dividend payable, if any and other distributions in respect of the Equity Shares held by them.

DIVIDEND POLICY

Under the Companies Act, 2013, 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. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both, in accordance with the provisions of Companies Act, 2013.

There are no dividends declared by our Company since incorporation.

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.

SECTION VI – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Particulars	Page No.
Restated Financial Statements for the nine months period ended December 31, 2019	F1 – F53

**INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED
[STANDALONE] FINANCIAL INFORMATION**

To,
The Board of Directors,
SANMATI PRECISION ENGINEERING LIMITED
Plot No. 111, Sector -A
Shri Laxmi Co-op Industrial Estate
Hatkanangle, Maharashtra - 416109

Dear Sir,

Reference: Proposed Public Issue of Equity Shares of **Sanmati Precision Engineering Limited**

We have examined the attached Restated Standalone Financial Statement of **Sanmati Precision Engineering Limited** formerly known as **Sanmati Precision Engineering Private Limited** (hereunder referred to "the Company", "Issuer") comprising the Restated Statement of Assets and Liabilities as at December 31, 2019, March 31, 2019, March 31, 2018 and March 31, 2017, the Restated Statement of Profit & Loss, the Restated Cash Flow Statement for the period ended December 31, 2019, March 31, 2019, March 31, 2018 and March 31, 2017, the statement of Significant Accounting Policies and other explanatory Information (Collectively the Restated Standalone Financial Statement) as approved by the Board of Directors in their meeting held on 15th June, 2020 for the purpose of inclusion in the Offer Document in connection with its proposed Initial Public Offering (IPO) of equity shares, prepared by the Company in connection with its Initial Public Offer of Equity Shares (IPO) prepared in terms of the requirement of:-

- a) Section 26 of Part I of Chapter III of the Companies Act, 2013 as amended (the "Act");
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ("ICDR Regulations") as amended (ICDR Regulations"); and
- c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India as amended from time to time. ("The Guidance Note")

The Company's Board of Directors is responsible for the preparation of the Restated Standalone Financial Statement for the purpose of inclusion in the offer document to be filed with Stock Exchange, Securities and Exchange Board of India, and Registrar of Companies, Pune in connection with the proposed IPO. The Restated Standalone Financial Statement have been prepared by the management of the Company for the period ended on December 31, 2019, March 31, 2019, 2018 and 2017 on the basis of notes to restatement in note IV to the Restated Standalone Financial Statement. The Board of Directors of the company's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Standalone Financial Statement.

We have examined such Restated Standalone Financial Statement taking into consideration:

- a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 15th February, 2020 in connection with the proposed IPO of equity shares of the Company;
- b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
- c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Standalone Financial Statements; and
- d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

This Restated Standalone Financial Statements have been compiled by the management from:

- a) Audited financial statements of company for the period ended on December 31, 2019, and for the year ended as at March 31, 2019, 2018 and 2017 prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, and other accounting principles generally accepted in India.

The Financials Statement for the year ended March 31, 2019, and period ended on December 31, 2019 has been approved by Board of Directors of the Company in their meeting dated September 24, 2019 and 30th May 2020 respectively. Since the above period accounts were Audited by us, being a peer reviewed firm, there is no requirement to re-audit the FY 2018-19 financials in complying with the requirement of ICDR Regulations in relation to proposed IPO. We have issued our report dated September 24, 2019 and May 30, 2020 respectively on these Standalone Financial Statements.

For the purpose of our examination, we have relied on:

- a) Auditors' Report issued by the Previous Auditor M/s Sanjay Vhanbatte & Co, Chartered Accountants, (the "Previous Auditors") dated September 01, 2017 & September 02, 2018 for the Financial year ended 31st March 2017, and 31st March 2018 respectively.
- b) The audit were conducted by the Company's previous auditor, and accordingly reliance has been placed on the statement of assets and liabilities and statements of profit and loss, the Significant Accounting Policies, and other explanatory information and (collectively, the Audited Financial Statement") examined by them for the said years.

The modification in restated financials were carried out based on the modified reports, if any, requiring modification if any, issued by Auditor which is giving rise to modifications on the financial statements for the period ended December 31, 2019 and for the years ended March 31, 2019, and March 31, 2018 and March 31, 2017. There is no qualification of previous auditor for the Financial Statement of 31st March 2017, 31st March 2018.

- a) The Restated Standalone Financial Statement 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 Standalone Financial Statement have been made after incorporating adjustments for prior period and other material amounts in the respective financial years/period to which they relate and there are no qualifications which require adjustments;
- c) 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 Auditors for the stub period ended on December 31, 2019,
- 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 to this report;
- f) Adjustments in Restated Standalone Financial Statement have been made in accordance with the correct accounting policies,
- g) There was no change in accounting policies, which needs to be adjusted in the Restated Standalone Financial Statement, except provision of gratuity on mercantile basis as per Actuarial certificate as per AS -15 (Revised);
- h) There are no revaluation reserves, which need to be disclosed separately in the Restated Standalone Financial Statements.
- i) The Company has not paid any dividend since its incorporation

In accordance with the requirements of Part I of Chapter III of Act including rules made there under, ICDR Regulations, Guidance Note and Engagement Letter, we report that:

a) The “Restated Statement of Assets and Liabilities” as set out in Annexure I to this report, of the Company as at December 31, 2019, March 31, 2019, 2018 and 2017 is prepared by the Company and approved by the Board of Directors. These Restated Standalone 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 to this Report.

b) The “Restated Statement of Profit and Loss” as set out in Annexure II to this report, of the Company for the stub period ended on December 31, 2019& financial year ended on March 31, 2019, 2018 and 2017 is prepared by the Company and approved by the Board of Directors. These Restated Standalone 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 in Significant Accounting Policies and Notes to Accounts as set out in Annexure IV to this Report.

c) The “Restated Statement of Cash Flow” as set out in Annexure III to this report, of the Company for the period Ended December 31, 2019, March 31, 2019, 2018 and 2017 is prepared by the Company and approved by the Board of Directors. These Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure IV to this Report.

d) The Company has not maintained appropriate records for the inventory and hence, the inventory is valued as physically verified by the management.

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 Period ended December 31, 2019, Financial year ended March 31, 2019, 2018 and 2017 proposed to be included in the Draft Prospectus / Prospectus (“Offer Document”) for the proposed IPO.

Restated Standalone Statement of Share Capital, Reserves And Surplus	Annexure-A
Restated Standalone Statement of Long Term And Short Term Borrowings/ Statement of principle Term of Secured loan and Assets charges as security and Statement of term & Condition of unsecured Loans.	Annexure-B, B(A) and B(B)
Restated Standalone Statement Of Other Long Term Liabilities	Annexure-B1
Restated Standalone Statement of Deferred Tax (Assets) / Liabilities	Annexure-C
Restated Standalone Statement of Long Term Provisions	Annexure-D
Restated Standalone Statement of Trade Payables	Annexure-E
Restated Standalone Statement of Other Current Liabilities And Short Term Provisions	Annexure-F
Restated Standalone Statement of Property, Plant and Equipment	Annexure-G
Restated Standalone Statement of Non-Current Investments	Annexure-H
Restated Standalone Statement of Long-Term Loans And Advances	Annexure-I
Restated Standalone Statement of Non-Current Assets	Annexure-J
Restated Standalone Statement of Inventory	Annexure-K
Restated Standalone Statement of Trade Receivables	Annexure-L
Restated Standalone Statement of Cash & Cash Equivalents	Annexure-M
Restated Standalone Statement of Short-Term Loans And Advances	Annexure-N
Restated Standalone Statement of Other Current Assets	Annexure-O
Restated Standalone Statement of Turnover	Annexure-P
Restated Standalone Statement of Non- Operating Income	Annexure-Q
Restated Standalone Statement of Cost Of Material Consumed And Purchases Of Stock In Trade	Annexure-R
Restated Standalone Statement of Change in Inventories	Annexure-S
Restated Standalone Statement of Employee Benefits Expenses	Annexure-T
Restated Standalone Statement of Finance Cost	Annexure-U
Restated Standalone Statement of Depreciation & Amortization	Annexure-V
Restated Standalone Statement of Other Expenses	Annexure-W
Restated Standalone Statement of Mandatory Accounting Ratios	Annexure-X

Restated Standalone Statement of Related Party Transaction	Annexure-Y
Restated Standalone Statement of Capitalization	Annexure-Z
Restated Standalone Statement of Tax Shelter	Annexure-AA
Restated Standalone Statement of Contingent Liabilities	Annexure-AB
Significant Accounting Policy And Notes To The Restated Standalone financial Statements	Annexure IV
Material Adjustment to the Restated Standalone Financial	Annexure V

In our opinion and to the best of information and explanation provided to us, the Restated Standalone Financial Statement of the Company, read with significant accounting policies and notes to accounts as appearing in Annexure IV are prepared after providing appropriate adjustments and regroupings as considered appropriate.

We, M/s. R K Jagetiya & Co, Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) we hold a valid peer review certificate read with recent ICAI clarification regarding the extension of validity of certificate due to COVID-19 pandemic.

The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the management of the Company.

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.

We have no responsibility to update our report for events and circumstances occurring after the date of the report.

In our opinion, the above Standalone Financial Statements along with Annexure A to AB of this report read with the respective Significant Accounting Policies and Notes to Accounts as set out in Annexure IV and V are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Companies Act, ICDR Regulations, Engagement Letter and Guidance Note.

Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the IPO-SME for Proposed Issue of Equity Shares of the Company and our report should not be used, referred to or distributed for any other purpose without our prior consent in writing.

For R K Jagetiya & CO.

Chartered Accountant

FRN: 146264W

SD/-

(Ravi K Jagetiya)

Proprietor

M. No. 134691

Place: Mumbai

Date: 15th June, 2020

UDIN: 20134691AAAAAZ5621

RESTATED STATEMENT OF ASSETS AND LIABILITIES

₹ in Lakhs

PARTICULARS	As at			
	31-12-2019	31-03-2019	31-03-2018	31-03-2017
A) EQUITY AND LIABILITIES				
1. Shareholders' Funds				
(a) Share Capital	525.56	525.56	290.80	290.80
(b) Reserves & Surplus	209.03	125.92	18.64	(14.48)
	734.59	651.48	309.44	276.32
2. Non Current Liabilities				
(a) Long Term Borrowings	968.80	994.80	382.45	234.42
(b) Deferred Tax Liabilities (Net)	27.75	25.56	15.39	15.93
(c) Other Long Term Liabilities	46.30	46.30	46.43	195.84
(d) Long Term Provisions	4.82	4.17	4.80	3.82
	1,047.67	1,070.83	449.07	450.01
3. Current Liabilities				
(a) Short Term Borrowings	358.46	244.60	193.45	270.68
(b) Trade Payables				
(i) total outstanding dues of micro enterprises and small enterprises; and	-	95.74	101.02	55.09
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises.	98.70	31.47	36.66	80.58
(c) Other Current Liabilities	254.30	277.58	142.97	195.16
(d) Short Term Provisions	26.90	10.12	(2.00)	(1.26)
	738.36	659.51	472.10	600.25
Total	2,520.62	2,381.82	1,230.61	1,326.58
B) ASSETS				
1. Non Current Assets				
(a) Property, Plant and Equipment				
i) Tangible Assets				
(i) Gross Block	1,075.20	766.55	631.42	523.00
(ii) Depreciation	230.30	176.06	117.55	69.01
(iii) Net Block	844.90	590.49	513.87	453.99
ii) Intangible Assets				
(i) Gross Block	-	-	-	-
(ii) Depreciation	-	-	-	-
(iii) Net Block	-	-	-	-
iii) Capital Work in Progress	-	-	-	23.47
	844.90	590.49	513.87	477.46
(b) Non-Current Investment	5.04	5.04	5.04	5.04
(c) Deferred Tax Assets (Net)	-	-	-	-
(d) Long Term Loans and Advances	3.55	2.65	14.95	13.95
(e) Other Non Current Assets	-	2.02	2.02	13.43
	8.59	9.71	22.01	32.42
2. Current Assets				
(a) Inventories	738.85	165.78	87.50	121.89
(b) Trade Receivables	171.48	204.11	193.14	152.29
(c) Cash and Cash equivalents	27.44	80.81	21.19	11.99
(d) Short-Term Loans and Advances	720.54	1,322.61	392.90	530.53
(e) Other Current Assets	8.82	8.31	-	-
	1,667.13	1,781.62	694.73	816.70
Total	2,520.62	2,381.82	1,230.61	1,326.58

The accompanying summary of significant accounting policies, restated notes to accounts and notes on adjustments for Restated Standalone financial Statement (Annexure IV & V) are an integral part of this statement.

As per our report of even date

For R K Jagetiya & Co
 Chartered Accountants
 FRN 146264W

SD/-

(CA Ravi K Jagetiya)
 M. No. 134691
 Proprietor
 Date: June 15, 2020
 Place: Mumbai

FOR SANMATI PRECISION ENGINEERING LIMITED

SD/-

SHITAL A. KETKALE
 DIN : 02162208
 Chairman & Managing Director

SD/-

ABHINANDAN B. BHOKARE
 Chief Financial Officer

SD/-

VAISHALI S. KETKALE
 DIN : 02162208
 Whole Time Director

SD/-

SHAHAJI A. PATIL
 Company Secretary
 ACS-53268

SANMATI PRECISION ENGINEERING LIMITED
Regd. Add.: Plot No. 110, Sector A, Phase I, Shri Laxmi Co-Op Ind. Estate, Hatkanangale - 416 109, Dist - Kolhapur
CIN.: U28995PN2013PLC147341

Annexure II

RESTATED STATEMENT OF PROFIT AND LOSS

₹ in Lakhs

PARTICULARS	As on			
	31-12-2019	31-03-2019	31-03-2018	31-03-2017
1 Revenue From Operation	1,684.49	1,756.72	1,080.38	843.27
2 Other Income	1.85	5.54	8.75	7.63
Total Revenue (1+2)	1,686.34	1,762.26	1,089.13	850.90
3 Expenditure				
(a) Cost of Material Consumed	1,265.24	977.43	474.04	393.11
(b) Purchase of Stock in Trade	39.96	254.66	269.34	120.65
(c) Changes in Inventory of WIP, Finished Goods and Stock in Trade	(20.05)	(11.26)	(10.65)	11.95
(d) Employee Benefit Expenses	60.89	80.31	60.77	68.97
(e) Finance Cost	88.08	98.22	73.89	69.12
(f) Depreciation and Amortization Expenses	54.24	58.51	48.54	36.36
(g) Other Expenses	80.15	200.06	140.62	145.24
4 Total Expenditure 3(a) to 3(g)	1,568.51	1,657.93	1,056.55	845.40
5 Profit/(Loss) Before Exceptional & extraordinary items & Tax (2-4)	117.83	104.33	32.58	5.50
6 Exceptional item	-	-	-	-
7 Profit/(Loss) Before extraordinary items & Tax (5-6)	117.83	104.33	32.58	5.50
8 Extraordinary Items	-	-	-	-
9 Profit/(Loss) Before Tax (7-8)	117.83	104.33	32.58	5.50
10 Tax Expense:				
(a) Tax Expense for Current Year	19.67	21.48	6.21	1.05
(b) Short/(Excess) Provision of Earlier Year	-	-	-	-
(c) Deferred Tax	2.19	10.17	(0.54)	15.00
d) MAT Credit Entitlement	12.86	(6.43)	(6.21)	(1.05)
Net Current Tax Expenses	34.72	25.22	(0.54)	15.00
11 Profit/(Loss) for the Year (9-10)	83.11	79.11	33.12	(9.50)

The accompanying summary of significant accounting policies, restated notes to accounts and notes on adjustments for Restated Standalone financial Statement (Annexure IV & V) are an integral part of this statement.

As per our report of even date

For R K Jagetiya & Co
Chartered Accountants
FRN 146264W

SD/-

(CA Ravi K Jagetiya)
M. No. 134691
Date: June 15, 2020
Place: Mumbai

FOR SANMATI PRECISION ENGINEERING LIMITED

SD/-

SHITAL A. KETKALE
DIN : 02162208
Chairman & Managing Director

SD/-

ABHINANDAN B. BHOKARE
Chief Financial Officer

SD/-

VAISHALI S. KETKALE
DIN : 02162208
Whole Time Director

SD/-

SHAJAJI A. PATIL
Company Secretary
ACS-53268

SANMATI PRECISION ENGINEERING LIMITED

Regd. Add.: Plot No. 110, Sector A, Phase I, Shri Laxmi Co-Op Ind. Estate, Hatkanangale - 416 109, Dist - Kolhapur
CIN : U28995PN2013PLC147341

Annexure III

RESTATED CASH FLOW STATEMENT

₹ in Lakhs

PARTICULARS	31-12-2019	FOR THE YEAR/PERIOD ENDED		31-03-2017
		31-03-2019	31-03-2018	
A) Cash Flow From Operating Activities :				
Net Profit before tax	117.83	104.33	32.58	5.50
Adjustment for :				
Depreciation	54.24	58.51	48.54	36.36
Interest Paid	87.09	85.66	71.73	67.29
Provision of Gratuity	0.66	(0.67)	1.13	0.22
Interest Income	(0.43)	(0.28)	(2.45)	(0.25)
Dividend Received	(0.60)	(0.60)	(0.60)	(0.05)
Wrong Capitalization Reversed	-	(1.61)	-	-
Operating profit before working capital changes	258.79	245.34	150.93	109.07
Changes in Working Capital				
(Increase)/Decrease in Inventories	(573.07)	(78.28)	34.39	100.14
(Increase)/Decrease in Trade Receivables	32.63	(10.97)	(40.85)	238.03
(Increase)/Decrease in Short Term Loans & Advances and Provisions	602.07	(929.71)	137.63	(217.40)
(Increase)/Decrease in Other Assets	1.51	(8.31)	11.41	0.19
Increase/(Decrease) in Trade Payables	(28.51)	(10.47)	2.01	5.58
Increase/(Decrease) in Other Current Liabilities	(22.57)	125.47	(52.19)	(44.19)
Increase/(Decrease) in Other Long-term Liabilities	-	(0.13)	(149.41)	(102.49)
Increase/(Decrease) in Provisions	1.59	0.02	0.15	0.13
Cash generated from operations	272.44	(667.04)	94.07	89.06
Less:- Income Taxes paid	(17.34)	(2.90)	(1.03)	(4.53)
Net cash flow from operating activities	255.10	(669.94)	93.04	84.53
B) Cash Flow From Investing Activities :				
Purchase of Fixed Assets including of CWIP	(308.65)	(133.52)	(84.95)	(169.79)
Increase/(Decrease) in Long Term Loans and Advances	(0.90)	12.30	(1.00)	(12.80)
Interest Income	0.43	0.28	2.45	0.25
Dividend Income	0.60	0.60	0.60	0.05
Net cash flow from investing activities	(308.52)	(120.34)	(82.90)	(182.29)
C) Cash Flow From Financing Activities :				
Proceeds from Issue of Share Capital	-	262.93	-	24.00
Increase/(Decrease) in Short Term Borrowings	113.86	51.15	(77.23)	(72.33)
Increase/(Decrease) in Long Term Borrowings	(26.00)	612.35	148.03	210.67
Interest Paid	(87.80)	(76.52)	(71.73)	(67.29)
Net cash flow from financing activities	0.05	849.90	(0.94)	95.05
Net Increase/(Decrease) In Cash & Cash Equivalents	(A+B+C)	(53.37)	59.62	(2.71)
Cash equivalents at the beginning of the year		80.81	21.19	11.99
Cash equivalents at the end of the year		27.44	80.81	21.19

Notes :-

	31-12-2019	31-03-2019	31-03-2018	31-03-2017
1. Component of Cash and Cash equivalents				
Cash on hand	7.05	7.61	7.73	9.07
Balance With banks	17.11	69.92	5.23	0.42
Other Bank Balance	3.28	3.28	8.23	2.50
	27.44	80.81	21.19	11.99
2 Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated.				

The accompanying summary of significant accounting policies, restated notes to accounts and notes on adjustments for Restated Standalone financial Statement (Annexure IV & V) are an integral part of this statement.

As per our report of even date

For R K Jagetiya & Co
Chartered Accountants
FRN 146264W

FOR SANMATI PRECISION ENGINEERING LIMITED

SD/-

SD/-

SD/-

SHITAL A. KETKALE

VAISHALI S. KETKALE

DIN : 02162208

DIN : 02162208

Chairman & Managing Director

Whole Time Director

(CA Ravi K Jagetiya)

SD/-

SD/-

M. No. 134691

Date: June 15, 2020

Place: Mumbai

ABHINANDAN B. BHOKARE

SHAHAJI A. PATIL

Chief Financial Officer

Company Secretary

ACS-53268

ANNEXURE-IV

SIGNIFICANT ACCOUNTING POLICY AND NOTES TO THE RESTATED SUMMARY STATEMENTS

A. BACKGROUND

The Company was incorporated as “Sanmati Precision Engineering Private Limited” under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated May 10, 2013 bearing CIN: U28995PN2013PTC147341 issued by the Registrar of Companies, Maharashtra, Pune. Subsequently, the Company was converted into a Public Limited Company pursuant to the special resolution passed by the shareholders at the Extra-Ordinary General Meeting of our Company held on March 30, 2019 and consequent upon conversion the name of our Company was changed to “Sanmati Precision Engineering Limited” vide a fresh certificate of incorporation dated May 03, 2019 bearing CIN: U28995PN2013PLC147341 issued by the Registrar of Companies, Pune.

B. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Restated Summary Statement of Assets and Liabilities of the Company as on December 31, 2019, March 31, 2019, March 31, 2018, and March 31, 2017 and the Restated Summary Statement of Profit and Loss and Restated Summary Statements of Cash Flows for the period ended on December 31, 2019, March 31, 2019, March 31, 2018, and March 31, 2017 and the annexure thereto (collectively, the “**Restated Financial Statements**” or “**Restated Summary Statements**”) have been extracted by the management from the Audited Financial Statements of the Company for the period ended on December 31, 2019, March 31, 2019, March 31, 2018, and March 31, 2017.

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, including the Accounting Standards as prescribed by the Section 133 of the Companies Act, 2013 (“the Act”) read with Rule 7 of Companies (Accounts) Rules, 2014).

2. USE OF ESTIMATES

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities, if any, as at the date of the financial statements and reported amounts of income and expenses during the year. Examples of such estimates include value of value of WIP stock etc. The difference between the actual results and estimates are recognized in the period in which results are known or materialized.

3. FIXED ASSETS

Fixed assets are stated at historical cost less accumulated depreciation and impairment losses. Cost includes purchase price and all other attributable cost to bring the assets to its working condition for the intended use.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

4. DEPRECIATION

Depreciation on Fixed Assets has been provided on 'Straight Line Method' based on the useful life of the assets and in the manner prescribed in the Schedule II of the Companies Act, 2013.

5. 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.

6. 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.

7. INVESTMENTS

Investments, which are readily realizable and intended to be held for not more than one year 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.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

8. INVENTORIES

- i) Raw Material are valued at lower of Cost or net realizable value.
- ii) Work in Progress and Finished Goods are valued at lower of cost or net realizable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition

9. REVENUE RECOGNITION

- i) Revenue from sale of products net of returns is recognized on dispatch or appropriation of goods in accordance with the terms of sale and is inclusive of excise duty as and when applicable, Price escalation claims are recognized to the extent there is reasonable certainty of its realization.
- ii) **Other Operating Revenue**
Other Operating revenue comprises of income from ancillary activities incidental to the operation of the Company and is recognized when the right to receive the income is established as per the terms of the contract.
- iii) Interest income is recognized on time proportion basis.
- iv) Other income is accounted for on accrual basis in accordance with Accounting Standards (AS) 9- "Revenue Recognition".

10. FOREIGN CURRENCY TRANSACTIONS

- i) The transactions in foreign currencies are stated at the rate of exchange prevailing on the date of transactions.
- ii) The difference on account of fluctuation in the rate of exchange prevailing on the date of transaction and the date of realization is charged to the Statement of Profit and Loss.
- iii) Differences on translations of Current Assets and Current Liabilities remaining unsettled at the year/Period-end are recognized in the Statement of Profit and Loss.

11. EMPLOYEE BENEFITS

Defined-contribution plans:

- i) The company does not carry forward the balance of earned leave balance of employees, balance earned leave is paid to the employees according to the policy of company.

- ii) Company's contribution to Provident Fund and other Funds for the year is accounted on accrual basis and charged to the Statement of Profit & Loss for the year.
- iii) Retirement benefits in the form of Gratuity are considered as defined benefit obligations and are provided on the basis of the actuarial valuation as at the date of the Balance Sheet.

12. SEGMENT ACCOUNTING

(i) Business Segment

(a) The business segment has been considered as the primary segment.

(b) The Company's primary business segments are reflected based on principal business activities, the nature of service, the differing risks and returns, the organization structure and the internal financial reporting system.

(c) The Company's primary business includes manufacturing of auto and Non Auto, and Engine Parts, and accordingly this is the only segment as envisaged in Accounting Standard 17 'Segment Reporting' therefore disclosure for Segment reporting is not applicable.

(ii) Geographical Segment

The Company supplies its product indomestic as well as export market, however export segment contributes less than 10% of the total revenue/Profit/Asset of the Aggregaterevenue/Profit/Asset, therefore no segment other than domestic is identified by the management as reportable segment.

13. ACCOUNTING FOR TAXES ON INCOME

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

(i) Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

(ii) Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

MAT Credit has been accounted based on the guidance note of ICAI.

14. CONTINGENT LIABILITIES AND PROVISIONS

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

Contingent Liability is disclosed for

- a) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or
- b) Present obligations arising from the past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

c) Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

15. EARNINGS PER SHARE:

In determining the Earnings Per share, the company considers the net profit after tax which does not include any post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. Split in face value of equity share of company has been considered as if it took place at the beginning of Restatement period.

16. 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 PERIOD/YEARSS COVERED IN THE RESTATED FINANCIALS

There is no change in significant accounting policies except accounting of Gratuity which was previously done on cash basis upto March 2018, has now been accounted based on mercantile system as certified by Independent Actuary.

D. NOTES ON RESTATEMENTS MADEIN THE RESTATED FINANCIALS

1. The financial statements including financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.
2. The 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.

3. Employee benefits:

The Company has adopted the Accounting Standard 15 (revised 2005) on Employee Benefits as per an actuarial valuation carried out by an independent actuary. The disclosures as envisaged under the standard are as under-:

Gratuity

(₹ in Lakhs)

Particulars	For the period ended 31-12-2019	2018-19	2017-18	2016-17
1.The amounts recognized in the Balance Sheet are as follows:				
Present value of unfunded obligations Recognized	5.07	4.41	5.08	3.95
Net Liability	5.07	4.41	5.08	3.95
2.The amounts recognized in the Profit & Loss A/c are as follows:				
Current Service Cost	0.84	1.03	0.85	0.95
Interest on Defined Benefit Obligation	0.24	0.39	0.31	0.29
Expected Return on Plan Assets	-	-	-	-
Net actuarial losses (gains) recognised in the year	-0.42	-2.09	-0.03	-1.02
Total, Included in “Salaries, Allowances & Welfare”	0.66	-0.67	1.13	0.22
3.Changes in the present value of defined benefit obligation:				
Defined benefit obligation as at the beginning of the year/period Net of Fair Value of Opening Plan Assets	4.41	5.08	3.95	3.73
Service cost	0.84	1.03	0.85	0.95
Interest cost	0.24	0.39	0.31	0.29
Expected Return on Plan Assets	-	-	-	-
Net actuarial losses (gains) recognised in the year	-0.42	-2.09	-0.03	-1.02
Contribution made by the Company	-	-	-	-
Defined benefit obligation as at the end of the year/period	5.07	4.41	5.08	3.95

Benefit Description				
Benefit type:		Gratuity Valuation as per Act		
Retirement Age:	60 years	60 years	60 years	60 years
Vesting Period:	5 years	5 years	5 years	5 years
The principal actuarial assumptions for the above are:				
Future Salary Rise:	5.00%P.A	5.00%P.A	5.00%P.A	5.00%P.A
Discount rate per annum:	7.75%P.A	7.75%P.A	7.75%P.A	7.75%P.A
Attrition Rate:	5% at younger ages and reducing to 1% at older ages according to graduated scale			
Mortality Rate:	IALM 2012-14 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate

4. Provisions, Contingent Liabilities and Contingent Assets (AS 29)

Contingent liabilities and commitments (to the extent not provided for). There are no contingent liabilities as on the end of respective period except as mentioned in Annexure - AB, for any of the years covered by the statements.

5. Related Party Disclosure (AS 18)

Related party transactions are reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Annexure – Y of the enclosed financial statements.

6. Accounting For Taxes on Income (AS 22)

Deferred Tax liability/Asset in view of Accounting Standard – 22: “Accounting for Taxes on Income” as at the end of the year/period is reported as under:

Particulars	As at			
	31-12-2019	31-03-2019	31-03-2018	31-03-2017
Major Components of deferred tax arising on account of timing differences are:				
Timing Difference Due to Depreciation	111.84	109.73	87.37	68.40
Deferred Tax Liability(A)	31.11	28.53	22.50	20.43
Timing Difference Due to Gratuity Expenses and Section 43 b	12.09	11.43	27.60	15.07
Deferred Tax Assets (B)	3.36	2.97	7.11	4.50
Cumulative Balance of Deferred Tax liability/(Assets) (Net) (A-B)	27.75	25.56	15.39	15.93

7. Earnings Per Share (AS 20):

Earnings per Share have been calculated is already reported in the Annexure –X of the enclosed financial statements.

ANNEXURE-V

MATERIAL ADJUSTMENTS [AS PER SEBI (ICDR) REGULATIONS, 2018]

Appropriate adjustments have been made in the restated financial statements, whenever required, by reclassification of the corresponding items of assets, liabilities and cash flow statement, in order to ensure consistency and compliance with requirement of Company Act 2013, and Accounting Standards.

The Summary of results of restatements made in the audited financial statements of the Company for the respective period / years and their impact on the profit / (losses) of the Company is as under.

Statement of adjustments in the Financial Statements(₹ in Lakhs)

Statement of Reserves and Surplus

Particulars	31-Dec-19	31-Mar-19	31-03-2018	31-03-2017
Reserves and Surplus as per audited accounts but before adjustments for restated accounts:	218.36	123.13	34.41	2.29
Add: Cumulative Adjustment made in Statement of Profit and Loss Account	(2.53)	9.59	(6.77)	(7.77)
Adjustment with the Opening Reserves as on 01-04-2015	(9.00)	(9.00)	(9.00)	(9.00)
Elimination of Adjustment of Revised Depreciation working	2.20	2.20	-	-
Net Adjustment in Profit and Loss Account	(9.33)	2.79	(15.77)	(16.77)
Reserves and Surplus as per Restated Accounts:	209.03	125.92	18.64	(14.48)

Statement of Profit and Loss after Tax

The reconciliation of Profit after tax as per audited results and the Profit after tax as per Restated Accounts is presented below in Table-1. This summarizes the results of restatements made in the audited accounts for the respective years/ period and its impact on the profit & losses of the company.

(₹ in Lakhs)				
Particulars	31-12-2019	31-03-2019	31-03-2018	31-03-2017
Net Profit After Tax as per audited accounts but before adjustments for restated accounts:	95.23	62.77	32.12	(1.74)
(Short)/Excess Provision of Gratuity Expense	-	5.08	(1.13)	(0.22)
(Short)/Excess Provision of Income Tax including of Interest on shortfall of advance tax	0.61	(5.15)	(0.11)	(0.74)
Recognition of MAT Credit Entitlement	(12.86)	6.43	6.21	1.05
Short/(Excess) Provision for Deferred Tax Assets	0.13	5.40	(6.31)	(4.83)
Excess/(Short) Provision For Depreciation and Amortization	-	-	1.80	(3.03)
Write off of ROC Expenses for Increase in Share Capital	-	(6.66)	-	-
Reversal of Preliminary Expenses Written off	-	0.08	0.05	0.01
VAT Refund Written off - Prior Period	-	11.16	-	-
Self-Assessment Tax paid for FY 2014-15	-	-	0.49	-
Net Adjustment in Profit and Loss Account	(12.12)	16.34	1.00	(7.76)
Net Adjustment in Statement of Profit and Loss Account	83.11	79.11	33.12	(9.50)

a) Adjustment on account of provision for Gratuity

The Company did not provide gratuity based on the requirement of AS -15 (Revised) up to March 31, 2018. Therefore during the restatement, provision for gratuity has been done as per the actuarial valuation. Based on actuarial valuation, gratuity provision Short/(excess) recognized in Statement of profit and loss and Net liability bifurcated into current and non-current in Statement of Assets and liabilities. For more details Refer Table above.

b) Provision of Income Tax (Current/Prior Period):

During the period of Restatement, Income tax liability was recalculated as per the prevailing tax rates, accordingly the revised income tax provision has been charged to the Statement of Profit and Loss account along with interest on delay payment of direct tax. Short/(Excess) provision has adjusted in respective year/period. For More Details refer Annexure AA enclosed with the Restated Financial Statement.

c) Accounting of MAT Credit Entitlement and reversal thereof:

From FY 2016-17 to FY 2018-19 Company is paying tax under MAT provisions of Section 115 JB of Income tax Act, 1961. However the difference between MAT liability and Normal provision liability of Income tax, was not recognized as MAT credit in Audited accounts, however during the restatement, MAT credit entitlement was recognized in respective year. During the Financial period ended December 31, 2019, Company utilized MAT credit as per Income tax Act. During the restatement, it has been credited/debited to Statement of Profit and Loss of respective year depending upon the tax liability gape between normal provision vis-à-vis tax liability as per MAT provisions of Income Tax Act. For more detail refer table above

d) Adjustment on account of Provision of Deferred Tax Assets:

Due to Provision for Gratuity (Employee benefits), Change in WDV of Fixed Assets as per Books during the period of restatement, The Company has recalculated the deferred tax liability and deferred tax assets at the end of respective year/period ended at the rate of normal Tax rate applicable at the end of relevant year/period. Due to same deferred tax assets has been recognized in the financial statement of the respective year.

e) Accounting of Depreciation (AS -6)

During the process of restatement of Accounts, Company has rectified the Depreciation provision which has been changed due to arithmetical errors, error in application of depreciation formula. Because of the above depreciation was recalculated since 01/04/2015, changes in depreciation resulted in short/excess provision of depreciation as compared to Audited financials Statement. Short/(excess) depreciation upto March 31 2016 has been adjusted with retained earnings as on April 1, 2016. The same has been rectified and accordingly effect thereof has been stated in Table above.

f) Accounting of Prior period Expenses:

During the assessment of VAT refunds for the period prior to March 31, 2016, There is short refund of Rs. 11.16 Lakhs which was accounted as expenses in Audited Financial Statement for the year ended March 31, 2019. Also during the Financial year 2017-18 Company has paid Income tax for the FY 2014-15 of Rs. 0.49 Lakhs, however during the restatement such expenses has been adjusted with the opening balance of retained earnings as on April 1, 2016.

g) Preliminary expenses written off:

During the Restatement company has written off all such expenses which do not qualify asset recognition criteria as per AS 26, therefore during the restatement company has rectified the same by reversing the amortization and adjusting balance of such expenses prior to 31-03-2016 with balance of retained earnings as on April 1, 2016 For more detail refer table given above.

h) Write off of ROC Expenses for Increase in Share Capital:

During the Restatement company has written off ROC Expenses to the tune of Rs 6.66 Lakhs towards increase in Authorized share capital, since all such expenses do not qualify asset recognition criteria as per AS 26, therefore during the restatement company has rectified the same by writing off the current assets and charging off the same in Statement of Profit and Loss account in which such expenses incurred. For more detail refer table given above.

8. Realizations:

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, investments, inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these restated accounts has used internal and external sources on the expected future performance of the Company and management expects the carrying amount of these assets will be recovered and sufficient liquidity is available to fund the business operations for at least another 12 months. Given the uncertainty because of COVID-19, the final impact on the Company's assets in future may differ from that estimated as at the date of approval of these restated accounts.

9. Contractual liabilities

All other contractual liabilities connected with business operations of the Company have been appropriately provided for.

10. Amounts in the financial statements

Amounts in the financial statements are reported in lakhs and rounded off to second digit of decimal. Figures in brackets indicate negative values.

11. Auditors Qualifications –

Details of Auditors qualifications and their impact on restated financial statement is given below.

a) Qualification which required adjustment in restated financial statements

Financial Year	Audit Qualifications	Management Reply
2016-17	None	NA
2017-18	The Company has not followed the AS -15 regarding the retirement benefit accrued to the employees in as much as it has continued to account for such expenses on payment basis. We are unable to quantify the effect of such practice followed by the Company on its financial statements in the absence of required details.	During the restatement, company has accounted the gratuity liability as per Actuarial valuation.
2018-19	Company has not maintained the quantitative records of the Inventory therefore we are unable to quantify the impact of such limitation on valuation of Closing stock and opening stock. Any possible impact on financials Statement cannot be ascertained in the absence on quantitative records of the Inventory maintained by the Company.	Till now Management was doing physical verification as on the end of accounting period and based on quantity physically verified, closing stock were valued as per AS-2 “Valuation of Inventories”. We will implement the systematic maintenance of inventory records.
For the period ended December 31, 2019	Company has not maintained the quantitative records of the Inventory therefore we are unable to quantify the impact of such limitation on valuation of Closing stock and opening stock. Any possible impact on financials Statement cannot be ascertained in the absence on quantitative records of the Inventory maintained by the Company.	

- b) Qualification which does not require adjustment in restated financial statements – Details given below

Financial Year	Audit Qualifications
2016-17	None
2017-18	None
2018-19	None
For the period ended December 31, 2019	None

For R K Jagetiya & CO.

Chartered Accountant

FRN: 146264W

SD/-

(Ravi K Jagetiya)

Proprietor

M. No. 134691

Place: Mumbai

Date: 15th June, 2020

RESTATED STATEMENT OF SHARE CAPITAL, RESERVES AND SURPLUS

(₹ in Lakhs, Except Share Data)

	As at			
Particulars	31-12-2019	31-03-2019	31-03-2018	31-03-2017
Share Capital				
Authorized Share Capital				
Equity shares of Rs.10 each	1,00,00,000.00	1,00,00,000.00	3,00,000.00	3,00,000.00
Equity Share Capital	1,000.00	1,000.00	300.00	300.00
Issued, Subscribed and Paid up Share Capital				
Equity Shares of Rs. 10 each fully paid up	52,55,570.00	52,55,570.00	2,90,800.00	2,90,800.00
Share Capital (in Rs.)	525.56	525.56	290.80	290.80
Total	525.56	525.56	290.80	290.80
Reserves and Surplus				
Surplus in Profit and Loss account				
Opening Balance	97.75	18.64	(14.48)	4.02
Profit for the Year	83.11	79.11	33.12	(9.50)
Adjustment with Opening Reserve due to Restatement as on 01-04-2016	-	-	-	(9.00)
Less: Opening gratuity Liability as on 31-03-2016				(3.73)
Add: Excess Deferred Tax Liability as on 31-03-2016				7.57
Less: Revised Depreciation (Short Charged) up to 31-03-2016				(0.99)
Less: Preliminary Expenses Written off				(0.19)
Less: Income tax paid for the FY 2014-15 in FY 2017-18				(0.50)
Less: VAT Refund Write off to March 16 Adjusted With Reserve				(11.16)
Closing Balance	180.86	97.75	18.64	(14.48)
Securities Premium Reserve				
Opening Balance	28.17	-	-	-
Addition/(Deletion) during the year	-	28.17	-	-
Closing Balance	28.17	28.17	-	-
Total	209.03	125.92	18.64	(14.48)

1. Terms/rights attached to equity shares:

i. The company has only one class of shares referred to as equity shares having a par value of Rs. 10/- (Prior to 01/04/2018 face value was Rs 100/- each) . Each holder of equity shares is entitled to one vote per share.

ii. In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.

2. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

3. Company does not have any Revaluation Reserve.

4. The above statement should be read with the significant accounting policies and notes on adjustment for restatement of financials Statement, Restated Statements of Assets and Liabilities, Profits and losses and Cash flows appearing in Annexures IV, V, I, II and III.

5. The reconciliation of the number of Equity shares outstanding as at -

Particulars	31-12-2019	31-03-2019	As at	
			31-03-2018	31-03-2017
Number of shares at the beginning	52,55,570	2,90,800	2,90,800	2,66,800
Add: Fresh Issue of Shares	-	23,47,570	-	24,000
Add: Additional share through Split of Face Value from 100 to 10	-	26,17,200	-	-
Number of shares at the end	52,55,570	52,55,570	2,90,800	2,90,800

6. The detail of shareholders holding more than 5% of Total Shares: -

Name of Shareholders	31-12-2019	As at (No. of Shares)		
		31-03-2019	31-03-2018	31-03-2017
Vaishali Shital Ketkale	2869626	28,69,626	2,66,134	2,66,134
% of Shareholding	54.60%	54.60%	91.52%	91.52%
Shital Adinath Ketkale	2142611	21,42,611	333	333
% of Shareholding	40.77%	40.77%	0.11%	0.11%
Shital Rajgonda Patil	243329	2,43,329	24,333	24,333
% of Shareholding	4.63%	4.63%	8.37%	8.37%

ANNEXURE – B

RESTATED STATEMENT OF LONG TERM AND SHORT TERM BORROWINGS

₹ in Lakhs

Particulars	As at			
	31-12-2019	31-03-2019	31-03-2018	31-03-2017
(Secured)				
(a) Term loans				
From Banks and Financial Institution	915.82	960.71	119.52	113.33
Sub-total (a)	915.82	960.71	119.52	113.33
(Unsecured)				
(a) Term loans				
From Bank	-	-	-	-
From Others	41.11	24.00	-	-
Sub-total (a)	41.11	24.00	-	-
Loans and advances from related parties & shareholders				
(Unsecured)				
From Directors	3.37	0.59	23.33	48.30
From Relatives	3.00	4.00	239.60	72.79
From Body Corporate	-	-	-	-
Sub-total	6.37	4.59	262.93	121.09
Loans and advances from others (Unsecured)				
From Others	5.50	5.50	-	-
Sub-total	5.50	5.50	-	-
Total	968.80	994.80	382.45	234.42

Short Term Borrowings

Secured**Loan Repayable on Demand**

From Banks	232.47	244.60	193.45	270.68
From Other Parties	-	-	-	-
Sub total (a)	232.47	244.60	193.45	270.68

Unsecured

From Bank	125.99	-	-	-
Sub Total (b)	125.99	-	-	-
Total (a+b)	358.46	244.60	193.45	270.68

Note :

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes on adjustment for restatement of financials Statement, Restated Statements of Assets and Liabilities, Profits and losses and Cash flows appearing in Annexures IV, V, I, II and III.
3. List of persons/entities classified as 'Promoters' and 'Promoter Group' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.
4. The terms and conditions and other information in respect of Secured Loans as on 31.03.2019 and 31.12.2019 are given in Annexure -B (A)
5. The terms and conditions and other information in respect of Unsecured Loans as on 31.03.2019 and 31.12.2019 are given in Annexure - B (B)

RESTATED STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY

Name of Lender	Purpose of Credit Facility	Sanctioned Amount (₹ in Lakhs)	Rate of Interest	Prime Securities offered	Re-Payment Schedule				Moratorium	Outstanding amount as at (as per Books) (₹ in Lakhs)				
					No of EMI (No of Months)	EMI Amount (₹ in Lakhs)	EMI Start	EMI End		31-12-2019	31-03-2019	31-03-2018	31-03-2017	
Rajarambapu Sahakari Bank Loan A/c No.404229/46	Machinery Term Loan	28.90	12.50%	Hypothecation of Machinery	84.00	0.51	25-Oct-17	25-Sep-24	NIL	22.09	24.61	21.58	0.00	
Siemens Finance Services Pvt.Ltd. (ACER)	Machinery Term Loan	33.58	13.50%	Hypothecation of Machinery	60.00	0.74	29-May-16	29-Apr-21	NIL	0.00	0.00	14.51	20.15	
Siemens Finance Services Pvt.Ltd. (HMC)	Machinery Term Loan	36.36	13.50%	Hypothecation of Machinery	60.00	0.84	20-Sep-16	20-Aug-21	NIL	0.00	0.00	17.32	23.23	
Electronica Finance Ltd. Term Loan	Machinery Term Loan	36.56	12.96%	Hypothecation of Machinery	60.00	0.81	20-May-16	20-Apr-21	NIL	0.00	0.00	16.38	22.03	
Magna Fincorp Limited	Working Capital Loan	25.32	19.80%	Unsecured Loan	36.00	0.94	03-Jul-17	02-Jul-20	NIL	0.00	0.00	6.44	13.54	
Rajarambapu Sah.Bank Ltd. (ELF Machinery Loan)30	Machinery Term Loan	46.00	12.50%	Hypothecation of Machinery	25.00	2.10	03-May-16	03-Sep-18	NIL	0.00	0.00	0.00	23.71	
RAJARAMBAPU SAH. BANK LTD. TERM LOAN A/c 31	Machinery Term Loan	39.00	12.50%	Hypothecation of Machinery	84.00	0.70	04-Apr-16	03-Apr-23	NIL	22.93	26.89	23.29	10.67	
Siemens Finance Services Pvt.Ltd. (Simple Turn)	Machinery Term Loan	35.75	8.49%	Hypothecation of Machinery	60.00	0.97	22-Sep-17	22-Aug-21	NIL	0.00	0.00	20.00	0.00	
Siemens Finance Services Pvt.Ltd. (4773)	Machinery Term Loan	28.63	13.00%	Hypothecation of Machinery	48.00	0.77	26-Aug-18	26-Jul-22	NIL	20.17	24.88	0.00	0.00	
Siemens Finance Services Pvt.Ltd. (6384)	Machinery Term Loan	28.63	13.00%	Hypothecation of Machinery	48.00	0.77	09-Sep-18	08-Sep-22	NIL	20.84	25.52	0.00	0.00	
Siemens Finance Services Pvt.Ltd. (6834)	Machinery Term Loan	44.96	13.00%	Hypothecation of Machinery	48.00	1.21	15-Nov-18	15-Oct-22	NIL	34.34	41.53	0.00	0.00	
ICICI Home Finance 4261	Working Capital Loan	380.20	10.35%	Gat No. 164, Kolhapur & Plot	188.00	4.17	05-Oct-18	05-May-34	NIL	369.80	377.80	0.00	0.00	
ICICI Home Finance 4262	Working Capital Loan	516.30	10.70%	No.1,2,3, Mear Pratik Plaza,	188.00	5.77	05-Oct-18	05-May-34	NIL	503.06	513.57	0.00	0.00	
ICICI Home Finance 4263	Working Capital Loan	103.40	9.20%	Ichalkaranji	187.00	1.06	05-Oct-18	05-Apr-34	NIL	100.09	102.51	0.00	0.00	
Tata Capital Financial Services Ltd (Innova)	Vehicle Loan	15.04	16.50%	Hypothecation of Car	49.00	0.36	05-Apr-19	05-Jul-24	NIL	13.26	13.30	0.00	0.00	
Tata Capital Financial Services Ltd (Cellero)	Vehicle Loan	3.53	16.51%	Hypothecation of Car	49.00	0.08	05-Apr-19	05-Jul-24	NIL	2.38	2.94	0.00	0.00	
Rajarambapu Sahakari Bank Ltd., Br. Laxmipuri, Kop Cash Credit	Working Capital Loan	200.00	12.00%	Stock and Book Debts			Repayable on Demand		NA	232.47	244.60	193.45	216.31	
SVC Coop Bank Ltd., Br. Ichalkaranji Bill Discounting	Working Capital Loan	80.00	12.75%	Duly Accepted bills of customer upto 90 days and personal guarantee of directors and Mr Sagar S Teke			Repayable on Demand		NA	-	-	-	54.37	
Total										1,341.43	1,398.15	312.97	384.01	

Note:

Collateral Securities for Working Capital Facility from Rajarambapu Sahakari Bank Ltd. Br. Laxmipuri, Kolhapur is given below :-

- 1) Gat No. 812 NA Plot at Kabnoor - 44.29 R, Ichalkaranji -416115, Maharashtra
- 2) Gat No. 1561 NA Plot at Kumbhoj -2000 Sqmt, Ichalkaranji-416115, Maharashtra
- 3) Gat No. 934, Plot No. 110, Sector'A', Phase-1 Shree Laxmi Coop Ind. Estate Hatkanangale- 306 Sqmt
- 4) Gat No. 934, Plot No. 112 & 113, Sector'A', Phase-1 Shree Laxmi Coop Ind. Estate Hatkanangale- 563.70 Sqmt
- 5) Personal Guarantee of Mrs. Vaishali Shital Ketkale, Mr. Shital Adinath Ketkale and Mr. Shital Rajgonda Patil

RESTATED STATEMENT OF TERMS & CONDITIONS OF UNSECURED LOANS

A) Details of Unsecured Loans outstanding as at the end of the latest Reporting period from Directors/Promoters/Promoter Group /Associates/Relatives of Directors/Group Companies/other entities Unsecured Loans from Promoters/Directors are interest free and all are taken without any preconditions attached towards repayments.

Name of Lender	Purpose	Rate of interest	Re-Payment Schedule	Moratorium	Outstanding amount as at (as per Books) ₹ in Lakhs			
					31-12-2019	31-03-2019	31-03-2018	31-03-2017
Vaishali Shital Ketkale	Business Loan	NIL	Demand Loan	NA	3.37	0.59	23.33	48.30
Loan from Sanmati CNC Engg. Works. Pro	Business Loan	NIL	Demand Loan	NA	3.00	4.00	239.60	72.79
Loan from Adinath Cnc Engg. Works Proj	Business Loan	NIL	Demand Loan	NA	5.50	5.50	-	-
UNITED PETRO FINANCE LIMITED-BL	Business Loan	28.45%	15 EMI of Rs. 2.00 Lakhs Starting from 14/05/2019 to 14/07/2022 (Sanctioned	NA	12.12	-	-	-
			Loan Amount 25.00 Lakhs)					
IDFC First Bank Limited	Business Loan	19.50%	36 EMI of Rs. 1.51 Lakhs Starting from 02/01/2020 to 02/12/2022 (Sanctioned	NA	40.30	-	-	-
			Loan Amount 40.80 Lakhs)					
Tata Capital Financial Services Ltd	Business Loan	18.50%	35 EMI of Rs. 0.90 Lakhs Starting from 02/05/2019 to 02/04/2022 (Sanctioned	NA	20.63	12.23	-	-
			Loan Amount 24.75 Lakhs)					
Fullerton India Credit Co Ltd.	Business Loan	19.00%	36 EMI of Rs. 0.75 Lakhs Starting from 04/04/2019 to 04/03/2022 (Sanctioned	NA	16.63	11.77	-	-
			Loan Amount 20.50 Lakhs)					
Sanmati Sahakari Bank Ltd., Br. Ichalkaran	Short Term Business Loan	18.00%	Repayable on Demand	NA	125.99	-	-	-
Total					227.54	34.09	262.93	121.09

ANNEXURE - B1

RESTATED STATEMENT OF OTHER LONG TERM LIABILITIES

₹ in Lakhs

Particulars	As at			
	31-12-2019	31-03-2019	31-03-2018	31-03-2017
Trade Payables	-	-	-	147.75
Deferred Sales Tax liability	46.30	46.30	46.43	48.09
Total	46.30	46.30	46.43	195.84

ANNEXURE – C

RESTATED STATEMENT OF DEFERRED TAX (ASSETS) / LIABILITIES

₹ in Lakhs

Particulars	31-12-2019	31-03-2019	As at 31-03-2018	31-03-2017
Major Components of deferred tax arising on account of timing differences are:				
Timing Difference Due to Depreciation	111.84	109.73	87.37	68.40
Deferred Tax Liability(A)	31.11	28.53	22.50	20.43
Timing Difference Due to Gratuity Expenses and Section 43 b	12.09	11.43	27.60	15.07
Deferred Tax Assets (B)	3.36	2.97	7.11	4.50
Cumulative Balance of Deferred Tax liability/(Assets) (Net) (A-B)	27.75	25.56	15.39	15.93

Note: The above statement should be read with the significant accounting policies and notes on adjustment for restatement of financials Statement, Restated Statements of Assets and Liabilities, Profits and losses and Cash flows appearing in Annexures IV, V, I, II and III.

ANNEXURE - D
RESTATED STATEMENT OF LONG TERM PROVISIONS

Particulars	₹ in Lakhs			
	31-12-2019	As at 31-03-2019	31-03-2018	31-03-2017
Provision for Employee Benefits	4.82	4.17	4.80	3.82
Total	4.82	4.17	4.80	3.82

ANNEXURE – E

RESTATED STATEMENT OF TRADE PAYABLES

₹ in Lakhs

Particulars	31-12-2019	31-03-2019	As on 31-03-2018	31-03-2017
Trade Payables				
For Goods & Services				
Micro, Small and Medium Enterprises	-	95.74	101.02	55.09
Others	98.70	31.47	36.66	80.58
Total	98.70	127.21	137.68	135.67
Trade Payable Includes Dues to Related Party	22.97	-	9.07	3.93

Notes:

- 1.The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes on adjustment for restatement of financials Statement, Restated Statements of Assets and Liabilities, Profits and losses and Cash flows appearing in Annexures IV, V, I, II and III.
3. Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, have been identified on the basis of information available with the Company.

RESTATED STATEMENT OF OTHER CURRENT LIABILITIES AND SHORT TERM PROVISIONS

₹ in Lakhs

Particulars	31-12-2019	31-03-2019	As on 31-03-2018	31-03-2017
Other Current Liabilities				
Current Maturities of Long Term Debt	233.29	205.31	89.97	65.49
Interest accrued but not due on borrowings	8.43	9.14	-	-
Statutory Payables	1.90	54.23	36.62	62.13
Advances Received from Customers	-	-	7.40	57.13
Employee Benefits payable	10.46	7.24	5.24	7.81
Provision for other expenses	0.22	1.66	3.74	2.60
Total	254.30	277.58	142.97	195.16
Short Term Provisions				
Provision for Employee Benefits	1.89	0.30	0.28	0.13
Income tax Provisions net of Advance tax and TDS	25.01	9.82	(2.28)	(1.39)
Total	26.90	10.12	(2.00)	(1.26)

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes on adjustment for restatement of financials Statement, Restated Statements of Assets and Liabilities, Profits and losses and Cash flows appearing in Annexures IV, V, I, II and III.

RESTATED STATEMENT OF FIXED ASSETS

ANNEXURE – G

(₹ in Lakhs)

FY 2016-17											
ASSETS	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	OPENING BALANCE AS AT 01-04-2016	ADDITIONS DURING THE YEAR	DELETION DURING THE YEAR	CLOSING BALANCE AS ON 31-03-2017	OPENING BALANCE AS AT 01-04-2016	Opening on Revaluation	ADDITIONS DURING THE YEAR	DELETION DURING THE YEAR	CLOSING BALANCE AS ON 31-03-2017	AS AT 31/03/2017	AS AT 31/03/2016
A) TANGIBLE											
Lease-hold Land	3.41	-	-	3.41	-	-	-	-	-	3.41	3.41
Factory Building	131.15	4.43	-	135.58	5.64	-	3.24	-	8.88	126.70	125.51
Computers	0.81	1.23	-	2.04	0.12	-	0.17	-	0.29	1.75	0.69
Electrical Installations	6.31	0.35	-	6.66	1.05	-	0.60	-	1.65	5.01	5.26
Office Equipment	3.38	0.57	-	3.95	1.11	-	0.70	-	1.81	2.14	2.27
Furniture & Fittings	17.84	15.07	-	32.91	2.21	-	3.53	-	5.74	27.17	15.63
Plant & Machinery	176.43	148.14	-	324.57	19.64	-	26.47	-	46.11	278.46	156.79
Vehicle	13.88	-	-	13.88	2.88	-	1.65	-	4.53	9.35	11.00
Sub Total (A)	353.21	169.79	-	523.00	32.65	-	36.36	-	69.01	453.99	320.56
B) Capital Work in Progress											
PLANT AND MACHINERY (WIP)	23.47	-	-	23.47	-	-	-	-	-	23.47	23.47
Sub Total (B)	23.47	-	-	23.47	-	-	-	-	-	23.47	23.47
Total (A+B)	376.68	169.79	-	546.47	32.65	-	36.36	-	69.01	477.46	344.03
(Previous Year)	331.22	45.46	-	376.68	14.86	-	17.79	-	32.65	344.03	316.36

FY 2017-18											
ASSETS	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	OPENING BALANCE AS AT 01-04-2017	ADDITIONS DURING THE YEAR	DELETION DURING THE YEAR	CLOSING BALANCE AS ON 31-03-2018	OPENING BALANCE AS AT 01-04-2017	Opening on Revaluation	ADDITIONS DURING THE YEAR	DELETION DURING THE YEAR	CLOSING BALANCE AS ON 31-03-2018	AS AT 31/03/2018	AS AT 31/03/2017
A) TANGIBLE											
Lease-hold Land	3.41	-	-	3.41	-	-	-	-	-	3.41	3.41
Factory Building	135.58	0.33	-	135.91	8.88	-	3.38	-	12.26	123.65	126.70
Computers	2.04	-	-	2.04	0.29	-	0.32	-	0.61	1.43	1.75
Electrical Installations	6.66	-	-	6.66	1.65	-	0.63	-	2.28	4.38	5.01
Office Equipment	3.95	3.38	-	7.33	1.81	-	1.39	-	3.20	4.13	2.14
Furniture & Fittings	32.91	13.16	-	46.07	5.74	-	5.40	-	11.14	34.93	27.17
Plant & Machinery	324.57	91.55	-	416.12	46.11	-	35.77	-	81.88	334.24	278.46
Vehicle	13.88	-	-	13.88	4.53	-	1.65	-	6.18	7.70	9.35
Sub Total (A)	523.00	108.42	-	631.42	69.01	-	48.54	-	117.55	513.87	453.99
B) Capital Work in Progress											
PLANT AND MACHINERY (WIP)	23.47	-	23.47	-	-	-	-	-	-	-	23.47
Sub Total (B)	23.47	-	23.47	-	-	-	-	-	-	-	23.47
Total (A+B)	546.47	108.42	23.47	631.42	69.01	-	48.54	-	117.55	513.87	477.46
(Previous Year)	376.68	169.79	-	546.47	32.65	-	36.36	-	69.01	477.46	344.03

FY 2018-19											
ASSETS	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	OPENING BALANCE AS AT 01-04-2018	ADDITIONS DURING THE YEAR	DELETION DURING THE YEAR	CLOSING BALANCE AS ON 31-03-2019	OPENING BALANCE AS AT 01-04-2018	Opening on Revaluation	ADDITIONS DURING THE YEAR	DELETION DURING THE YEAR	CLOSING BALANCE AS ON 31-03-2019	AS AT 31/03/2019	AS AT 31/03/2018
A) TANGIBLE											
Lease-hold Land	3.41	0.07	-	3.48	-	-	-	-	-	3.48	3.41
Factory Building	135.91	-	-	135.91	12.26	-	3.38	-	15.64	120.27	123.65
Computers	2.04	-	-	2.04	0.61	-	0.32	-	0.93	1.11	1.43
Electrical Installations	6.66	-	-	6.66	2.28	-	0.63	-	2.91	3.75	4.38
Office Equipment	7.33	-	-	7.33	3.20	-	1.39	-	4.59	2.74	4.13
Furniture & Fittings	46.07	7.96	-	54.03	11.14	-	7.62	-	18.76	35.27	34.93
Plant & Machinery	416.12	127.10	-	543.22	81.88	-	43.52	-	125.40	417.82	334.24
Vehicle	13.88	-	-	13.88	6.18	-	1.65	-	7.83	6.05	7.70
Sub Total (A)	631.42	135.13	-	766.55	117.55	-	58.51	-	176.06	590.49	513.87
B) Capital Work in Progress											
PLANT AND MACHINERY (WIP)	-	-	-	-	-	-	-	-	-	-	-
Sub Total (B)	-	-	-	-	-	-	-	-	-	-	-
Total (A+B)	631.42	135.13	-	766.55	117.55	-	58.51	-	176.06	590.49	513.87
(Previous Year)	546.47	108.42	23.47	631.42	69.01	-	48.54	-	117.55	513.87	477.46

For the period ended 31st December 2019

ASSETS	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	OPENING BALANCE AS AT 01-04-2019	ADDITIONS DURING THE PERIOD	DELETION DURING THE PERIOD	CLOSING BALANCE AS ON 31-12-2019	OPENING BALANCE AS AT 01-04-2019	Opening on Revaluation	ADDITIONS DURING THE PERIOD	DELETION DURING THE PERIOD	CLOSING BALANCE AS ON 31-12-2019	AS AT 31/12/2019	AS AT 31/03/2019
A) TANGIBLE											
Lease-hold Land	3.48	-	-	3.48	-	-	-	-	-	3.48	3.48
Factory Building	135.91	-	-	135.91	15.64	-	2.54	-	18.18	117.73	120.27
Computers	2.04	-	-	2.04	0.93	-	0.49	-	1.42	0.62	1.11
Electrical Installations	6.66	-	-	6.66	2.91	-	0.48	-	3.39	3.27	3.75
Office Equipment	7.33	-	-	7.33	4.59	-	1.05	-	5.64	1.69	2.74
Furniture & Fittings	54.03	6.22	-	60.25	18.76	-	6.98	-	25.74	34.51	35.27
Plant & Machinery	543.22	302.43	-	845.65	125.40	-	41.46	-	166.86	678.79	417.82
Vehicle	13.88	-	-	13.88	7.83	-	1.24	-	9.07	4.81	6.05
Sub Total (A)	766.55	308.65	-	1,075.20	176.06	-	54.24	-	230.30	844.90	590.49
B) Capital Work in Progress											
PLANT AND MACHINERY (WIP)	-	-	-	-	-	-	-	-	-	-	-
Sub Total (B)	-	-	-	-	-	-	-	-	-	-	-
Total (A+B)	766.55	308.65	-	1,075.20	176.06	-	54.24	-	230.30	844.90	590.49
(Previous Year)	631.42	135.13	-	766.55	117.55	-	58.51	-	176.06	590.49	513.87

Note The above statement should be read with the significant accounting policies and notes on adjustment for restatement of financials Statement, Restated Statements of Assets and Liabilities, Profits and losses and Cash flows appearing in Annexures IV, V, I, II and III.

ANNEXURE – H

RESTATED STATEMENT OF NON-CURRENT INVESTMENTS

₹ in Lakhs

Particulars	31-12-2019	31-03-2019	As at 31-03-2018	31-03-2017
Unquoted, Non-Trade, Carrying at Cost				
Investment In Equity Instruments	5.04	5.04	5.04	5.04
Total	5.04	5.04	5.04	5.04

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes on adjustment for restatement of financials Statement, Restated Statements of Assets and Liabilities, Profits and losses and Cash flows appearing in Annexures IV, V, I, II and III.

ANNEXURE – I

RESTATED STATEMENT OF LONG-TERM LOANS AND ADVANCES

₹ in Lakhs

Particulars	As at			
	31-12-2019	31-03-2019	31-03-2018	31-03-2017
Unsecured, Considered Good unless otherwise stated				
Security Deposit	3.55	2.65	14.95	13.95
Total	3.55	2.65	14.95	13.95

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes on adjustment for restatement of financials Statement, Restated Statements of Assets and Liabilities, Profits and losses and Cash flows appearing in Annexures IV, V, I, II and III.

ANNEXURE – J

RESTATED STATEMENT OF NON CURRENT ASSETS

₹ in Lakhs

Particulars	As at			
	31-12-2019	31-03-2019	31-03-2018	31-03-2017
Unsecured, Considered Good unless otherwise stated				
Balances with Government Authorities	-	2.02	2.02	13.43
Total	-	2.02	2.02	13.43

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes on adjustment for restatement of financials Statement, Restated Statements of Assets and Liabilities, Profits and losses and Cash flows appearing in Annexures IV, V, I, II and III.

ANNEXURE – K

RESTATED STATEMENT OF INVENTORIES

Particulars	As at				₹ in Lakhs
	31-12-2019	31-03-2019	31-03-2018	31-03-2017	
Raw Materials	618.02	99.35		40.18	74.17
Work In Progress	63.53	43.48		32.22	21.57
Stores and consumables	57.30	22.95		15.10	26.15
Total	738.85	165.78		87.50	121.89

Note-: Inventory has been physically verified by the management of the Company at the end of respective Period/year.

ANNEXURE – L

RESTATED STATEMENT OF TRADE RECEIVABLES

₹ in Lakhs

Particulars	As at			
	31-12-2019	31-03-2019	31-03-2018	31-03-2017
Outstanding for a period exceeding six months (Unsecured and considered Good)				
From Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies.	-	-	-	-
Others	80.63	41.26	16.50	11.15
Outstanding for a period not exceeding 6 months (Unsecured and considered Good)				
From Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies.	-	-	11.44	2.86
Others	90.85	162.85	165.20	138.28
Total	171.48	204.11	193.14	152.29

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

2. The above statement should be read with the significant accounting policies and notes on adjustment for restatement of financials Statement, Restated Statements of Assets and Liabilities, Profits and losses and Cash flows appearing in Annexures IV, V, I, II and III.

3. List of persons/entities classified as 'Promoters' and 'Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

RESTATED STATEMENT OF CASH & CASH EQUIVALENTS

Particulars	As at			
	31-12-2019	31-03-2019	31-03-2018	31-03-2017
Cash and Cash Equivalents: (as per Accounting Standard 3: Cash flow Statements)				
Balances with Banks in Current Accounts	17.11	69.92	5.23	0.42
Cash on Hand	7.05	7.61	7.73	9.07
<u>Other Bank Balances (Margin Money against Bank Facility)</u>				
Fixed Deposits	3.28	3.28	8.23	2.50
Total	27.44	80.81	21.19	11.99
Fixed deposits under lien with Banks	-	-	-	-

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

2. The above statement should be read with the significant accounting policies and notes on adjustment for restatement of financials Statement, Restated Statements of Assets and Liabilities, Profits and losses and Cash flows appearing in Annexures IV, V, I, II and III.

RESTATED STATEMENT OF SHORT-TERM LOANS AND ADVANCES

Particulars	₹ in Lakhs			
	31-12-2019	31-03-2019	As at 31-03-2018	31-03-2017
Unsecured, Considered Good unless otherwise stated				
Security Deposit	-	-	-	-
*Advances to Vendors	653.76	1,293.44	318.03	456.36
Balance With Revenue Authorities	36.52	11.12	9.64	17.36
Loans and advances to related parties	11.79	-	8.08	1.91
Loans and Advances to Employees	12.03	11.61	13.62	7.37
Other Loans and Advances	6.44	6.44	43.53	47.53
Total	720.54	1,322.61	392.90	530.53
* Advances to Vendors includes Advances given to Related Parties	536.12	916.68	281.14	406.32

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

2. The above statement should be read with the significant accounting policies and notes on adjustment for restatement of financials Statement, Restated Statements of Assets and Liabilities, Profits and losses and Cash flows appearing in Annexures IV, V, I, II and III.

3. List of persons/entities classified as 'Promoters' and 'Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

ANNEXURE – O

RESTATED STATEMENT OF OTHER CURRENT ASSETS

Particulars	₹ in Lakhs			
	31-12-2019	31-03-2019	As at 31-03-2018	31-03-2017
Interest accrued on Fixed Deposit	2.39	2.15	-	-
Prepaid Expenses	6.43	6.16	-	-
Total	8.82	8.31	-	-

*Includes Public issue of Equity Expenses of Rs. 5.006 lakhs

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

2. The above statement should be read with the significant accounting policies and notes on adjustment for restatement of financials Statement, Restated Statements of Assets and Liabilities, Profits and losses and Cash flows appearing in Annexures IV, V, I, II and III.

ANNEXURE – P

RESTATEd STATEMENT OF TURNOVER

₹ in Lakhs

Particulars	As on			
	31-12-2019	31-03-2019	31-03-2018	31-03-2017
(I) turnover of products manufactured by the issuer (net of excise Duty)	1,632.59	1,417.92	747.56	582.11
(ii) turnover of products traded in by the issuer; and	51.90	338.80	280.56	126.34
*(iii) turnover in respect of products not normally dealt in by the issuer but included in (ii) above	-	-	-	-
(iv) turnover in respect of Services supplied by the issuer	-	-	52.26	134.82
Total	1,684.49	1,756.72	1,080.38	843.27

*As per information provided to us by the Issuer, there is no such item.

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

2. The above statement should be read with the significant accounting policies and notes on adjustment for restatement of financials Statement, Restated Statements of Assets and Liabilities, Profits and losses and Cash flows appearing in Annexures IV, V, I, II and III.

RESTATED STATEMENT OF OTHER NON OPERATING INCOME

₹ in Lakhs

Particulars	As on			
	31-12-2019	31-03-2019	31-03-2018	31-03-2017
Related and Recurring Income:				
Interest Received from Others	-	-	-	-
Interest Received on Bank FD	0.43	0.28	2.45	0.25
EPP Claim Received	0.10	0.33	0.41	1.42
Duty Drawback Incentives	-	1.09	-	-
Discount Received	0.48	1.49	4.60	5.81
Other Income	0.06	-	0.69	-
Sub Total (a)	1.07	3.19	8.15	7.48
Non related and Non Recurring Income:				
Wrong Capitalization Reversed	-	1.61	-	-
Sub Total (b)	-	1.61	-	-
Related and Non Recurring Income:				
Interest on Income Tax Refund Received	0.18	0.14	-	0.10
Sub Total (c)	0.18	0.14	-	0.10
Non Related and Recurring Income:				
Dividend Received	0.60	0.60	0.60	0.05
Sub Total (d)	0.60	0.60	0.60	0.05
Total (a+b+c+d)	1.85	5.54	8.75	7.63
% of Other Income with Profit Before Tax	1.57%	5.31%	26.86%	138.73%

1. The classification of other income as recurring/not-recurring, related/not-related to business activity is based on the current operations and business activity of the Company as determined by the management.
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 significant accounting policies and notes on adjustment for restatement of financials Statement, Restated Statements of Assets and Liabilities, Profits and losses and Cash flows appearing in Annexures IV, V, I, II and III.

ANNEXURE – R

RESTATED STANDALONE STATEMENT OF COST OF MATERIAL CONSUMED AND PURCHASE OF STOCK IN TRADE

₹ in Lakhs

Particulars	As on			
	31-12-2019	31-03-2019	31-03-2018	31-03-2017
Cost of Material Consumed				
Opening Stock of Raw Material	99.35	40.18	74.17	169.42
Add: Purchases of Raw Material	1,783.91	1,036.60	440.05	297.86
Less: Closing Stock of Raw Material	618.02	99.35	40.18	74.17
Total	1,265.24	977.43	474.04	393.11
Purchase of Stock in Trade				
Purchase of Stock in Trade	39.96	254.66	269.34	120.65
Total	39.96	254.66	269.34	120.65

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes on adjustment for restatement of financials Statement, Restated Statements of Assets and Liabilities, Profits and losses and Cash flows appearing in Annexures IV, V, I, II and III.

ANNEXURE – S

RESTATED STANDALONE STATEMENT OF CHANGES IN INVENTORIES

₹ in Lakhs

Particulars	As on			
	31-12-2019	31-03-2019	31-03-2018	31-03-2017
Closing Inventories				
Work in Progress	63.53	43.48	32.22	21.57
Finished goods	-	-	-	-
Stock in Trade	-	-	-	-
Sub Total (A)	63.53	43.48	32.22	21.57
Opening Inventories				
Work in Progress	43.48	32.22	21.57	33.52
Finished goods	-	-	-	-
Stock in Trade	-	-	-	-
Sub Total (B)	43.48	32.22	21.57	33.52
Changes in Inventories	(20.05)	(11.26)	(10.65)	11.95

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes on adjustment for restatement of financials Statement, Restated Statements of Assets and Liabilities, Profits and losses and Cash flows appearing in Annexures IV, V, I, II and III.

ANNEXURE – T

RESTATED STATEMENT OF EMPLOYEE BENEFITS EXPENSES

₹ in Lakhs

Particulars	31-12-2019	As on		31-03-2017
		31-03-2019	31-03-2018	
Salary and Wages	55.36	51.69	30.98	29.45
Contribution to Provident Fund and Other Fund	4.66	3.71	5.17	5.36
Staff Welfare Expenses	0.87	24.91	24.62	34.16
Total	60.89	80.31	60.77	68.97

RESTATED STATEMENT OF FINANCE COST

₹ in Lakhs

Particulars	31-12-2019	31-03-2019	31-03-2018	31-03-2017
Interest expense	86.66	82.86	71.07	67.29
Other Borrowing cost	0.99	12.56	2.16	1.83
Interest on Shortfall of Advance Tax payment	0.43	2.80	0.66	-
Total	88.08	98.22	73.89	69.12

ANNEXURE - V

RESTATED STATEMENT OF DEPRECIATION & AMORTISATION EXPENSES

₹ in Lakhs

Particulars	31-12-2019	31-03-2019	31-03-2018	As on
				31-03-2017
Depreciation and Amortization Expenses	54.24	58.51	48.54	36.36
Total	54.24	58.51	48.54	36.36

ANNEXURE - W

RESTATED STATEMENT OF OTHER EXPENSES

₹ in Lakhs

Particulars	31-12-2019	31-03-2019	31-03-2018	As on	
				31-03-2017	
Consumption of stores and spare parts	29.54	63.17	43.08	37.45	
Rent, Rates and Taxes	1.45	1.35	0.24	0.38	
Power and Fuel	19.02	33.71	22.25	27.81	
Insurance Charges	1.53	0.51	0.71	2.26	
Repair & Maintenance - Machinery	0.76	4.57	6.56	1.56	
Repair & maintenance - Factory	-	0.18	0.28	0.70	
Outside Machining Charges	10.79	23.14	21.18	12.86	
Reimbursement to Contractor	1.42	16.06	25.41	-	
Payment to Auditors	1.20	1.00	0.66	0.91	
Carriage Inward and Outward	2.89	4.41	12.18	16.45	
Bad Debts	-	19.20	-	-	
Miscellaneous Expenses					
Selling and Administrative Expenses					
Advertisement Exp.	-	0.19	-	-	
Courier & Postage	0.01	-	-	0.01	
Consultation Fees	2.28	2.47	1.54	0.43	
Donation	-	-	0.05	-	
General Office Expenses	0.95	2.00	1.38	0.87	
Telephone Expenses	0.30	0.47	0.23	0.80	
Printing and Stationery	0.51	0.12	0.06	0.15	
GST Late Fee	0.49	0.42	-	-	
Indirect Tax paid on assessment	1.70	-	0.05	0.44	
Professional Tax Company	-	-	0.03	0.08	
Travelling Expenses	1.82	2.02	1.17	3.59	
Vehicle Repairs & Maintenance	0.01	0.67	-	0.92	
Foreign Exchange Loss	0.01	1.51	-	-	
Service Charges	0.73	13.45	0.16	-	
Discount Account	1.33	1.19	-	-	
Write off of ROC Expenses for Increase in Authorized Capital	-	6.66	-	-	
Sub Total (A)	10.14	31.17	4.67	7.29	
Manufacturing Expenses					
Electrical Maintenance	0.65	0.23	0.22	1.04	
Water Charges	0.51	0.40	0.49	0.49	
M.P.C.B. Pollution Fee	-	0.75	-	0.32	
Testing Charges	0.01	0.17	0.05	0.03	
Loading Unloading Charges	0.24	0.04	2.64	35.69	
Sub Total (B)	1.41	1.59	3.40	37.57	
Total (A+B)	80.15	200.06	140.62	145.24	

RESTATED STATEMENT OF MANDATORY ACCOUNTING RATIOS

(₹ in Lakhs, Except Per Share Data)

Particulars	31-12-2019	31-03-2019	31-03-2018	As on 31-03-2017
Net Worth (A)	734.59	651.48	309.44	276.32
Restated Profit after tax	83.11	79.11	33.12	(9.50)
Less: Prior Period Item	-	-	-	-
Adjusted Profit after Tax (B)	83.11	79.11	33.12	(9.50)
Number of Equity shares outstanding as on the of Period/Year	52,55,570	52,55,570	2,90,800	2,90,800
Weighted Average Number of Equity shares before considering Split of Face value from 100 to 10 (c)	52,55,570	31,33,109	2,90,800	2,73,112
Weighted Average Number of Equity shares after considering Split of Face value from 100 to 10 (D)	52,55,570	31,33,109	29,08,000	27,31,120
Current Assets (E)	1,667.13	1,781.62	694.73	816.70
Current Liabilities (F)	738.36	659.51	472.10	600.25
Face Value per Share	10.00	10.00	100.00	100.00
Restated Basic and Diluted Earning Per Share (Rs.) (B/C) (Before Split of Face value)	1.58	2.52	11.39	(3.48)
Restated Basic and Diluted Earning Per Share (Rs.) (B/D) (After Split of Face Value)	1.58	2.52	1.14	(0.35)
Return on Net worth (%) (B/A) -Not Annualized	11.31%	12.14%	10.70%	-3.44%
Net asset value per share (A/C) (Face Value of Rs. 10 Each) - Refer Note no. 4 below	13.98	12.40	106.41	95.02
Current Ratio (E/F)	2.26	2.70	1.47	1.36
Restated Earnings Before Interest Tax Depreciation and Amortisation (EBITDA)	259.16	248.50	152.85	109.15

Note:

1) The ratios have been computed as below:

(a) Basic earnings per share (Rs.) - : Net profit after tax as restated for calculating basic EPS / Weighted average number of equity shares outstanding at the end of the period or year

(b) Diluted earnings per share (Rs.) - : Net profit after tax as restated for calculating diluted EPS / Weighted average number of equity shares outstanding at the end of the period or year for diluted EPS

(c) Return on net worth (%) - : Net profit after tax (as restated) / Net worth at the end of the period or year

(d) Net assets value per share - : Net Worth at the end of the period or year / Total number of equity shares outstanding at the end of the period or year

(e) Net assets value per share (effect of split of face value of equity shares) - : Net Worth at the end of the period or year / Total number of equity shares outstanding at the end of the period or year (after considering the factor of split of face value.)

(f) EBITDA represent earning (profit/(loss)) before finance cost, income tax, and depreciation and amortization expenses. Extraordinary and exceptional items have been considered in the calculation of EBITDA as they were expenses items.

2) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period/year adjusted by the number of equity shares issued during period/year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/year.

3) Net worth for ratios mentioned in note 1(c) and 1(d) is = Equity share capital + Reserves and surplus (including, Securities Premium, General Reserve and surplus in statement of profit and loss).

4) The Company has carried out split of face value from 100 to 10 each dated 25th December 2018.

5) The figures disclosed above are based on the standalone restated summary statements.

6) The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

7) The Promoters Mr. Shital Adinath Ketkale and Mrs. Vaishali Shital Ketkale were allotted 21,39,284 Equity Shares and 2,08,286 Equity Shares, respectively, pursuant to allotment of Equity Shares made by the Company on February 25, 2019 against conversion of Loan at Rs. 11.20/- per share

ANNEXURE - Y

RESTATED STATEMENT OF RELATED PARTY TRANSACTION

(₹ in Lakhs)

Particulars	Names of related parties	Nature of Relationship		
Directors and Key Management Personnel (KMP)	Shital Adinath Ketkale			(Director & Shareholder)
	Vaishali Shital Ketkale			(Director & Shareholder)
	Sheetal Rajgonda Patil			Director
	Shahaji Annasaheb Patil			Company Secretary
	Abhinandan Bhokere			CFO
Relatives of KMP	Sanmati Cnc Engineering Works			Proprietorship Firm of Shital Adinath Ketkale
Company/Firm in which KMP/Relatives of KMP can exercise significant influence	Mahabeema Bamboo Producer Company Limited			Promoter of Company Mr. Shital Adinath Ketkale and Mrs. Vaishali Shital Ketkale is holding directorship Related Party.
	Sanmati Value Marketing Private Limited			Composition of Board of Director is Controlled by Promoter Group of the Sanmati Precision Engineering Limited.
	Garcinia Value Marketing Foundation			One Person Company of Mr. Shital Adinath Ketkale.
	Global Cooling Foundation			Mr. Shital Adinath Ketkale is Chairman on the NGO
	Sahuraje Magasvargiya Audhyogik Sah Sanstha Maryadit			Mr. Shital Adinath Ketkale is in managing committee/Member of the Association of Person.
	Ravichandra Mahila Magasvargiya Audyogik Sahkari Sanstha Maryadit			Mr. Vaishali Shital Ketkale is in managing committee/Member of the Association of Person.

(i) Transactions with KMP

31-Dec-19

31-Mar-19

31-03-2018

31-03-2017

A	SHITAL ADINATH KETKALE	31-Dec-19	31-Mar-19	31-03-2018	31-03-2017
	Director Remuneration	3.00	4.00	-	-
	Outstanding Balance Cr/(Dr)	3.00	4.00		
	Allotment of Shares by way conversion of loan to Equity	-	217.93	-	-
	Imprest Advance given to Directors for Expenses (dr/(cr))				
B	VAISHALI SHITAL KETKALE				
	Director Remuneration	3.00	4.00	8.00	-
	Interest Rate				
	Loan Taken/Given				
	Opening Balance (Cr/(Dr))	0.60	23.33	48.30	2.10
	Loan Taken by the Company	3.00	16.00	31.00	46.20
	Loan Repaid by the Company	0.23	38.73	55.97	-
	Interest on Loan taken/Given	-	-	-	-
	Closing Balance (Cr/(Dr))	3.37	0.60	23.33	48.30

	Allotment of Shares	-	23.33	-	-
C	Abhinandan Bhokere				
	Salary given	3.93	3.60	-	-
D	Shahaji Annasaheb Patil				
	Salary given	2.08	0.25	-	-
E	MR. SHEETAL RAJGONDA PATIL				
	Director Remuneration	-	-	-	-
	Interest Rate	-	-	-	-
	Loan Taken/Given				
	Opening Balance (Cr/(Dr))	-	-	-	-
	Loan Taken by the Company	-	-	-	-
	Loan Repaid by the Company	-	-	-	-
	Interest on Loan taken/Given	-	-	-	-
	Closing Balance (Cr/(Dr))	-	-	-	-
	Allotment of Shares	-	-	-	24.00

(ii) Transactions with Relatives of KMP

A	SANMATI CNC ENGINEERING WORKS				
	Interest Rate				
	Loan Taken/Given				
	Opening Balance (Cr/(Dr))	-	239.60	72.79	-
	Loan Taken by the Company	54.50	192.96	507.75	492.29
	Loan Repaid by the Company	54.50	432.56	340.94	419.50
	Interest on Loan taken/Given	-	-	-	-
	Closing Balance (Cr/(Dr))	-	-	239.60	72.79
	Purchase of Raw Material by the Company	947.83	847.19	-	-
	Closing Balance ((Dr)/Cr)	40.57	168.87	-	-
			-		
	Supply of Job Work Services by the Company	-	-	32.08	134.82
	Sales of Goods by the Company to Firm	-	0.26	168.68	-
	Purchase of Raw Material by the Company	-	-	-	-
	Expenses Incurred by Company on Behalf of Firm	2.42	-	17.65	17.86
	Interest on Loan paid by Company on behalf of firm				
	Closing Balance (Dr/(Cr))	-	-	11.44	2.86

(iii) Transaction with Company/Firm in which KMP/Relatives of KMP can exercise significant influence

A	MAHABEEMA BAMBOO PRODUCER COMPANY LIMITED				
	Opening Balance (dr/(cr))	(3.75)	0.00		
	Loan Taken by the Company	0.00	(10.00)		
	Loan Repaid by the Company	3.75	6.25		
	Closing Balance (dr/(cr))	0.00	(3.75)		
	Purchase made by the Company	-	0.00		
	Closing Balance (Cr/(Dr)	-	0.00		

B	Sanmati Value Marketing Private Limited				
	Opening Balance (dr/(cr))	-	0.86	0.54	-
	Loan Taken by the Company	5.58	-	-	-
	Loan Repaid by the Company	5.58	0.86	0.26	0.54
	Sales of Stores and Spares by the Company	-	-	0.06	-
	Closing Balance (Cr/(dr))	-	-	0.86	0.54
	Purchase of Stores and Spares by the Company	88.51	33.60		
	Closing Balance (dr/(cr))	(22.97)	3.11		
C	Garcinia Value Marketing Foundation				
	Opening Balance (dr/(cr))	-	-	-	-
	Loan Taken by the Company	-	-	-	-
	Loan Repaid by the Company	-	-	-	-
	Closing Balance (dr/(cr))	-	-	-	-
D	Global Cooling Foundation				
	Opening Balance (Dr/(Cr)	-	7.21	1.37	0.11
	Loan Taken by the Company	-	7.50	6.00	-
	Loan Repaid by the Company	-	0.29	11.84	1.26
	Closing Balance (Dr/(Cr)	-	-	7.21	1.37
E	SAHURAJE MAGASVARGIYA AUDHYOGIK SAH SANSTHA MARYADIT				
	Purchases made by the Company	1,371.84	345.19	608.07	384.93
	Closing Balance ((Dr)/Cr)	(345.59)	(768.90)	(81.14)	3.93
			-		
	Sale of Goods by the Company	51.81	111.02	-	-
	Closing Balance	-	-	-	-
	Loan Taken/Given				
	Opening Balance (Cr/(Dr))	-	(200.00)	(406.32)	(154.54)
	Loan Taken by the Company	-	223.47	406.32	25.00
	Loan Repaid by the Company	-	23.47	200.00	276.78
	Closing Balance (Cr/(Dr))	-	-	(200.00)	(406.32)
			-		
F	RAVICHANDRA MAHILA MAGASVARGIYA AUDYOGIK SAHKARI SANSTHA MARYADIT				
	Sales of Goods by the Company	-	0.71	0.22	-
	Closing Balance (Cr/(Dr)	-	-	-	-
	Purchase made by the Company	88.94	183.72	9.57	-
	Closing Balance ((Dr)/Cr)	(231.10)	(313.54)	9.07	-
			-		

ANNEXURE – Z

RESTATED STATEMENT OF CAPITALISATION

₹ in Lakhs

Particulars	Pre Issue	Post Issue*
	31-12-2019	
Debt		
Short Term Debt	358.46	
Long Term Debt	1,202.09	
Total Debt	1,560.55	
Shareholders' Fund (Equity)		
Share Capital	525.56	
Reserves & Surplus	209.03	
Less: Miscellaneous Expenses not w/off	-	
Total Shareholders' Fund (Equity)	734.59	
Long Term Debt/Equity	1.64	
Total Debt/Equity	2.12	

Notes:

1. Short term Debts represent which are expected to be paid/payable within 12 months and excludes installment of term loans repayable within 12 months.
2. Long term Debts represent debts other than Short term Debts as defined above but includes installment of term loans repayable within 12 months grouped under other current liabilities
3. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 31/12/2019.
4. *The corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.

ANNEXURE – AA

RESTATED STATEMENT OF TAX SHELTER

Particulars		As at			
		31-12-2019	31-03-2019	31-03-2018	31-03-2017
		₹ in Lakhs			
A	Profit before taxes as restated	117.83	104.33	32.58	5.50
B	Tax Rate Applicable %	27.82	26.00	25.75	29.87
C	Tax Impact (A*B)	32.78	27.13	8.39	1.64
Adjustments:					
D	Permanent Differences				
	Donation	-	-	0.05	-
	Interest on delay payment of TDS	0.12	0.13	0.42	0.18
	Amounts disallowable under Section 40 a(ia) due to non deduction of TDS	-	0.05	-	-
	Profit and Loss on Sale of Fixed Assets	-	-	-	-
	Amounts disallowable under Section 37		6.66	0.97	0
	Interest on short Payment of Advance tax	0.43	2.80	0.66	-
	Total Permanent Differences	0.55	9.64	2.10	0.18
E	Timing Difference				
	Difference between tax depreciation and book depreciation	(2.11)	(22.36)	(18.97)	(41.49)
	Expenses Disallowed Under Section 43 B	-	-	15.50	11.07
	Gratuity Expenses Disallowed under Section 40A(7)	0.66	(0.67)	1.13	3.95
	Amount Disallowed u/s 43 B in preceding Previous Year, Now Allowed as per Section 43B	-	(15.50)	(4.10)	(23.88)
	Total Timing Differences	(1.45)	(38.53)	(6.44)	(50.35)
	Brought Forward Losses	-	(17.57)	(44.85)	-
F	Net Adjustment (F) = (D+E)	(0.90)	(46.46)	(49.19)	(50.17)
G	Tax Expenses/ (Saving) thereon (F*B)	(0.25)	(12.08)	(12.67)	(14.99)
H	Tax Liability, After Considering the effect of Adjustment (C +G)	32.53	15.05	-	-
	MAT Credit Utilized	12.86	-	-	-
H	Tax Liability, After Considering the effect of MAT Credit	19.67	15.05	-	-
I	Book Profit as per MAT *	117.83	104.33	32.58	5.50
J	MAT Rate	16.69	20.59	19.06	19.06
K	Tax liability as per MAT (I*J)	19.67	21.48	6.21	1.05
L	Current Tax being Higher of H or K	19.67	21.48	6.21	1.05
M	Interest U/s 234A, B and C of Income Tax Act	0.43	2.80	0.66	-
N	Total Tax expenses (L+M)	20.10	24.28	6.87	1.05
O	MAT Credit	0.83	13.69	7.26	1.05
P	Tax Paid Under (Normal/MAT) in Income Tax Return Filed by Company	Normal	MAT	MAT	MAT

* MAT refers to Minimum Alternative Tax as referred to in section 115 JB of the Income Tax Act,1961

Notes:

1. The aforesaid statement of tax shelters has been prepared as per the restated Summary statement of profits and losses of the Company. The permanent/timing differences have been computed considering the acknowledged copies of the income tax returns/Provisional computation of total income of respective years as stated above.

Annexures IV, I, II and III.

RESTATED SUMMARY STATEMENT OF CONTINGENT LIABILITIES

₹ in Lakhs

Particulars	31-12-2019	31-03-2019	31-03-2018	As at 31-03-2017
Contingent liabilities in respect of:				
Claims against the company not acknowledged as debts	-	-	-	-
Guarantees given on Behalf of the Company	-	-	-	-
Guarantees given on Behalf of the Subsidiary Company	-	-	-	-
Other moneys for which the company is contingently liable	-	-	-	-
Outstanding Tax Demand with Respect to Income Tax Assessment year - 2011-12				
TDS Defaults Earlier years	1.23	1.19	1.12	0.91
Service Tax Demand (April 16 to June 2017)	-	5.61	5.61	-
Estimated amount of contracts remaining to be executed on capital account and not provided for				
Uncalled liability on shares and other investments partly paid				
Bond Issued in Favour of GST Department for Export				
Total	1.23	6.80	6.73	0.91

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

OTHER FINANCIAL INFORMATION

STATEMENT OF ACCOUNTING RATIOS, AS RESTATED

(Rs. in lakhs)

Particulars	As at December 31, 2019	For the year ended March 31,		
		2019	2018	2017
Restated Net Profit as per P&L Account	83.11	79.11	33.12	(9.50)
Actual Number of Equity Shares outstanding at the end of the period	52,55,570	52,55,570	2,90,800	2,90,800
Equivalent Weighted Average number of Equity Shares at the end of the period	52,55,570	31,33,109	2,90,800	2,73,112
Share Capital	525.56	525.56	290.80	290.80
Reserves & Surplus	209.03	125.92	18.64	(14.48)
Less: Miscellaneous Expense written off	-	-	-	-
Net Worth	734.59	651.48	309.44	276.32
Basic/Diluted Earnings Per Share	1.58	2.52	1.14	(0.35)
Return on Net worth (%)	11.31%	12.14%	10.70%	(3.44)%
Net Asset Value per Share (in Rs.)	13.98	12.40	106.41	95.02
Earnings before Interest, Tax and Depreciation and Amortization Expenses (EBITDA)	259.16	248.50	152.85	109.15
Nominal Value per Equity share (Rs.)	10	10	100	100

Notes to Accounting Ratios:

1) Formulas used for calculating above ratios are as under:

- a) Basic EPS is being calculated by using the formula: (Net Profit after Tax / Equivalent Weighted Average No. of outstanding equity Shares)
- b) Net worth = Equity Share Capital + Reserves & Surplus
- c) Net Asset Value is being calculated by using the formula: (Restated Net Worth / Actual Number of Equity Shares at end of the year / period)
- d) Return on Net worth (%) is being calculated by using the formula: (Restated Profit After Tax / Restated Network) *100

2) Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the period adjusted by the number of Equity Shares issued during period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period.

3) The Calculation of Earnings Per Share (EPS) as disclosed in the Profit and Loss Account has been made in accordance with Accounting Standard (AS - 20) on Earnings Per Share issued by the Institute of Chartered Accountants of India.

4) As there is no dilutive capital in the company, Basic and Diluted EPS are similar.

5) The above Ratios have been computed on the basis of the Restated Financial Information for the respective period .

The above statements should be read with the Notes to Restated Financial Statements.

CAPITALIZATION STATEMENT

STATEMENT OF CAPITALIZATION, AS RESTATED

(Rs. in lakhs)

Particular	Pre Issue (as at December 31, 2019)	Post Issue
Borrowings		
Short term debt (A)	358.46	[●]
Long Term Debt (B)	1202.09	[●]
Total debts (C=A+B)	1560.55	[●]
Shareholders' funds		
Equity share capital (D)	525.56	[●]
Reserve and surplus - as restated (E)	209.03	[●]
Total shareholders' funds (F=D+E)	734.59	[●]
Long term debt / shareholders funds	1.64	[●]
Total debt / shareholders funds	2.12	[●]

Note: The above has been computed on the basis of Restated Financials of the Company.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of financial condition and results of operations together with our financial statements included in this Draft Prospectus. The following discussion relates to our Company and is based on our restated financial statements. Our financial statements have been prepared in accordance with Indian GAAP, the accounting standards and other applicable provisions of the Companies Act.

Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be "Forward looking statement" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.

BUSINESS OVERVIEW

Our Company was incorporated May 10, 2013 under Companies Act, 1956. Our Company is a world class manufacturer of Grey Cast Iron and Ductile Iron Machined Castings having a built-up manufacturing area of more than 20,000 Sq. Feet and workforce of 65. Our Company has fully integrated casting and machining operations run in environmentally friendly foundries and machine shops. Our specialization is in supplying intricate, cored and fully machined cast components in the weight range of 6-70 kg and in the volume range of 100-15,000 quantities per month to OEMs and system manufacturers.

Our Company offers a single stop solution for customized manufacturing of machine parts including Casting, Machining, Fabrication, Assembly Testing & Inspection and provides the most varied range of these products in various possible sizes which are used by Original Equipment Manufacturers (OEMs). Our business has been set up by well qualified engineers, who have expertise in selecting Machine shop equipment. The Company also specializes in the supplying of variety of core shooters with advanced technology.

As a backward integration we also offer foundry business operations which produce equipment based on superior designs, special aspects, and excellent workmanship and built in quality & safety features. Our Company is committed to supply quality products with cost effectiveness besides excellent pre and post sales services. Our Company thus offers products which are long term trouble free operations and gives real value for your money.

Significant Developments after December 31, 2019 that may affect our Future Results of Operations

The Directors confirm that there have been no other events or circumstances since the date of the last financial statements as disclosed in the Draft Prospectus which materially or adversely affect or is likely to affect the profitability of our Company or the value of our assets or our ability to pay liabilities within next twelve months except as mentioned below:

1. The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a resolution passed at its meeting held on May 12, 2020, proposed the Issue, subject to the approval of the shareholders and such other
2. The shareholders of the Company have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a special resolution passed in the Extra Ordinary General Meeting held on June 04, 2020 authorized the Offer.

FACTORS AFFECTING OUR RESULT OF OPERATIONS

Except as otherwise stated in the Draft Prospectus and the Risk Factors given in the Draft Prospectus, the following important factors could cause actual results to differ materially from the expectations include, among others:

1. Our dependence on limited number of customers for a significant portion of our revenues;
2. Any failure to comply with the financial and restrictive covenants under our financing arrangements;
3. Our exposure to risks associated with fluctuations in foreign exchange rates;
4. Our ability to retain and hire key employees or maintain good relations with our workforce;
5. Impact of any reduction in sales of the products of our customers or defects in our customers' products;
6. Realization of Contingent Liabilities, if any;
7. Any disruption in labour industry or strikes by our workforce may affect the production capability;

8. Increased competition in industries/sector in which we operate;
9. General economic and business conditions in India and in the markets in which we operate and in the local, regional and national economies;
10. Changes in laws and regulations relating to the Sectors in which we operate;
11. Political instability or changes in the Government in India or in the government of the states where we operate could cause us significant adverse effects;
12. Any adverse outcome in the legal proceedings in which we are involved;
13. Failure to obtain any applicable approvals, licenses, registrations and permits in a timely manner;
14. Occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition; and
15. Our inability to successfully diversify our product offerings may adversely affect our growth and negatively impact our profitability.

Statement of Significant Accounting Policies

a) Basis of preparation of financial statements

The Restated Summary Statement of Assets and Liabilities of the Company as on December 31, 2019, March 31, 2019, March 31, 2018 and March 31, 2017 and the Restated Summary Statement of Profit and Loss and Restated Summary Statements of Cash Flows for the period ended on December 31, 2019, March 31, 2019, March 31, 2018, and March 31, 2017 and the annexure thereto (collectively, the “**Restated Financial Statements**” or “**Restated Summary Statements**”) have been extracted by the management from the Audited Financial Statements of the Company for the period ended on December 31, 2019, March 31, 2019, March 31, 2018, and March 31, 2017.

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, including the Accounting Standards as prescribed by the Section 133 of the Companies Act, 2013 (“the Act”) read with Rule 7 of Companies (Accounts) Rules, 2014).

b) Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities, if any, as at the date of the financial statements and reported amounts of income and expenses during the year. Examples of such estimates include value of value of WIP stock etc. The difference between the actual results and estimates are recognized in the period in which results are known or materialized.

c) Depreciation

Depreciation on Fixed Assets has been provided on ‘*Straight Line Method*’ based on the useful life of the assets and in the manner prescribed in the Schedule II of the Companies Act, 2013.

d) Revenue Recognition

- i. Revenue from sale of products net of returns is recognized on dispatch or appropriation of goods in accordance with the terms of sale and is inclusive of excise duty as and when applicable, Price escalation claims are recognized to the extent there is reasonable certainty of its realization.
- ii. **Other Operating Revenue**
Other Operating revenue comprises of income from ancillary activities incidental to the operation of the Company and is recognized when the right to receive the income is established as per the terms of the contract.
- iii. Interest income is recognized on time proportion basis.
- iv. Other income is accounted for on accrual basis in accordance with Accounting Standards (AS) 9 “*Revenue Recognition*”.

e) *Investments*

Investments, which are readily realizable and intended to be held for not more than one year 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.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

f) *Borrowing Cost*

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

g) *Taxes on income*

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

- i. Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.
- ii. Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

MAT Credit has been accounted based on the guidance note of ICAI.

h) *Earnings per share*

In determining the Earnings Per share, the company considers the net profit after tax which does not include any post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. Split in face value of equity share of company has been considered as if it took place at the beginning of Restatement period.

i) Provisions and Contingent Liabilities

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

Contingent Liability is disclosed for

- a) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or
- b) Present obligations arising from the past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
- c) Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

RESULTS OF OUR OPERATIONS
(Rs. in lakhs)

Particulars	For the nine months period ended on December 31, 2019	% of Total Income	For the year ended March 31,					
			2019	% of Total Income	2018	% of Total Income	2017	% of Total Income
INCOME								
Revenue from Operations	1684.49	99.89%	1756.72	99.69%	1080.38	99.20%	843.27	99.10%
Other Income	1.85	0.11%	5.54	0.31%	8.75	0.80%	7.63	0.90%
Total Income (A)	1686.34	100.00%	1762.26	100.00%	1089.13	100.00%	850.90	100.00%
EXPENDITURE								
Cost of material consumed	1265.24	75.03%	977.43	55.46%	474.04	43.52%	393.11	46.20%
Purchases of stock in trade	39.96	2.37%	254.66	14.45%	269.34	24.73%	120.65	14.18%
Changes in Inventories of finished goods, WIP and stock in trade	(20.05)	(1.19)%	(11.26)	(0.64)%	(10.65)	(0.98)%	11.95	1.40%
Employee benefit expenses	60.89	3.61%	80.31	4.56%	60.77	5.58%	68.97	8.11%
Finance costs	88.08	5.22%	98.22	5.57%	73.89	6.78%	69.12	8.12%
Depreciation	54.24	3.22%	58.51	3.32%	48.54	4.46%	36.36	4.27%
Other Expenses	80.15	4.75%	200.06	11.35%	140.62	12.91%	145.24	17.07%
Total Expenses (B)	1568.51	93.01%	1657.93	94.08%	1056.55	97.01%	845.40	99.35%
Profit before exceptional item, extraordinary items and tax (A-B)								
Profit before exceptional item, extraordinary items and tax (A-B)	117.83	6.99%	104.33	5.92%	32.58	2.99%	5.50	0.65%
Exceptional items	-	-	-	-	-	-	-	-
Profit before extraordinary items and tax	117.83	6.99%	104.33	5.92%	32.58	2.99%	5.50	0.65%
Extraordinary items	-	-	-	-	-	-	-	-
Profit before tax	117.83	6.99%	104.33	5.92%	32.58	2.99%	5.50	0.65%
Tax expense :								
Tax expense for the Current Year	19.67	1.17%	21.48	1.22%	6.21	0.57%	1.05	0.12%
Deferred tax	2.19	0.13%	10.17	0.58%	(0.54)	(0.05)%	15.00	1.76%
MAT Credit Entitlement	12.86	0.76%	(6.43)	(0.36)%	(6.21)	(0.57)%	(1.05)	(0.12)%
Total Tax Expense	34.72	2.06%	25.22	1.43%	(0.54)	(0.05)%	15.00	1.76%
Profit for the year	83.11	4.93%	79.11	4.49%	33.12	3.04%	(9.50)	(1.12)%

Main Components of our Profit and Loss Account

Income

Our total income comprises of revenue from operations and other income

Revenue from Operations

Our revenue from operation as a percentage of total income were 99.89%, 99.69%, 99.20% and 99.10% for the nine months period ended December 31, 2019 and year ended March 31, 2019, 2018 and 2017 respectively.

Other Income

Our other income as a percentage of total income were 0.11%, 0.31%, 0.80% and 0.90% for the nine months period ended December 31, 2019 and year ended March 31, 2019, 2018 and 2017 respectively.

Expenditure

Our total expenditure consists of Cost of material consumed, Purchases of Stock in trade, Change in inventories, Employee Benefit Expenses, Finance costs, Depreciation and other expenses.

Employee Benefit Expenses

Our employee benefits expense comprises of Salary and wages, Remuneration to director, Contribution to PF and other funds and Staff Welfare Expenses.

Finance costs

Our finance cost includes Interest Expenses, borrowing costs and interest on shortfall of advance tax payment.

Other Expenses

Other expenses primarily include consumption of stores and spare parts, manufacturing expenses, selling and administrative expenses, power and fuel, outside machining charges, carriage inward and outward and etc.

Financial Performance for the nine months period ended December, 2019

Revenue from Operations

Revenue from operations for the period ended December, 2019 amounted to Rs. 1684.49 lakhs which was primarily on account of sale of products manufactured by the Company.

Other income

Our other income was Rs. 1.85 lakhs for the period ended December, 2019 comprising dividend income, interest income, discounts received and claims received.

Cost of material consumed

Our cost of material consumed for the period ended December, 2019 was Rs. 1265.24 lakhs which were 75.03% of our total revenue.

Employee Benefit Expenses

Our employee benefit expenses for the period ended December, 2019 was Rs. 60.89 lakhs which primarily comprised salaries and wages, staff welfare expenses, director's remuneration and contribution to provident fund and other funds.

Financial Cost

Our finance costs for the period ended December 31, 2019 was Rs. 88.08 lakhs primarily consisting of Interest Expenses, borrowing costs and interest on shortfall of advance tax payment.

Depreciation Expenses

Our Depreciation and amortization expenses for the period ended December 31, 2019 was Rs. 54.24 lakhs on account of depreciation on tangible fixed assets.

Other Expenses

Our other expenses for the period ended December 31, 2019 was Rs. 80.15 lakhs primarily consisting consumption of stores and spare parts, manufacturing expenses, selling and administrative expenses, power and fuel, outside machining charges, carriage inward and outward and etc.

Profit/ (Loss) before Tax

Our Profit before tax for the period December 31, 2019 was Rs. 117.83 lakhs which was 6.99% of our total revenue.

Tax Expenses

Our tax expenses for the period ended December 31, 2019 was Rs. 34.72 lakhs. Tax expenses comprised of current tax, deferred tax and MAT credit entitlement. Our tax expenses were 2.06% of our total revenue.

Profit/ (Loss) after Tax

Our Profit after tax for the period December 31, 2019 was Rs. 83.11 lakhs which was 4.93% of our total revenue.

Fiscal 2019 compared with fiscal 2018

Revenue from Operations

During the F.Y. 2019 the revenue from operation of the Company increased to Rs. 1756.72 lakhs as against previous financial year Rs. 1080.38 lakhs an increase of 62.60%. This increase was mainly due to increase in revenue from sale of the manufactured products.

Total Revenue

Total Revenue for the F.Y. 2019 stood at Rs. 1762.26 lakhs where as in F.Y. 2018 the same was Rs. 1089.13 lakhs i.e. increases of 61.80%.

Total Expenses

Total Expenses for the F.Y. 2019 stood at Rs. 1657.93 lakhs where as in F.Y. 2018 the same was Rs. 1056.55 lakhs i.e. increases of 56.92% due to increase in cost of materials consumed, employee benefit expenses, finance cost and other expenses.

Cost of Materials Consumed

Costs of materials consumed for F.Y. 2019 increased to Rs. 977.43 lakhs from Rs. 474.04 lakhs compared to the previous financial year, increasing by 106.19%. This was mainly due to increase in business activities of the Company thereby increasing raw material requirement.

Employee Benefit Expenses

Employee Benefit Expenses for F.Y. 2019 increased to Rs. 80.31 lakhs from Rs. 60.77 lakhs compared to the previous financial year, increasing by 32.15%. This was mainly due to increase in salary and wages.

Financial Cost

Financial Cost for F.Y. 2019 increased to Rs. 98.22 lakhs from Rs. 78.39 lakhs compared to the previous financial year, increasing by 25.30%. This was mainly due to increase in interest expense, borrowing cost and interest on shortfall of advance tax payment.

Depreciation Expenses

Depreciation Expenses for F.Y. 2019 increased to Rs. 58.51 lakhs from Rs. 48.54 lakhs compared to the previous financial year, increasing by 20.54%.

Other Expenses

Other expenses for F.Y. 2019 increased to Rs. 200.06 lakhs from Rs. 140.62 lakhs compared to the previous financial year, increasing by 42.27%. This was mainly due to increase in consumption of stores and spare parts, power and fuel, service charges etc.

Net Profit/ (Loss) before Tax

Profit/(Loss) before Tax for the fiscal 2019 was Rs. 104.33 lakhs against Rs. 32.58 lakhs for the previous financial year.

Net Profit/ (Loss) after Tax

Profit/(Loss) after Tax for the fiscal 2019 was at Rs. 79.11 lakhs against Rs. 33.12 lakhs for the previous financial year.

Cash Flows

(Rs. in lakhs)

Particulars	For the nine months period ended December 31, 2019	For the year ended March 31,		
		2019	2018	2017
Net Cash from Operating Activities	255.10	(669.94)	93.04	84.53
Net Cash from Investing Activities	(308.52)	(120.34)	(82.90)	(182.29)
Net Cash used in Financing Activities	0.05	849.90	(0.94)	95.05

Cash Flows from Operating Activities

Net cash from operating activities for period ended December, 2019 was at Rs. 255.10 lakhs as compared to the Profit Before Tax at Rs. 117.83 lakhs for the same year. This difference is primarily on account of depreciation and amortization expense, long-term loans and advances, short-term loans and advances, trade payables, other current liabilities.

Net cash from operating activities in fiscal 2019 was negative at Rs. (669.94) lakhs as compared to the Profit Before Tax of Rs. 104.33 lakhs for the same year.

Cash Flows from Investment Activities

For period ended December 31, 2019, the net cash invested in Investing Activities was negative Rs. (308.52) lakhs. This was majorly on account of purchase of fixed assets.

In fiscal 2019, the net cash invested in Investing Activities was negative Rs. (120.34) lakhs. This was majorly on account of purchase of fixed assets.

Cash Flows from Financing Activities

Net cash from financing activities for the period ended December 31, 2019 was Rs. 0.05 lakhs. This was on account of increase in short term borrowings.

Net cash from financing activities in fiscal 2019 was Rs. 849.90 lakhs. This was on account of increase in long term borrowings.

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 “*Financial Information*” and chapter titled “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*”, beginning on Page No. 110 and 113 respectively of this Draft Prospectus, to our knowledge there are no significant economic changes that materially affected or are likely to affect income from continuing Operations.

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations

Other than as described in the chapter titled “*Risk Factors*” and “*Management’s Discussion and Analysis of Financial Conditions and Result of Operations*”, beginning on Page No. 15 and 113 respectively of this Draft Prospectus, best 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

Other than as described in the chapter titled “*Risk Factors*” beginning on Page No. 15 of this Draft Prospectus, best to our knowledge there are no factors, which will affect the future relationship between costs and income or which are expected to have a material adverse impact on our operations and finances.

5. Competition Conditions

Engineering Industry is a niche segment, with a handful of established players to cater to such a large market. We compete with our competitors on a regional basis. We believe that the principle factors affecting competition in our business include quality of products, branding, abilities of research and development team to enhance experience of customers, market focus and the relative price of the product.

SECTION VII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no:

A. (i) criminal proceedings; (ii) actions 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) claims relating to direct and indirect taxes; or (v) Material Litigation (as defined below); involving our Company, Directors or Promoters.

Our Board, in its meeting held on May 31, 2019 determined that outstanding legal proceedings involving our Company, its Directors and Promoters, where:

(a) 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

(b) Where the decision in one litigation is likely to affect the decision in similar litigations, even though the amount involved in such single litigation individually may not exceed 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

(c) Litigations whose outcome could have a material impact on the business, operations, prospects or reputations of the Company and the Board or any of its committees shall have the power and authority to determine the suitable materiality threshold 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 shall be considered as “Material Litigation”.

B. (i) Outstanding Material Dues (as defined below) to small scale undertakings; and (ii) other creditors.

Our Board, in its meeting held on May 31, 2019 determined that outstanding dues to small scale undertakings and creditors exceeding 5% of the Company's trade payable for the last audited financial statement shall be considered as “Material Dues”.

Details of outstanding dues to creditors (including micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006) as required under the SEBI (ICDR) Regulations have been disclosed on our website at www.sanmatigroup.com

Our Company, its Directors and Promoters are not Wilful Defaulters and there have been no violations of securities laws in the past or pending against them.

CONTINGENT LIABILITIES OF OUR COMPANY

As on date of filing this Draft prospectus, our Company has following Contingent Liabilities:

Sr. No.	Particulars	Amount (Rs. in lakhs)
1	Income Tax demands / Notices before CIT Appeals / TDS	1.23*
2	Bank Guarantees/Corporate Guarantees	-
TOTAL		1.23

**The amount does not include the Income Tax demand for the assessment year 2015-16, which has been paid but yet not updated on the website of Income Tax.*

LITIGATIONS INVOLVING OUR COMPANY

A. LITIGATIONS AGAINST OUR COMPANY

1. Criminal litigations - NIL

2. **Actions by Statutory/Regulatory Authorities – NIL**
3. **Disciplinary Action including penalty imposed by SEBI or Stock Exchanges against the Company in the last five financial years – NIL**
4. **Litigation involving Tax matter**
 - (i) **Direct Tax matter - NIL**
 - (ii) **Income Tax (e-proceedings)**

As per website of Income Tax the following e-proceedings are stated to be “Open” and only assessment year is reflecting, however the amount has not been mentioned and cannot be crystallised. The following matters are still pending before Authority:

Assessment Year	Notice u/s	Proceeding Status
2017-18	143(1)(a)	Open
2018-19	143(1)(a)	Open

(iii) **TDS**

As per TDS Reconciliation Analysis and Correction Enabling System (TRACES), website of Income Tax for TDS, there are following defaults in payment of TDS by the Company:

Sr. No.	Financial Year	Default (in Rs.)*
1	Prior Years	40,910.00
2	2016-17	50,350.00
3	2017-18	20,690.00
4	2018-19	7210.00
5	2019-20	4320.00
TOTAL		1,23,480.00

**The demands are still pending.*

- (iv) **Indirect Tax matter - NIL**
5. **Other matters based on Materiality Policy of our Company - NIL**

B. LITIGATIONS FILED BY OUR COMPANY

1. **Criminal matters – NIL**
2. **Other matters based on Materiality Policy of our Company - NIL**

LITIGATIONS INVOLVING PROMOTER(S) OF OUR COMPANY

A. LITIGATIONS FILED AGAINST PROMOTER(S) OF OUR COMPANY

1. **Criminal litigations**

Mr. Shital Adinath Ketkale

a) The State of Maharashtra Vs. Shital Adinath Ketkale, Ajitkumar Adinath Ketkale

A regular Criminal Complaint No. R.C.C./1100149/2015 has been filed on May 18, 2015 before Civil Court Senior Division, Ichalkaranji by Ichalkaranji Nagarpalika (herein after referred as the “Nagarpalika”) under

section 353, 332, 504, 506, 34 of Indian Penal Code (the “IPC”) against one of our director and promoter, Mr. Shital Adinath Ketkale for illegal constructions at his residence without Nagarpalika’s permission.

The matter is currently pending before Hon’ble Civil Court Senior Division, Ichalkaranji.

2. Actions by Statutory/Regulatory Authorities – NIL

3. Disciplinary Action including penalty imposed by SEBI or Stock Exchanges against the Promoter(s) in the last five financial years – NIL

4. Taxation Matters

(i) Direct Tax matters

As per website of Income Tax Department for outstanding tax demand, following defaults in payment of Income Tax by our directors are still outstanding:

(Amount in Rs.)

Assessment Year	Section Code	Demand Identification Number	Date on which demand is raised	No of Defaults	Outstanding Demand
Mr. Shital Adinath Ketkale					
2018-19	143(1)(a)	2019201837025828761T	May 21, 2019	One	1,71,370
Mrs. Vaishali Shital Ketkale					
2014-15	220(2)	2016201437066178832T	January 27, 2017	One	976
TOTAL					1,72,346

(ii) Income Tax (e-proceedings)

As per website of Income Tax the following e-proceedings are stated to be “Open” and only assessment year is reflecting, however the amount has not been mentioned and cannot be crystallised. The following matters are still pending before Authority:

Assessment Year	Notice u/s	Proceeding Status
Mr. Shital Adinath Ketkale		
2018-19	143(1)(a)	Open
2010-11	-	Open

6. Other matters based on Materiality Policy of our Company - NIL

B. LITIGATIONS FILED BY PROMOTER(S) OF OUR COMPANY

1. Criminal litigations

A. Mr. Shital Adinath Ketkale

A Criminal Revision Application No. 21 of 2016 has been filed by Mr. Shital Adinath Ketkale (Director and Promoter of our Company) on June 21, 2016 before the Hon’ble District and Session Court, Ichalkaranji, against Shri Sunil M. Powar and Ors. (hereinafter referred as the “Opponents”), against the order passed by the Hon’ble Court No. 2, J.M.F.C Ichalkaranji (hereinafter referred as the “Lower Court”) on April 7, 2016, in the Criminal Misc. Application No. 418/2015, in respect of dismissing the complaint filed by our director to remove the illegal construction made by Mr. Paygonda Narasgonda Patil and his wife Mrs. Lalita Paygonda Patil on an agricultural land without any valid and legal permission.

The Ichalkaranji Municipal Council (hereinafter referred as the “IMC”) started proceeding against Mr. and

Mrs. Patil for their illegal and unauthorized construction over the property after which Mr. and Mrs. Patil filed a Suit No. R.C.S.398/2000 against the IMC. In the said suit Mr. and Mrs. Patil gave undertaking admitting illegal construction and removal of the illegal construction. However, despite the undertaking, the IMC did not remove the said illegal property, on contrary IMC illegally issued completion certificate. The opponents are supporting the acts of Mr. and Mrs. Patil.

In the said Revision Application, it has been stated that the accusation made by Mr. Ketkale has been admitted by the Lower Court and despite of this fact and evidence on record that the illegal and unauthorized construction of the property which has not been converted in non-agricultural use and should be removed but the Hon'ble Lower Court dismissed the case in favour of Opponents which leads Mr. Ketkale to file the revision application.

The said Revision Application is currently pending before the Hon'ble Court for disposal.

2. Other matters based on Materiality Policy of our Company – NIL

3. Other Civil matters

Mr. Shital Adinath Ketkale

1. A Misc Civil Appeal No. 47/2018 has been filed by Mr. Shital Adinath Ketkale (Director and Promoter of our Company) on January 12, 2018, in the District Court of Kolhapur, against the order passed in the Suit R.C.S. No. 85/2013 by Learned Civil Judge Junior Division (CJJD), Peth Vadgaon (herein after referred as "LC") in favor of Mr. Bapuso Dattatray Khot, R/o Kumbhoj Tal, Hatkanangale and directing Mr. Ketkale to remove electric motor from the Disputed Well (hereinafter referred as 'Suit Well').

Being highly aggrieved and dissatisfied with the order, which was passed by LC, Mr. Ketkale filed the abovementioned appeal on following grounds that the findings arrived by the LC was not supported by evidence on record, also LC has failed to consider the evidence on record in judicial manner, Mr. Ketkale have electric motor connection and pipeline, they have paying M.S.E.B bills regularly, there were 3 wells in Gut No. 1561, in such circumstances LC wrongly comes to the conclusion that the Suit Well is exclusively in possession of Mr. Khot etc.

The above appeal is still pending before the Hon'ble District Court of Kolhapur.

2. A Regular Civil Suit has been filed by Mr. Shital Adinath Ketkale (Director and Promoter of our Company) on April 4, 2017 before the Hon'ble Civil Judge, Junior Division, Kankavali, against Dr. Ashwini Sameer Navare and Ors., in respect of forgery of document of Power of Attorney without the consent of Mr. Ketkale and also affixation of photo of a wrong person and production of duplicate documents related to sale of property belonging to Mr. Ketkale. The Hon'ble Court has granted a temporary injunction in favour of Mr. Ketkale.

The matter is currently pending before the Hon'ble Civil Judge, Junior Division, Kankavali for disposal.

LITIGATION INVOLVING DIRECTOR(S) (OTHER THAN PROMOTERS) OF OUR COMPANY

A. LITIGATIONS AGAINST DIRECTOR(S) (OTHER THAN PROMOTERS)

1. **Criminal litigations – NIL**
2. **Actions by Statutory/Regulatory Authorities – NIL**
3. **Disciplinary Action including penalty imposed by SEBI or Stock Exchanges against the director in the last five financial years – NIL**

4. Litigation involving Tax matters

(i) Direct Tax matters

As per website of Income Tax Department for outstanding tax demand, following defaults in payment of Income Tax by our directors are still outstanding:

(Amount in Rs.)

Assessment Year	Section Code	Demand Identification Number	Date on which demand is raised	No of Defaults	Outstanding Demand
Mr. Sheetal Rajgonda Patil					
2019-20	143(1)(a)	2020201937006124074T	June 01, 2020	One	7,140
2015-16	220(2)	2018201537000476535T	April 07, 2018	One	228
2012-13	220(2)	2019201237029833332T	June 17, 2019	One	1,710
2011-12	154	2013201137010524524T	June 05, 2013	One	14,830
TOTAL					23,908

(ii) Income Tax (e-proceedings)

As per website of Income Tax the following e-proceedings are stated to be “Open” and only assessment year is reflecting, however the amount has not been mentioned and cannot be crystallised. The following matters are still pending before Authority:

Assessment Year	Notice u/s	Proceeding Status
Mr. Sheetal Rajgonda Patil		
2018-19	143(1)(a)	Open

5. Other matters based on Materiality Policy of our Company – NIL

6. Other Civil matters

Mr. Pandurang Tukaram Kumbhar

A case has been filed against one our director Mr. Pandurang Tukaram Kumbhar by Sou. Sandhyarani Sashikant Kumbhar under section 12 of The Protection of Women from Domestic Violence Act, 2005 in Civil Court, Senior Division, Ichalkaranji.

The matter is currently pending before the Hon’ble Civil Court Senior Division, Ichalkaranji for disposal.

B. LITIGATIONS FILED BY DIRECTOR(S) (OTHER THAN PROMOTERS) OF OUR COMPANY

1. Criminal litigations – NIL

2. Other matters based on Materiality Policy of our Company – NIL

3. Other Civil matters

Mr. Sheetal Rajgonda Patil

1. An appeal no. 44 of 2010 has been filed by Mr. Sheetal Rajgonda Patil (Director of our Company) on March 23, 2010 before Hon’ble Court of District Judge-3, Kolhapur, against Shri Appaso Mahipati Keshav Shinde (hereinafter referred as “Mahipati”) against the order dated March 19, 2010 (‘Impugned Order’) passed by the Civil Judge, J.D., Peth Vadgaon against Sheetal Rajgonda Patil allowing the Mahipati’s application for temporary injunction restraining Sheetal Rajgonda Patil from obstructing Mahipati, while using the suit way in respect of the right to way. In the said appeal the Director of our company has denied all the allegations in respect of the suit

way by stating that Shri Appaso Mahipati Keshav Shinde has an alternative way to ingress and egress to his own field without using the Mahipati's field. The Order was passed without consideration of the same. Thus, the present appeal has been preferred by the Director challenging the Impugned Order. The said appeal has also been decided in favour of Shri Appaso Mahipati Keshav Shinde. Further, Mr. Sheetal Rajgonda Patil has filed an Appeal with delay in the month of March, 2019 u/s 5 and of Limitation Act Order 41, Rule (3A) for Condonation of delay against the judgment and decree passed by Civil Judge Jr. Dn. – Peth Vadgaon in R.S.C No. 149/2009 dated 31/10/2018. The matter is currently pending before the Hon'ble Court for disposal.

LITIGATIONS INVOLVING OUR GROUP ENTITY

A. LITIGATIONS FILED AGAINST OUR GROUP ENTITY

1. Criminal litigations – NIL
2. Actions by Statutory/Regulatory Authorities – NIL
3. Disciplinary Action including penalty imposed by SEBI or Stock Exchanges against the Company in the last five financial years – NIL
4. Litigation involving Tax matter

(i) Direct Tax matter

As per website of Income Tax Department for outstanding tax demand, following defaults in payment of Income Tax by our directors are still outstanding:

(Amount in Rs.)					
Assessment Year	Section Code	Demand Identification Number	Date on which demand is raised	No of Defaults	Outstanding Demand
Sanmati Value Marketing Private Limited					
2014-15	143(1)(a)	2016201437007195043C	May 05, 2016	One	2,240
TOTAL					2,240

5. Other matters based on Materiality Policy of our Company - NIL

B. LITIGATIONS FILED BY OUR GROUP ENTITY

1. Criminal litigations – NIL
2. Other matters based on Materiality Policy of our Company - NIL

LITIGATIONS INVOLVING OUR SUBSIDIARIES – NOT APPLICABLE

Material developments occurring after last balance sheet date

Except as mentioned under the chapter titled “*Management Discussion and Analysis Report*” beginning on Page No. 113 of this Draft Prospectus, there have been no material developments that have occurred after the Last Audited Balance Sheet.

OUTSTANDING DUES TO MICRO, SMALL & MEDIUM ENTERPRISES OR ANY OTHER CREDITORS

As on December 31, 2019, our Company has 77 creditors, to whom a total amount of **Rs. 98.69 lakhs** was outstanding. As per the requirements of SEBI Regulations and pursuant to a resolution of our Board dated May 31, 2019, the creditors to whom outstanding dues to creditors exceeds Rs. 4,93,478.173/- shall be consider as Material Creditors.

Sr No.	Particulars	Amount (Rs. in lacs)
1.	Amounts owed to Micro Enterprises and Small Scale Undertakings	-
2.	Other Creditors	98.70
	Total	98.70

**our Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure, if any, in relation to amount unpaid as at the year-end together with interest payable as required under the said Act have not been furnished.*

For complete details about outstanding dues to creditors of our Company, please see website of our Company <http://www.sanmatigroup.com>.

Information provided on the website of our Company is not a part of this Draft Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website <http://www.sanmatigroup.com> would be doing so at their own risk.

GOVERNMENT & OTHER APPROVALS

Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities. Our Company undertakes to obtain all material approvals and licenses and permissions required to operate our present business activities. It must, however, be distinctly understood that in granting the 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.

Following statements set out the details of licenses, permissions and approvals obtained by the Company under various central and state legislations for carrying out its business activities.

I. APPROVALS FOR THE ISSUE:

1. CORPORATE APPROVALS

- a. Our Board of Directors pursuant to Section 62(1)(c) of the Companies Act, 2013, by a resolution passed at their meeting held on May 12, 2020 authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
- b. 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 June 04, 2020, authorized the Issue subject to the approval of such other authorities as may be necessary.

2. APPROVAL FROM THE STOCK EXCHANGE

- a. In-principle approval dated [●] from the EMERGE Platform of National Stock Exchange of India Limited for using the name of the Exchange in the offer document for listing the Equity Shares of our Company pursuant to the Issue.

3. AGREEMENTS WITH NSDL AND CDSL

- a. The Company has entered into an agreement dated June 13, 2019 with the Central Depository Services (India) Limited (“CDSL”) and the Registrar and Transfer Agent, who in this case is, Bigshare Services Private Limited for the dematerialization of its shares.
- b. Similarly, the Company has also entered into an agreement dated June 13, 2019 with the National Securities Depository Limited (“NSDL”) and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited for the dematerialization of its shares.
- c. The International Securities Identification Number (ISIN) of our Company is INE08UX01012.

II. APPROVALS PERTAINING TO INCORPORATION AND NAME OF OUR COMPANY:

- a. Certificate of Incorporation dated May 10, 2013 issued by the Registrar of Companies, Maharashtra, Pune, in the name of “Sanmati Precision Engineering Private Limited”.
- b. Certificate of Incorporation dated May 03, 2019 issued by the Registrar of Companies, Maharashtra, Pune, in the name of “Sanmati Precision Engineering Limited” pursuant to conversion of Company from Private to Public.
- c. The Corporate Identification Number (CIN) of our Company is U28995PN2013PLC147341.

III. MATERIAL APPROVALS IN RELATION TO THE BUSINESS OF OUR COMPANY

We have received the following significant government and other approvals pertaining to our business:

1. TAX RELATED APPROVALS:

Sr. No	Nature of License/ Approval	Applicable Laws	Registration/ License No.	Issuing Authority	Date of granting License/ Approval	Validity
1.	Permanent Account Number	Income Tax Act, 1961	AATCS7265F	Income Tax Department	May 10, 2013	Valid until cancellation
2.	Tax Deduction Account Number (TAN)	Income Tax Act, 1961	KLPS10236C	Income Tax Department	November 22, 2014	Valid until cancellation
3.	Certificate of Goods and service Tax (GST) Registration, Maharashtra	Central Goods and Service Tax (CGST) Act, 2017	27AATCS7265F1 ZQ	Government of India Government of Maharashtra	September 22, 2017	Valid until cancellation
4.	Certificate of Registration under Service Tax	Central Board of Excise and Custom	AATCS7265FSD0 02	Ministry of Finance, Department of Revenue	March 11, 2015	Valid until cancellation
5.	Value Added Tax Registration Certificate	The Maharashtra Value Added tax Act, 2002	27681050957 V	Sales Tax Officer, Registration Branch, Mumbai	March 13, 2014	Valid until cancellation
6.	Certificate of Registration	Central Sales Tax Act, 1956	27681050957C	Sales Tax Officer, Registration Branch, Mumbai	March 13, 2014	Valid until cancellation
7.	Central Excise Registration Certificate	Central Excise Act, 1944	AATCS7265FEM 001	Office of the Assistant Commissioner, Central Excise	January 16, 2015	Valid until cancellation
8.	Certificate of Enrolment	Professions, Trades, Callings and Employment Act, 1975	99273023023P	Government of Maharashtra	April 01, 2014	Valid until Cancellation

2. BUSINESS RELATED APPROVALS:

Sr. No	Nature of License/ Approval	Applicable Laws	Registration / License No.	Issuing Authority	Date of Granting License/ Approval	Validity
1.	Certificate of Importer-Exporter Code (IEC)	-	3115003099	Office of Jt. DGFT, Ministry of Commerce and Industry	May 20, 2015	Valid until cancellation
2.	Employee State Insurance Corporation	Employee State Insurance Act, 1948	33000499 73000060 6	Asst./Dy. Director, Employee state Insurance Corporation	September 14, 2016	Valid until cancellation
3.	Udyog Aadhaar Registration Certificate	Ministry of Micro, Small and Medium Enterprises Development Act, 2006	MH15B000 9399	Ministry of Micro, Small and Medium Enterprises	December 25, 2016	Valid until cancellation

3. ENVIRONMENT RELATED APPROVALS:

Sr. No.	Nature of License/ Approval	Registration/ License No.	Issuing Authority	Date of Granting License/ Approval	Validity
1.	Water (Prevention and Control of Pollution) Act, 1974 and Air Prevention and Control of Pollution) Act, 1981	RO-KOLHAPUR/C ONSENT/19070 01188/470/19	Maharashtra Pollution Control Board	July 31, 2019	February 28, 2022
2.	Air Consent Order granted under Air (Prevention and control of Pollution) Act, 1981				
3.	Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008				

4. APPROVALS UNDER LABOUR LAW

Sr. No.	Nature of License/ Approval	Registration/ License No.	Issuing Authority	Date of granting License/ Approval/ Renewal	Validity
1.	Employees Provident Fund Registration	PUKOL0101760000	Ministry of Labour, Government of India	January 09, 2015	Valid until Cancellation

5. INTELLECTUAL PROPERTY RELATED APPROVALS:

Sr. No.	Description	Logo	Registration/ License No.	Class	Registration/ Application Date	Status/ Validity
1.	Trademark		2916948*	21	March 09, 2015	Registered

*This Trademark is registered with the name of our promoter Mr. Shital Ketkale who has through No Objection Certificate provided his consent to the Company to use such trademark for general business purpose.

6. DOMAIN REGISTRATION

The details of the Domain name in the name of the Company:

Sr. No.	Domain name	Sponsoring Registrar and IANA ID	Creation Date	Expiry Date
1	Sanmatigroup.com	Registrar: PDR Ltd. IANA ID: 303	September 26, 2013	September 26, 2020

7. APPROVALS OR LICENSES APPLIED FOR AND/OR PENDING RENEWAL:

Sr. No.	Nature of License/ Approval applied for	Application Number/Reference Number	Date of Application
1	Factory Registration Certificate	113000000020139	February 01, 2020

8. APPROVALS OR LICENSES NOT APPLIED BY THE COMPANY

Our Company being covered under Factories Act, 1948, requirement of Shops and Establishment Registration Certificate is not applicable to our Company.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Our Board of Directors have vide resolution dated May 12, 2020 authorized the Issue, subject to the approval by the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013.

The shareholders have authorized the Issue, by passing a Special Resolution at the Extra-Ordinary General Meeting held with shorter notice on June 04, 2020, in accordance with the provisions of Section 62(1)(c) of the Companies Act, 2013.

The Company has obtained approval from NSE vide letter dated [●] to use the name of NSE in this Offer Document for listing of equity shares on the EMERGE Platform of National Stock Exchange of India Limited (NSE). NSE is the designated stock exchange.

Prohibition by SEBI or Governmental Authorities

We confirm that there is no prohibition on our Company, its Directors, Promoters, Group Company and entities forming part of our Promoter Group, person in control of our Company from accessing the capital market or operating in the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority / court as on the date of this Draft Prospectus.

The listing of any securities of our Company has never been refused at any time by any of the stock exchanges in India.

Prohibition by RBI

Neither our Company nor any of our Promoters or Directors has been declared as wilful defaulter(s) by the RBI or any other governmental authority.

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 this Draft Prospectus.

Association with Securities Market

None of our Directors are, in any manner, associated with the Securities Market and no action has been initiated against these entities by SEBI at any time except as stated under the chapters titled “*Risk factors*”, “*Our Promoters and Promoters’ Group*”, “*Our Group Companies*” and “*Outstanding Litigations and Material Developments*” beginning on Page No. 15, 100, 104 and 122 respectively, of this Draft Prospectus.

There has been no violation of any securities law committed by any of them in the past and no such proceedings are currently pending against any of them. Further, none of our Promoter or Directors has been declared as fugitive economic offender under Fugitive Economic Offenders Act, 2018.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with the regulation 229(1) of Chapter IX of the SEBI (ICDR) Regulations, 2018, whereby, an issuer whose post issue Paid-up Capital is not more than ten crore rupees. Our Company shall issue shares to the public and has proposed to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in the case being the EMERGE Platform of National Stock Exchange of India Limited i.e. NSE EMERGE).

As per Regulation 229 (3) of the SEBI ICDR Regulations, our Company satisfies track record and/or other eligibility conditions of NSE EMERGE in accordance with the Restated Standalone Financial Statements, prepared in accordance with the Companies Act and restated in accordance with the SEBI ICDR Regulations as below:

- a. Our Company was incorporated on May 10, 2013, with the Registrar of Companies, Maharashtra, Pune under the Companies Act, 1956 in India.
- b. The Post-Issue Paid-Up Capital of the Company shall not be more than Rs. 10 Crores. The Post-Issue Capital of our company is [●].
- c. Our Company has a track record of there years as on date of filing this Draft Prospectus.
- d. Our Company has positive Cash accruals (Earnings before depreciation and tax) from operations for at least 2 (two) financial year preceding the date of filing this Draft Prospectus and the net worth of our Company is positive as per the latest audited financial statements.
- e. No material regulatory or disciplinary action by a Stock Exchange or Regulatory Authority in the past three years against the applicant Company.
- f. Our Company has a website: www.sanmatigroup.com

Other Disclosures:

- a. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
- b. Our Company has not been referred to the National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code, 2016.
- c. There is no winding up petition against the company, which has been accepted by the National Company Law Tribunal (NCLT).
- d. We have Disclosed all material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters/promoting Company(ies), group companies, companies promoted by the promoters/promoting Company(ies) of the applicant Company in the Draft Prospectus.
- e. Except as mentioned below, there are no Defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the applicant, promoters/promoting Company(ies), group companies, companies promoted by the promoters/promoting Company(ies) during the past three years except as mentioned in the Draft Prospectus. An auditor's certificate will be provided by the issuer to the exchange, in this regard:
 - Our Company had outstanding Overdraft amount of Rs. 40.46/- lakhs as on September 27, 2019 which was paid in full as on March 30, 2020 in various tranches.
- f. We have Disclosed the details of the applicant, promoters/promoting Company(ies), group companies, companies promoted by the promoters/promoting Company(ies) litigation record, the nature of litigation, and status of litigation, For more details, please refer the chapter titled *"Outstanding Litigation & Material Developments"* beginning on Page No. 122 of this Draft Prospectus.
- g. We have disclosed all details of the track record of the directors, the status of criminal cases filed or nature of the investigation being undertaken with regard to alleged commission of any offence by any of its directors and its effect on the business of the Company, where all or any of the directors of issuer have or has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences etc. For Details, refer the chapter titled *"Outstanding Litigation & Material Developments"* beginning on Page No. 122 of this Draft Prospectus.

As per Regulation 230 (1) of the SEBI ICDR Regulations, our Company has ensured that:

- The Draft Prospectus has been filed with NSE and our Company has made an application to NSE for listing of its Equity Shares on the EMERGE Platform of National Stock Exchange of India Limited. NSE is the Designated Stock Exchange.

- Our Company has entered into an agreement dated June 13, 2019 with NSDL and agreement dated June 13, 2019 with CDSL for dematerialisation of its Equity Shares already issued and proposed to be issued.
- The entire pre-Issue capital of our Company has shares fully paid-up Equity Shares and the Equity Shares proposed to be issued pursuant to this IPO will be fully paid-up.
- The entire Equity Shares held by the Promoters are in dematerialised form before opening of the Issue Subscription.
- Our Company has made firm arrangements of finance through verifiable means towards seventy five per cent of the stated means of finance for funding from the fresh issue proceeds, excluding the amount to be raised through the proposed public issue or through existing identifiable internal accruals. For details, please refer the chapter titled “*Objects of the Issue*” beginning on Page No. 50 of this Draft Prospectus.

Our Company confirms that it will ensure compliance with the conditions specified in Regulation 230 (2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Issue in terms of Regulation 228 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 228 of the SEBI ICDR Regulations are as follows:

- (a) Neither our Company nor our Promoters, members of our Promoter Group or our Directors are debarred from accessing the capital markets by the SEBI.
- (b) None of our Promoters or Directors are promoters or directors of any other companies which are debarred from accessing the capital markets by the SEBI.
- (c) Neither our Company nor our Promoters or Directors is a wilful defaulter.
- (d) None of our Promoters or Directors is a fugitive economic offender.

We further confirm that we shall be complying with all other requirements as laid down for such 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.

Further, in accordance with Regulation 268 (1) 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. 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.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF DRAFT PROSPECTUS TO 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 FAST TRACK FINSEC PRIVATE LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING.

THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT PROSPECTUS, THE LEAD MERCHANT BANKER ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, FAST TRACK FINSEC PRIVATE LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED [•] IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THE DRAFT PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT PROSPECTUS.

Note:

All legal requirements pertaining to the Issue will be complied with at the time of registration of this Draft Prospectus with the RoC in terms of section 26 and 30 of the Companies Act, 2013.

Disclaimer from our Company, the Directors and the Lead Manager

Our Company, the 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.

Disclaimer in respect of Jurisdiction

This Issue is being made in India to persons resident in India including Indian nationals resident in India (who are not minors, except through their legal guardian), Hindu Undivided Families (HUFs), companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to non-residents including NRIs and FIIs. This Draft Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Draft Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this issue will be subject to the jurisdiction of appropriate court(s) in Delhi only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and the Draft Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been any change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Disclaimer Clause of the NSE

As required, a copy of the Draft Prospectus shall be submitted to the NSE EMERGE of National Stock Exchange of India Limited i.e. NSE EMERGE. The Disclaimer Clause as intimated by NSE EMERGE to us, post scrutiny of the Draft Prospectus, shall be included in the Prospectus prior to the filing with RoC.

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 of 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 (i) in the United States only to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

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

Listing

Application have been made to EMERGE Platform of National Stock Exchange of India Limited for obtaining permission for listing of the Equity Shares being offered in the issue on its EMERGE Platform after the allotment in the Issue. NSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue.

If the permission to deal in and for an official quotation of the Equity Shares on the EMERGE Platform is not granted by NSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the prospectus. The allotment letters shall be issued or application money shall be refunded / unblocked within fifteen days from the closure of the Issue or such lesser time as may be specified by Securities and Exchange Board or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent per annum for the delayed period as prescribed under Companies Act, 2013, the SEBI (ICDR) Regulations and other applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the EMERGE Platform of National Stock Exchange of India Limited as mentioned above are taken within 6 Working Days of the Issue Closing Date.

The Company has obtained approval from NSE vide letter dated [●] to use the name of NSE in this Offer document for listing of equity shares on EMERGE Platform of National Stock Exchange of India Limited.

Consents

Consents in writing of: (a) the Directors, the Chief Financial Officer, Company Secretary & Compliance Officer and the Statutory Auditor; and (b) the Lead Manager, Registrar to the Issue, the Legal Advisor to the Issue, Banker to the Company, Banker to the Issue*, Share Escrow Agent, Market Maker and Underwriters* to act in their respective capacities, have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Section 26 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Draft Prospectus for registration with the RoC.

**The aforesaid will be appointed prior to filing of the Prospectus with RoC and their consents as above would be obtained prior to the filing of the Prospectus with RoC.*

Expert Opinion

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from the Statutory Auditor namely, M/s. R. K. Jagetiya & 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 “Expert” as defined under section 2(38) of the Companies Act, 2013 in respect of the reports on the Statement of Tax Benefits dated June 15, 2020, and on the Restated Financial Statements dated June 15, 2020 and issued by them, included in this Draft Prospectus and such consent has not been withdrawn as on the date of this Draft Prospectus.

However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

Capital Issue during the last five years

Previous Public and Rights Issues

We have not made any rights to the public and public issues in the past, and we are an “Unlisted Company” in terms of the SEBI (ICDR) Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations.

Commission and Brokerage Paid on Previous Issues of our Equity Shares

Since this is an Initial Public Offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since inception of the Company.

Capital Issues in the last three (3) years by Listed Group Companies / Subsidiaries / Associates

None of our Group Company / Subsidiaries / Associates that are listed on any Stock Exchange has made any Capital Issue in the last three (3) years.

We do not have any subsidiary as on date of this Draft Prospectus.

Previous Issues of Equity Shares otherwise than for Cash

Except as stated in the chapter titled “*Capital Structure*” beginning on Page No. 42 of this Draft Prospectus, we have not issued any Equity Shares for consideration other than for cash.

Performance vis-à-Vis Objects

Issuer Company

Our Company has not made any public issue (including any rights issue to the public) since its incorporation.

Listed Group Companies / Subsidiaries / Associate Companies

None of our Group Companies / Subsidiaries / Associates is listed on any Stock Exchange and not made any rights and public issues in the past ten (10) years.

Outstanding Debentures, Bonds, Redeemable Preference Shares and Other Instruments issued by the Company

The Company has no outstanding debentures or bonds. The Company has not issued any redeemable preference shares or other instruments in the past.

Price Information of past issues handled by the Lead Manager

Sr. No.	Issue Name	Issue size (Rs. in Cr.)	Issue Price (Rs.)	Listing date	Opening price on listing date (Rs.)	+/- % change in Price on closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing	
1	Kranti Industries Limited	8.58	37	February 28, 2019	35.25	-1.35%	8.38%	0.37%	10.13%	-12.16%	4.42%
2	Goblin India Limited	15.20	52	October 15, 2019	55.00	139.04%	4.81%	88.56%	8.95%	-16.25%	20.30%
3	Ascom Leasing and Investments Limited	6.32	30	December 06, 2019	30.25	5.00%	0.60%	0.00%	-7.82%	15.83%	-15.87%

Summary Statement of Disclosure

Financial Year	Total no. of IPOs	Total Funds Raised (Rs. in Cr.)	Nos. of IPOs trading at discount - 30 th calendar day from listing day			Nos. of IPOs trading at premium - 30 th calendar day from listing day			Nos. of IPOs trading at discount - 180 th calendar day from listing day			Nos. of IPOs trading at premium - 180 th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2019-20	2	21.52	-	-	-	1	-	1	-	-	1	-	-	1
2018-19	1	8.58	-	-	1	-	-	-	-	-	1	-	-	-

Notes:

1. In the event any day falls on a holiday, the price/index of the immediate preceding working day has been considered. If the stock was not traded on the said calendar days from the date of listing, the share price is taken of the immediately preceding trading day.
2. Source: www.bseindia.com and www.nseindia.com BSE Sensex and Nifty Fifty as the Benchmark Indices.

Track record of past issues handled by the Lead Manager

For details regarding the track record of the Lead Manager to the Issue as specified in Circular reference CIR/MIRSD/1/ 2012 dated January 10, 2012 issued by the SEBI, please refer the website of Lead Manager at <https://www.ftfinsec.com>

Disposal of Investor Grievances

Mechanism for Redressal of Investor Grievances

The Company has appointed Bigshare Services Private Limited as the Registrar to the Issue, to handle the investor grievances in co-ordination with the Compliance Officer of the Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

The Registrar to the Issue will handle investor's grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be co-ordinating with the Registrar to the Issue in attending to the grievances to the investor.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

The Company shall obtain authentication on the SCORES and comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 in relation to redressal of investor grievances through SCORES.

Our Board by a resolution on May 31, 2019 constituted a Stakeholders Relationship Committee. The composition of the Stakeholders Relationship Committee is as follows:

Name of the Member	Nature of Directorship	Designation in Committee
Mr. Sheetal Patil	Non-Executive Director	Chairman
Mr. Shital Ketkale	Executive Director	Member
Mrs. Vaishali Ketkale	Executive Director	Member

For further details, please refer the chapter titled “Our Management” beginning on Page No. 90 of this Draft Prospectus.

Our Company has also appointed Mr. Shahaji Patil, as the Compliance Officer for the Issue and he may be contacted at the Registered Office of our Company.

Name: Mr. Shahaji Annasaheb Patil

Address: Plot No. 110, Sector – A, Shri Laxmi Co-op Industrial Estate, Hatkanangale, Kolhapur,
Maharashtra – 416 109

Tel No.: 0230 – 2366213

Email: cs@sanmatigroup.com

Website: www.sanmatigroup.com

Investors can contact the Compliance Officer or the Registrar to the Issue or the Lead Manager in case of any pre Issue or post Issue related problems, such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary accounts and refund orders.

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

None of our Group Companies / Associates / Subsidiaries are listed on any Stock Exchange as on the date of filing this Draft Prospectus.

SECTION VIII – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, SEBI Listing Regulations, SCRA, SCRR, our Memorandum and Articles of Association, the terms of this Draft Prospectus, the Application Form, the Revision Form, the Confirmation of Allocation Note (“CAN”) and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, RBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Issue.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019 and circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019 and any subsequent circulars issued by SEBI in this regard, SEBI has introduced an alternate payment mechanism using Unified Payments Interface (UPI) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIIs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“UPI Phase I”). The UPI Phase I was effective till June 30, 2019. With effect from July 1, 2019, with respect to Application by retail individual investors through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Applicants with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”). Subsequently, the final reduced timeline will be made effective using the UPI Mechanism for applications by retail individual investors (“UPI Phase III”), as may be prescribed by SEBI.

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investors may visit the official websites of the concerned stock exchanges for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.

Authority for the Issue

The present Public Issue of Equity Shares has been proposed by a resolution of the Board of Directors of our Company at their meeting held on May 12, 2020 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra Ordinary General Meeting held on June 04, 2020 in accordance with the provisions of Section 62(1)(c) of the Companies Act, 2013.

Ranking of Equity Shares

The Equity Shares being issued and transferred shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association, SEBI ICDR Regulations, SCRA and shall rank *pari-passu* in all respects including dividend 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 the section titled “Main Provisions of the Articles of Association” beginning on Page No. 167 of this Draft Prospectus.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum and Articles of Association and provisions of the SEBI Listing Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment will be payable to the Applicants who have been Allotted Equity Shares in the Issue, for the entire year, in accordance with applicable laws. For further details, in relation to dividends, refer chapter

titled “*Dividend Policy*” and “*Main Provisions of the Articles of Association*” beginning on Page No. 109 and 167 of this Draft Prospectus.

Face Value and Issue Price

The Equity Shares having a face value of Rs. 10/- each are being issued in terms of this Draft Prospectus at the price of Rs. [●] per Equity Share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the chapter titled “*Basis for Issue Price*” beginning on Page No. 56 of this Draft Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

Compliance with SEBI (ICDR) Regulations, 2018

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations, 2018. 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 and e-voting, in accordance with the provisions of the Companies Act;
- ✓ Right to receive offer for rights shares and be allotted bonus shares, if announced;
- ✓ Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- ✓ Right of free transferability of the Equity Shares, subject to applicable laws including any RBI rules and regulations; and
- ✓ Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the listing agreements with the Stock Exchange 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 and / or consolidation / splitting, etc., please refer the section titled “*Main Provisions of Articles of Association* ” beginning on Page No. 167 of this Draft Prospectus.

Allotment only in Dematerialised Form

In terms of Section 29 of Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar and Share Transfer Agent to the Issue:

- 1) Tripartite agreement dated June 13, 2019 between our Company, NSDL and the Registrar and Share Transfer Agent to the Issue.
- 2) Tripartite agreement dated June 13, 2019 between our Company, CDSL and the Registrar and Share Transfer Agent to the Issue.

Minimum Application Value, Market Lot and Trading Lot

Trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012 and the same may be modified by EMERGE Platform of National Stock Exchange of India Limited 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 Share subject to a minimum allotment of [●] Equity Shares to the successful Applicants. Further, in accordance with SEBI (ICDR) Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

Minimum Number of Allottees

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be refunded within 6 Working days of closure of Issue.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

Nomination Facility to Investor

In accordance with Section 72 of the Companies Act, 2013 and the rules made there under, 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 (3) of the Companies Act, 2013, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in accordance to Section 72 (4) of the Companies Act, 2013, 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 Articles of Association of the Company, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

- ✓ to register himself or herself as the holder of the Equity Shares; or
- ✓ to make such transfer of the Equity Shares, as the deceased holder could have made

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

In case the allotment of Equity Shares 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.

ISSUE PROGRAMME

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

Event	Indicative Date
Issue Opening Date	[●]
Issue Closing Date	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of Allotment / Refunds / Unblocking of Funds	[●]
Credit of Equity Shares to demat accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchange	[●]

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

trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Applications and any revision to the same shall be accepted **only between 10.00 a.m. and 5.00 p.m. (IST)** during the Issue Period (except for the Issue Closing Date). On the Issue Closing Date, the Applications and any revision to the same shall be accepted between **10.00 a.m. and 3.00 p.m. (IST)** or such extended time as permitted by the Stock Exchanges, in case of Applications by Retail Individual Applicants after taking into account the total number of applications received up to the closure of timings and reported by the Lead Manager to the Stock Exchanges. It is clarified that Applications not uploaded on the electronic system would be rejected. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Draft Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Business Days. Neither our Company nor the Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

In accordance with the SEBI Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their applications (in terms of the quantity of the Equity Shares or the Applications Amount) at any stage. Retail Individual Applicants can revise or withdraw their Applications prior to the Issue Closing Date. Except Allocation to Retail Individual Investors, Allocation in the Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or the electronic Application Form, for a particular Applicant, the details as per the file received from the Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSB or the member of the Syndicate for rectified data.

Minimum Subscription

The requirement for 90% minimum subscription is not applicable to Issues under chapter IX of the SEBI ICDR Regulations.

In accordance with Regulation 260 (1) of the SEBI ICDR Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the Issue through the Prospectus and shall not be restricted to the minimum subscription level. Further, in accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than Rs. 1,00,000/- (Rupees One Lakh) per application.

As per Section 39 of the Companies Act, 2013, if the “stated minimum amount” has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of Prospectus, the application money has to be returned within such period as may be prescribed.

If our Company does not receive the 100% subscription of the issue through the Issue Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the offer, our Company shall forthwith refund the entire subscription amount received, if there is a delay beyond eight (8) days, after our Company become liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest as prescribed under the SEBI ICDR Regulations, the Companies Act, 2013 and applicable laws.

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.

Arrangements for Disposal of Odd Lots

The trading of the Equity Shares will happen in the minimum contract size of [●] shares. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the EMERGE Platform of National Stock Exchange of India Limited.

Application by Eligible NRIs, FPIs or VCFs 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.

As per the extent Guidelines 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.

Restrictions, if any, on transfer and transmission of shares or debentures and on their consolidation or splitting

Except for the lock-in of the pre-Issue capital of our Company, Promoters' Contribution and the public lock-in as provided in the chapter titled "*Capital Structure*" beginning on Page No. 42 of this Draft Prospectus and except as provided in our Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details, refer section titled "*Main Provisions of the Articles of Association*" beginning on Page No. 167 of this Draft Prospectus.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of 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.

New Financial Instruments

The Issuer Company is not issuing any new financial instruments through this Issue.

Allotment of Securities in Dematerialised Form

In accordance with the SEBI ICDR Regulations, 2018 Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange.

Withdrawal of the Issue

Our Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before the Board meeting for Allotment. In such an event our Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Applicants within one day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange on which the Equity Shares were proposed to be listed. Notwithstanding the foregoing, this Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for

after Allotment. If our Company in consultation with the Lead Manager withdraws the Issue after the Issue Closing Date and thereafter determine that they will proceed with an IPO, our Company shall file a fresh Draft Prospectus.

Migration to Main Board

NSE Circular dated March 10, 2014, our Company will have to be mandatorily listed and traded on the EMERGE Platform of National Stock Exchange of India Limited for a minimum period of 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 EMERGE Platform of National Stock Exchange of India Limited 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.
- If the Paid up Capital of the Company is more than Rs.10 crores but below Rs. 25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Market Making

The shares issued through this Issue are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Maker of the EMERGE Platform of National Stock Exchange of India Limited for a minimum period of three years from the date of listing on the EMERGE Platform of National Stock Exchange of India Limited.

For further details of the agreement entered into between our Company, the Lead Manager and the Market Maker, please refer the chapter titled "*General Information – Details of the Market Making Arrangement for this Issue*" beginning on Page No. 35 of this Draft Prospectus.

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 inapplicable laws and regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws and regulations.

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229(1) of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post-issue face value capital doesn't exceed ten crore rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being EMERGE Platform of National Stock Exchange of India Limited). For further details regarding the salient features and terms of such this Issue, please refer the chapters titled "*Terms of the Issue*" and "*Issue Procedure*" beginning on Page No. 141 and 149 respectively, of this Draft Prospectus.

Following is the Issue Structure:

Public Issue of upto 25,00,000 Equity Shares of Rs. 10/- each ("Equity Shares") for cash at a price of Rs. [●]/- per Equity Share aggregating to Rs. [●] lakhs ("the Issue") by Sanmati Precision Engineering Limited ("SPEL" or the "Company").

The Issue comprises a reservation of [●] Equity Shares of Rs. 10/- each for subscription by the designated Market Maker ("the Market Maker Reservation Portion") and Net Issue to Public of [●] Equity Shares of Rs. 10/- each ("the Net Issue"). The Issue and the Net Issue will constitute [●]% and [●]%, respectively of the post issue paid up equity share capital of the company. The Issue is being made through the Fixed Price Process:

Particulars of the Issue	Net Issue to Public	Market Maker Reservation Portion
Number of Equity Shares available for allocation	Upto 25,00,000 Equity Shares	Upto [●] 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.	Firm Allotment
Mode of Application	All the applicants shall make the application (Online or Physical) through the ASBA Process only (including UPI mechanism for Retail Investors using Syndicate ASBA).	
Mode of Allotment	Compulsorily in dematerialized form	
Minimum Application Size	<i>For Other than Retail Individual Investors:</i> Such number of Equity Shares in multiples of [●] Equity Shares such that the Application Value exceeds Rs. 2,00,000/-. <i>For Retail Individuals:</i> [●] Equity Shares	Upto [●] Equity Shares
Maximum Application Size	<i>For Other than Retail Individual Investors:</i> Such number of Equity Shares in multiples of [●] Equity Shares such that the Application Size does not exceed [●] Equity Shares. <i>For Retail Individuals:</i> Such number of Equity Shares in multiples of [●] Equity Shares such that the Application Value does not exceed Rs. 2,00,000/-.	Upto [●] Equity Shares
Trading Lot	[●] Equity Shares	[●] Equity Shares, however the Market Maker may buy odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.
Terms of Payment	The entire Application Amount shall be blocked by the SCSBs in the bank account of the Applicants, or by the Sponsor Bank through the UPI Mechanism (for RIIs using the UPI Mechanism) at the time of the submission of the Application Form.	
Application Lot Size	[●] Equity Share and in multiples of [●] Equity Shares thereafter	

Note:

- Since present issue is a fixed price issue, the allocation in the net offer to the public category in terms of Regulation 253(2) of the SEBI (ICDR) Regulations, 2018 shall be made as follows:

- a) Minimum fifty per cent to retail individual investors; and
- b) Remaining to:
 - i. individual applicants other than retail individual investors; and
 - ii. other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;

Provided that the unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

- In case of joint Applications, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Applicant would be required in the Application Form and such First Applicant would be deemed to have signed on behalf of the joint holders.
- In case of ASBA Applicants, the SCSB shall be authorised to block such funds in the bank account of the ASBA Applicant (including retail applicants applying through UPI mechanism) that are specified in the Application Form. SCSBs applying in the Offer must apply through an ASBA Account maintained with any other SCSB.

Lot Size

SEBI vide circular CIR/MRD/DSA/06/2012 dated February 21, 2012 (the “Circular”) standardized the lot size for Initial Public Offer proposing to list on EMERGE Platform of National Stock Exchange of India Limited and for the secondary market trading on such exchange/platform, as under:

Issue Price (in Rs.)	Lot Size (No. of shares)
Up to 14	10,000
More than 14 up to 18	8,000
More than 18 up to 25	6,000
More than 25 up to 35	4,000
More than 35 up to 50	3,000
More than 50 up to 70	2,000
More than 70 up to 90	1,600
More than 90 up to 120	1,200
More than 120 up to 150	1,000
More than 150 up to 180	800
More than 180 up to 250	600
More than 250 up to 350	400
More than 350 up to 500	300
More than 500 up to 600	240
More than 600 up to 750	200
More than 750 up to 1,000	160
Above 1,000	100

Further to the Circular, at the Initial Public Offer stage the Registrar to Issue in consultation with Lead Manager, our Company and NSE shall ensure to finalize the basis of allotment in minimum lots and in multiples of minimum lot size, as per the above given table. The secondary market trading lot size shall be the same, as shall be the IPO Lot Size at the application/allotment stage, facilitating secondary market trading.

ISSUE PROCEDURE

All Applicants should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI and updated pursuant to the circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016, circular (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and circular SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 (the “General Information Document”), which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, and the SEBI Regulations. The General Information Document is available on the websites of the Stock Exchanges and the LMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

The General Information Documents to be included will be updated to reflect the enactments and regulations including the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, SEBI Listing Regulations and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document will also be available on the websites of the Stock Exchange and the Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

All Designated Intermediaries in relation to the Issue should ensure compliance with the SEBI circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, as amended and modified by the SEBI circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles as amended and modified by the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019.

With effect from July 1, 2019, with respect to Applications by RIIs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Applications with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”), Further pursuant to SEBI Circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, the timeline for implementation of UPI Phase II was extended till March 31, 2020. However, pursuant to SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the UPI Phase II will continue until further notice by SEBI. Subsequently, the final reduced timeline of T+3 will be made effective using the UPI Mechanism for applications by RIIs (“UPI Phase III”), as may be prescribed by SEBI. Accordingly, the procedure set forth is under UPI Phase II.

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 Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and Lead Manager would not be able to include any amendment, modification or change in applicable law, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that their Application 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.

Phased implementation of Unified Payments Interface

SEBI has issued a circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 (collectively the “UPI Circulars”) in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, UPI will be introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIIs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six working days to up to three working days. Considering

the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circular proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

Phase I: This phase has become applicable from January 1, 2019 and was continue till June 30, 2019. Under this phase, a Retail Individual Applicant would also have the option to submit the Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six Working Days.

Phase II: This phase commenced on completion of Phase I i.e. with effect from July 01, 2019 and will continue for a period of three months or floating of five main board public issues, whichever is later. Under this phase, submission of the Application Form by Retail Individual Applicant through intermediaries to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase. As per SEBI circular SEBI/SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the UPI Phase II will continue until further notice by SEBI.

Phase III: Subsequently, the time duration from public issue closure to listing would be reduced to be three Working Days.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The Issuers are to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Applicants into the UPI mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Lead Manager.

Fixed Price Issue Procedure

The Issue is being made in compliance with the provisions of Reg. 229(1) of Chapter IX of the SEBI (ICDR) Regulations, 2018 and through the Fixed Price Process wherein 50% 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 compliance with Regulation 253(2) of the SEBI ICDR Regulations and subject to valid Applications being received from them at or above the Issue Price.

Subject to the valid Applications being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.

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 dematerialised form. The Application Forms which do not have the details of the Applicant's depository account including DP ID, PAN and Beneficiary Account Number/UPI ID (as applicable) shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchanges, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Application Form

All Applicants shall mandatorily participate in the Issue only through the ASBA process. ASBA Applicants (other than Applicants using the UPI Mechanism) must provide bank account details and authorization to block funds in the relevant space provided in the Application Form and the Application Forms that do not contain such details are liable to be rejected. Further Retail Individual Applicants may participate in the Offer through UPI by providing details in the

relevant space provided in the Application Form and the Application Forms that do not contain the UPI ID are liable to be rejected.

ASBA Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of Electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected.

Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and the Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the NSE (www.nseindia.com), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour ⁽¹⁾
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including Eligible NRIs, FII's, FVCIs etc. applying on a repatriation basis	Blue

⁽¹⁾Excluding electronic Application Form.

Designated Intermediaries shall submit Application Forms (except the Application Form for a Retail Applicants using the UPI Mechanism) to SCSBs and shall not submit it to any non-SCSB bank.

In case of ASBA Forms, Designated Intermediaries shall upload the relevant Application details in the electronic Bidding system of the Stock Exchanges. Subsequently, for ASBA Forms (other than RIIs using UPI mechanism) Designated Intermediaries (other than SCSBs) shall submit/deliver the Application Form (except the Application Form from a RIIs using the UPI mechanism) to the respective SCSB, where the Applicant has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank. For RIIs using UPI mechanism, the Stock Exchanges shall share the Application details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIIs for blocking of funds.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

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

Who Can Apply?

In addition to the category of Applicants set forth in the General Information Document, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines:

- Scientific and / or industrial research organizations authorized in India to invest in the Equity Shares; and
- Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

Participation by associates/affiliates of Lead Manager, Promoters, Promoter Group and Persons related to Promoters/Promoter Group

The Lead Manager shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Portion where the allotment is on a proportionate basis.

The Promoters, Promoter Group, Lead Manager and any persons related to the Lead Manager (except Mutual Funds sponsored by entities related to the Lead Manager) cannot apply in the Issue.

Application by Mutual Funds

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

The Applications made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

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.

Application by HUFs

Applications 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.

Applications by Eligible NRIs

Eligible NRIs may obtain copies of Application Form from the Designated Intermediaries. Eligible NRI Applicant 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") ASBA Accounts, and eligible NRI Applicant applying on a non-repatriation basis by using Resident Forms should authorize their SCSB or should confirm/accept the UPI Mandate Request (in case of RIBs applying using the UPI Mechanism) to block their Non-Resident Ordinary ("NRO") accounts for the full Application Amount, at the time of the submission of the Application Form. However, NRIs applying in the Offer through the UPI Mechanism are advised to enquire with the relevant bank where their account is UPI linked prior to submitting their Application.

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).

Pursuant to the provisions of the FEMA regulations, investments by NRIs under the Portfolio Investment Scheme ("PIS") are subject to certain limits, i.e., 10.00% of the paid-up equity share capital of the Company. Such limit for NRI investment under the PIS route can be increased by passing a board resolution, followed by a special resolution by the shareholders, subject to prior intimation to the RBI. Our Company has not passed any resolution to increase this limit.

Application by Indian Public including eligible NRIs applying on Non-Repatriation

Application must be made only in the names of individuals, limited companies or statutory corporations / institutions and not in the names of minors (other than minor having valid depository accounts as per demographic details provided by the depository), foreign nationals, non-residents (except for those applying on non-repatriation), trusts, (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorized under

its constitution to hold shares and debentures in a Company), Hindu Undivided Families (HUF), partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF.

Eligible NRIs applying on a non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE / FCNR accounts as well as NRO accounts.

An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public.

Application by FPIs and FIIs

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Issue, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In case of Applications made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Application Form, failing which our Company reserves the right to reject any Application without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Applications made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Application Form, failing which our Company reserves the right to reject any Application without assigning any reason.

In terms of the SEBI FPI Regulations, the Issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10.00% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10.00% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a Company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10.00% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, only Category I FPIs, 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 an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange In India, as its underlying) directly or indirectly, only in the event (i) such offshore derivate instruments are issued only to persons eligible to be registered as Category I FPIs; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI may transfer offshore derivative instruments to persons compliant with the requirements of Regulation 21(1) of the SEBI FPI Regulations and subject to receipt of consent except where pre-approval is provided.

FPIs who wish to participate in the Issue are advised to use the Application Form for Non-Residents (blue in colour).

Application by SEBI Registered Alternative Investment Funds (AIFs), Venture Capital Funds (VCFs) and Foreign Venture Capital Investors (FVCIs)

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an Initial Public Offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Our Company or the Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.

Applications by Limited Liability Partnerships

In case of applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing which, the Company reserves the right to reject any application, without assigning any reason thereof.

Applications by Insurance Companies

In case of applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, the Company reserves the right to reject any application, without assigning any reason thereof.

The exposure norms for insurers prescribed in Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 ("IRDAI Investment Regulations") are set forth below:

- a. Equity shares of a Company: the lower of 10%⁽¹⁾ of the investee Company's outstanding equity shares (face value) or 10% of the respective fund in case of a life insurer/investment assets in case of a general insurer or a reinsurer;
- b. The entire group of the investee Company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or a reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- c. The industry sector in which the investee Company operates: not more than 15% of the respective fund of a life insurer or general insurance or 15% of the investment assets, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under points (i), (ii) or (iii) above, as the case may be.

⁽¹⁾The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of Rs. 2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of Rs.500,000 million or more but less than Rs.2,500,000 million.

Insurer companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by the IRDA from time to time including the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 ("**IRDA Investment Regulations**").

Application by Provident Funds / Pension Funds

In case of Applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of Rs. 25 Crores, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Application Form. Failing this, the Company reserves the right to reject any application, without assigning any reason thereof.

Application by Systemically Important Non-Banking Financial Companies

In case of Applications made by systemically important non-banking financial companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application, without assigning any reason thereof. Systemically Important Non Banking Financial Companies participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

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 in consultation with the LM 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, as amended ("Banking Regulation Act"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 (the "Financial Services Directions"), is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the bank's own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company. The bank is required to submit a time-bound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to inter alia make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed under 5(b)(i) of the Financial Services Directions), and (ii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a) (v) (c) (i) of the Financial Services Directions. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the investee company's paid-up share capital and reserves.

Applications by SCSBs

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars (Nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013) 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.

Application under Power of Attorney

In case of Applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with minimum corpus of Rs. 25 Crores (subject to applicable law) and pension funds with a minimum corpus of Rs. 25 crores (in each case, subject to applicable law and in accordance with their respective constitutional documents), 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, the Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore. Our Company in consultation with the LM, 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, in consultation with the lead manager, may deem fit, without assigning any reasons thereof.

The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

Participation by associates and affiliates of the Lead Manager

The Lead Manager shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Issue in non Retail Portion, where the allocation is on a proportionate basis.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, our Company shall, after registering the Prospectus with the RoC, publish a pre-issue advertisement, in the form prescribed by the SEBI Regulations, in one English language national daily newspaper and one Hindi language national daily newspaper each with wide circulation. In the pre-issue advertisement, we shall state the Issue Opening Date and the Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

Signing of the Underwriting Agreement and the RoC filing

- 1) Our Company, the Lead Manager and the Market Maker have entered into an Underwriting Agreement on [●].
- 2) For terms of the Underwriting Agreement please refer chapter titled “General Information” beginning on Page No. 35 of this Draft Prospectus.
- 3) We will file a copy of the Prospectus with the RoC in terms of Section 26 and all other provision applicable as per Companies Act.

Filing of Prospectus with RoC

Our Company shall file the Prospectus with the RoC at least three working days before the Issue Opening Date in terms of Section 26 of Companies Act, 2013.

Designated date and allotment of Equity shares designated date

- a) **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.
- b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the designated stock exchange, the Registrar shall upload on its website. 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.
- c) Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been allotted Equity Shares in the Issue. The dispatch of allotment advice shall be deemed a valid, binding and irrevocable contract.
- d) 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.
- e) 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 6 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 Section 56 of the Companies Act, 2013 or other applicable provisions, if any.

Availability of the Prospectus and Application Forms

Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Managers, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the NSE (www.nseindia.com), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.

Information for the Applicants

In addition to the instructions provided to the Applicants in the *General Information Document*, Applicants are requested to note the following additional information in relation to the Issue.

1. The Issue Period shall be for a minimum of three Working Days and shall not exceed ten 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 Working Days.
2. The relevant Designated Intermediary will enter each Application into the Electronic Bidding System and generate an acknowledgement slip (“**Acknowledgement Slip**”), and give the same to the Applicant. It is the Applicant’s responsibility to obtain the TRS from the relevant Designated Intermediary. The registration of the Application by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement will be non-negotiable and by itself will not create any obligation of any kind. When a Applicant revises his or her Application (in case of revision in the Price), he /she shall surrender the earlier Acknowledgement Slip and may request for a revised TRS from the relevant Designated Intermediary as proof of his or her having revised the previous Application.
3. In relation to electronic registration of Applications, the permission given by the Stock Exchanges to use their network and software of the Electronic Bidding System should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Prospectus or the Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
4. In the event of an upward revision in the Price, Retail Individual Applicants could either (i) revise their Application or (ii) shall make additional payment based on the revised Price (such that the total amount i.e., original Application Amount plus additional payment does not exceed Rs. 2,00,000. The revised Applications must be submitted to the same Designated Intermediary to whom the original Application was submitted. If the total amount (i.e., the original Application Amount plus additional payment) exceeds Rs. 2,00,000, the Applicant will be considered for allocation under the Non-Institutional Portion. If, however, the Retail Individual Applicant does not either revise the Application or make additional payment the number of Equity Shares applied for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Retail Individual Applicant and the Retail Individual Applicant is deemed to have approved such revised Application.
5. In the event of a downward revision in the Price, Retail Individual Applicant may revise their Application; otherwise, the excess amount paid at the time of Application would be unblocked after Allotment is finalised.
6. Any revision of the Application shall be accompanied by instructions to block the incremental amount, if any, to be paid on account of the upward revision of the Application.

The Applicants should note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic system of the Stock Exchanges does not match with the PAN, DP ID and Client ID available in the database of Depositories, the Application Form is liable to be rejected.

General Instructions

Do's:

- Check if you are eligible to apply as per the terms of this Draft Prospectus and under applicable law, rules, regulations, guidelines and approvals;
- Read all the instructions carefully and complete the Application Form in the prescribed form;
- Ensure that the details about the PAN, DP ID and Client ID are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
- Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary;
- If the first applicant is not the account holder, ensure that the Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
- Ensure that the signature of the First Applicant in case of joint Applications, is included in the Application Forms;
- Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Applications, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names;
- Ensure that you request for and receive a stamped acknowledgement of your Application;
- Retail Applicants using the UPI mechanism should ensure that the correct UPI ID is mentioned in the Application Form;
- Retail Applicants shall ensure that the bank, with which such Retail Applicants has a bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by the NPCI;
- Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the Application Form under the ASBA process to the respective member of the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
- Submit revised Applications to the same Designated Intermediary, through whom the original Application was placed and obtain a revised acknowledgment;
- Except for Applications (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Applications by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Applicants should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
- Ensure that the Demographic Details are updated, true and correct in all respects;
- Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
- Ensure that the category and the investor status is indicated;
- Ensure that in case of Applications under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
- Ensure that Applications submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
- Applicants should note that in case the DP ID, Client ID and the PAN mentioned in their Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Applications are liable to be rejected. Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;
- Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;
- For Retail Applicants using the UPI mechanism, ensure that you approve the request generated by the Sponsor Bank to authorize blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment, in a timely manner;

- Retail Applicants shall ensure that details of the Applications are reviewed and verified by opening the attachment in the UPI mandate request and then proceed to authorize the UPI request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, a Retail Applicant may be deemed to have verified the attachment containing the application details of the Retail Applicant in the UPI mandate request and have agreed to block the entire Application Amount and authorized the Sponsor Bank to block the Application Amount mentioned in the Application Form;
- Retail Applicants using the UPI mechanism should mention valid UPI ID of only the Applicant (in case of single account) and of the first Applicant (in case of joint account) in the Application Form;
- Retail Applicants using the UPI mechanism, who have revised their Application subsequent to making the initial Application, should also approve the revised request generated by the Sponsor Bank to authorize blocking of funds equivalent to the revised Application Amount and subsequent debit of funds in case of allotment in a timely manner;
- Ensure that you have mentioned the correct ASBA Account number in the Application Form;
- Ensure that you have correctly signed the authorization/undertaking box in the Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form at the time of submission of the Application;
- 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 at a Price different from the Price mentioned herein or in the Application Form;
- Do not apply by another Application Form after submission of Application to the Designated Intermediary.
- Do not pay the Application Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest or any mode other than blocked amounts in the bank account maintained with SCSB;
- Do not send Application Forms by post; instead submit the same to the Designated Intermediary only;
- Do not submit the Application Forms to any non-SCSB bank or our Company;
- Do not apply on a Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
- Do not apply for a 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 the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Prospectus;
- Do not submit the General Index Register number instead of the PAN;
- Do not submit the Application without ensuring that funds equivalent to the entire Application Amount are blocked in the relevant ASBA Account;
- Do not submit more than 1 Application Form for each UPI ID in case of Retail Applicants Applying through the Designated Intermediary using the UPI Mechanism;
- Do not submit Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;
- Do not submit a Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
- Do not apply if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
- Do not make applications using third party bank accounts or using third party linked bank account UPI IDs;
- Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Applications submitted by Retail Applicants using the UPI mechanism;
- Do not submit incorrect UPI ID details, if you are a Retail Applicants applying through UPI Mechanism;
- Do not submit more than One Application Form per ASBA Account;
- Do not submit an Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise
- If you are a Non-Institutional Applicant or Retail Individual Applicant, do not submit your Application after 3.00 p.m. on the Issue Closing Date;

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Instructions for completing the Application Form

In addition to the instructions for completing the Application Form provided in the sub-section “*General Information Document for Investing in Public Offers – Applying in the Offer – Instructions for filing the Bid cum Application Form / Application Form*” Applicants are requested to note the additional instructions provided below.

1. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal. Applications must be in single name or in joint names (not more than three, and in the same order as their Depository Participant details).
2. Applications must be made in a single name or in joint names (not more than three, and in the same order as their details appear with the Depository Participant), and completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the Prospectus and in the Application Form.
3. Applications on a repatriation basis shall be in the names of FIIs or FPIs but not in the names of minors, OCBs, firms or partnerships and foreign nationals.

Payment Instructions

The entire Issue Price of Rs. [●] per Equity Share is payable on Application. In case of allotment of lesser number of Equity Shares than the number applied, then the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants.

Issuance of a Confirmation of Allocation Note (“CAN”) and Allotment in the Issue

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the Lead Managers or Registrar to the Issue shall send to the SCSBs a list of their Applicants who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Applicant.

Basis of Allotment

Allotment will be made in consultation with NSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
 - a) Each successful applicant shall be allotted [●] equity shares; and
 - b) The successful applicants out of the total applicants for that category shall be determined by the drawls of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of [●] equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
5. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the

balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares.

6. 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) The 50% net Issue of shares to the Public (i.e. [●] Equity Shares) shall be made available for allotment to retail individual investors; and
 - b) The balance net Issue of shares to the public (i.e. [●] Equity Shares) shall be made available for allotment to Non-Institutional Investors, including Qualified Institution Buyers, Corporate Bodies/ Institutions.
 - c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

Explanation: If the retails individual investor category is entitled to more than allocated portion on proportionate basis, the retails individual investors shall be allocated that higher percentage.

Please note that the Allotment to each Retail Individual Investor shall not be less than the minimum application lot, subject to availability of Equity Shares in the Retail portion. The remaining available Equity Shares, if any in Retail portion shall be allotted on a proportionate basis to Retail individual Investor in the manner in the chapter titled “*Issue Procedure - Basis of Allotment*” on Page No. 149 of this Draft Prospectus.

“Retail Individual Investor” means an investor who applies for shares of value of not more than Rs. 2,00,000. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with the EMERGE Platform of National Stock Exchange of India Limited.

In the event of under subscription in the Issue, the obligations of the Underwriter shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100% of the Issue size as specified in the chapter titled “*General information*” beginning on Page No. 35 shall be achieved before our Company proceeds to get the basis of allotment approved by the Designated Stock Exchange.

The Executive Director/Managing Director of the EMERGE Platform of National Stock Exchange of India Limited – the Designated Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2018.

Right to Reject Applications

In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

Grounds for Rejections

In addition to the grounds for rejection of Application on technical grounds as provided in the “*General Information Document for Investing in Public Offers*” Applicants are requested to note that Applications may be rejected on the following additional technical grounds.

- Applications submitted without payment of the entire Application Amount;
- Applications submitted by Applicants which do not contain details of the Application Amount and the bank account details / UPI ID in the Application Form;
- Applications submitted on a plain paper;
- Applications submitted by Applicants using third party bank accounts or using a third party linked bank account UPI ID;

- Applications by HUFs not mentioned correctly as given in the sub-section “Who can Apply?” in this chapter;
- Application Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
- Application submitted without the signature of the First Applicant or sole Applicants;
- Applications by person for whom PAN details have not been verified and whose beneficiary accounts are ‘suspended for credit’ in terms of SEBI circular (reference number: CIR/MRD/DP/ 22 /2010) dated July29, 2010;
- GIR number furnished instead of PAN;
- Application by Retail Individual Applicants with Application Amount for a value of more than Rs. 2,00,000;
- Applications by person who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
- Applications by Applicants (who are not Anchor Investors) accompanied by cheques or demand drafts;
- Applications accompanied by stock invest, money order, postal order or cash;
- Application by OCB.

APPLICANT SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGE BY THE BROKERS DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE APPLICATION FORM IS LIABLE TO BE REJECTED.

Designated Date and Allotment

- a) Our Company will ensure that the Allotment and credit to the successful Applicants’ depository account will be completed within six Working Days, or such period as may be prescribed by SEBI, of the Issue Closing Date or such other period as may be prescribed.
- b) Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.
- c) Allottees will have the option to re-materialise the Equity Shares so allotted as per the provisions of the Companies Act, 2013 and the Depositories Act.

Communications

All future communications in connection with Applications made in this Issue should be addressed to the Registrar 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 SCSB / Designated Intermediary, where the Application was submitted and bank account number in which the amount equivalent to the Application Amount was blocked.

Applicants can contact the Compliance Officer or the Registrar in case of any pre-issue or post-issue related problems such as non-receipt of letters of Allotment, credit of allotted shares in the respective beneficiary accounts, refund orders etc. In case of ASBA Applications submitted to the Designated Branches of the SCSBs, the Applicants can contact the Designated Branches of the SCSBs.

Letters of Allotment or Refund Orders or Instructions to the SCSBs

The Registrar to the Issue shall give instructions for credit to the beneficiary account with depository participants within 6 Working Days from the Issue Closing Date. the Registrar shall instruct the relevant SCSBs to, on the receipt of such instructions from the Registrar, unblock the funds in the relevant ASBA Account to the extent of the Application

Amount specified in the Application Form or the relevant part thereof, for withdrawn, rejected or unsuccessful or partially successful Applications within 6 Working Days of the Issue Closing Date.

Mode of Refund

Within 6 Working Days of the Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Application and also for any excess amount blocked on Application.

Interest in case of delay in allotment or refund:

The Issuer shall allot the equity shares offered to the public within the period prescribed by the Board. The Issuer may pay interest at the rate of 15% per annum in case demat credits are not made to Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within 15 Days of the Issue Closing Date.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 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”**

Undertaking by our Company

We undertake the following:

- 1) If our Company does not proceed with the Issue after the Issue Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the Pre-Issue advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 2) If our Company withdraw 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 Issue;
- 3) The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- 4) All steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of the Issue Closing Date;
- 5) Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days from the Issue Closing Date, or such time period as specified by SEBI, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- 6) The funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
- 7) Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the

prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period;

- 8) The certificates of the securities/refund orders to Eligible NRIs shall be dispatched within specified time;
- 9) No further Issue of Equity Shares shall be made till the Equity Shares offered through this Issue Document are listed or until the Application monies are refunded on account of non-listing, under-subscription etc;
- 10) That our Promoter contribution in full has already been brought in;
- 11) Adequate arrangements shall be made to collect all Application Forms.

Utilization of Issue Proceeds

The Board of Directors certifies that:

1. All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;
2. Details of all monies utilized out of the Issue shall be disclosed and continue to be disclosed till any part of the issue proceeds remains unutilized under an appropriate separate head in the Company's balance sheet indicating the purpose for which such monies have been utilized;
3. Details of all unutilized monies out of the Issue, if any shall be disclosed under an appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested and
4. Our Company shall comply with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue respectively;
5. Our Company shall not have recourse to utilize 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.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the FEMA and various regulations made thereunder. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”) makes policy announcements on FDI through press notes and press releases which are notified by the RBI as amendments to the FEMA. The DIPP also issues the Consolidated Foreign Direct Investment Policy (“**FDI Policy**”) from time to time. The regulatory framework pertaining to foreign investment, over a period of time, thus, consists of acts, regulations, master circulars, press notes, press releases, and clarifications among other amendments.

India’s current FDI Policy issued by the DIPP with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP till August 27, 2017. All the press notes, press releases, clarifications on FDI issued by DIPP till August 27, 2017 stand rescinded as on August 28, 2017. In terms of the FDI Policy, Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the Government route, depending upon the sector in which foreign investment is sought to be made. In terms of the FDI Policy, the work of granting government approval for foreign investment under the FDI Policy and FEMA Regulations has now been entrusted to the concerned Administrative Ministries/Departments.

FDI for the items or activities that cannot be brought in under the automatic route may be brought in through the approval route. Foreign investment is allowed up to 100% under automatic route, subject to applicable laws/regulations, security and other conditionalities in our Company. For further details kindly refer the chapter titled “*Key Industry Regulations and Policies*” beginning on Page no. 78 of this Draft Prospectus.

RBI has also issued Master Direction-Foreign Investment in India dated January 4, 2018 (“**Master Direction**”). In terms of the Master Direction, an Indian company may issue fresh shares to persons resident outside India (who are eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Directions.

The RBI, in exercise of its power under the FEMA, has also notified Foreign Exchange Management (Non-debt Instruments) Rules, 2019 and Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. SEBI registered FPIs have been permitted to purchase shares of an Indian company through the Offer, subject to total FPI investment being within the individual FPI/sub account investment limit of less than 10% of the total paid-up equity capital on a fully diluted basis of the Company subject to the total holdings of all FPIs/sub accounts including any other direct and indirect foreign investments in the Company shall not exceed 24% of the paid-up equity capital of the Company on a fully diluted basis. The aggregate limit of 24% in case of FPIs may be increased up to the sectoral cap/statutory ceiling, as applicable, by the Company concerned by passing of resolution by the Board of the Company to that effect and by passing of a special resolution to that effect by its Shareholders. With effect from April 1, 2020, the aggregate limit of 24% shall increase to the sectoral cap applicable to the Indian Company which in case of our Company is 100%. Further, the aggregate limit as provided above may be decreased by the Company to a lower threshold limit of 24% or 49% or 74% as deemed fit, with the approval of its Board of Directors through a resolution and also of its shareholders by means of a special resolution, before 31st March, 2020. In the event the Company decreases its aggregate limit to 24% or 49% or 74%, then it may increase such aggregate limit to 49% or 74% or the sectoral cap or statutory ceiling, respectively as deemed fit, with the approval of its Board of Directors through a resolution and of its shareholders by means of a special resolution. However, once the aggregate limit has been increased to a higher threshold, the Company cannot reduce the same to a lower threshold. Further, eligible NRIs and OCIs investing on repatriation basis are subject to individual investment limit of 5% of the total paid-up equity capital on a fully diluted basis subject to the aggregate paid-value of the shares purchased by all NRIs and OCIs put together on repatriation basis not exceeding 10% of the total paid-up equity capital on a fully diluted basis of the Company. The aggregate limit of 10% in case of NRIs and OCIs together may be raised to 24 % if a special resolution to that effect is passed by the Shareholders of the Company.

The transfer of shares between an Indian resident and a Non-resident does not require prior approval of RBI, subject to fulfillment of certain conditions as specified by DIPP / RBI, from time to time. Such conditions include (i) the activities of the investee company are under the automatic route under the foreign direct investment (“**FDI**”) Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI. Investors are advised to refer to the exact text of the relevant statutory provisions of law before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

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

The above information is given for the benefit of the Bidders. 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. Bidders are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them.

Revised Policy for Investment by Non-Resident Entities in India Amid current COVID-19 Pandemic Conditions:

In order to curb opportunistic takeover / acquisition of Indian Companies due to current COVID-19 pandemic conditions, the Government of India has vide Press Note No. 3(2020 Series) have amended the extant FDI Policy, 2017 according to which a non resident entity can invest in India, subject to the FDI Policy except in those sectors/activities which are prohibited. However, an entity of a country, which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, can invest only under the Government route. Further In the event of the transfer of ownership of any existing or future FDI in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the restriction/purview as mentioned herein, such subsequent change in beneficial ownership will also require Government approval.

SECTION IX – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

ARTICLES OF ASSOCIATION OF

SANMATI PRECISION ENGINEERING LIMITED

(Company limited by Shares in accordance to the Companies Act, 2013)

The following Regulations comprised in the Articles of Association were adopted pursuant to the Members' Resolution passed at the Extra-Ordinary General Meeting of the Company held on March 30, 2019 in substitution for, and to the entire exclusion of the earlier Regulations comprised in the extent Articles of Association of the Company

PRELIMINARY

1. No regulation contained in Table F in the First Schedule to the Companies Act, 2013 shall apply to this Company, but the regulation for the management of the Company and for the observance of the Members thereof and their representatives shall, subject to any exercise of the statutory powers of the Company with reference to the repeal or alterations of, or addition thereto, by Special Resolution as prescribed by the said Act, be as such as are contained in these Articles

INTERPRETATION

2. In these Articles unless there be something in the subject matter or context inconsistent therewith:

“The Company” or “this Company” means SANMATI PRECISION ENGINEERING LIMITED

“The Act” means the Companies Act, 2013, or any statutory modification or re-enactment, clarifications and notification 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.

“Annual General Meeting” means a general meeting of the members held as such, in accordance with the provisions of the Act.

“Beneficial Owner” means a person as defined by section 2(1)(a) of the Depositories Act, 1996.

“The Board” or the “Board of Directors” means the collective body of the Directors of the Company.

“Capital” means the Share capital, for the time being, raised or authorised to be raised, for purposes of the Company.

“Debenture” includes debenture stock, bonds or any other instrument of the Company evidencing the debts whether constituting the charge on the assets of the Company or not.

“Depositories Act 1996” means The Depositories Act, 1996 and includes any statutory modification or re-enactment thereof for the time being in force.

“Depository” means and includes a Company as defined in section 2(1) (e) of “The Depositories Act, 1996.

“Directors” means a director appointed to the Board of the Company.

“Dividend” includes interim dividend.

“Extra-ordinary General Meeting” means an extraordinary general meeting of the members, duly called and constituted, and any adjourned holding thereof.

“In writing” or “written” include printing, lithography and other modes of representing or reproducing words in a visible form.

“Member” means member as defined under section 2(55) of the Companies Act, 2013

“Office” means the registered office, for the time being, of the Company.

“Ordinary resolution” and “special resolution” shall have the same meaning assigned thereto by the Act.

“Paid-up” means paid up capital as defined under section 2(64) of the Companies Act, 2013.

“Participant” means individual / institutions as defined under Section 2(1)(g) of the Depositories Act, 1996.

“Persons” include corporations and firms as well as individuals.

“Register of Members” means the Register of Members to be kept pursuant to the Act, and includes index of beneficial owners mentioned by a Depository.

“The Registrar” means, Registrar as defined under section 2(75) of the Companies Act, 2013.

“Secretary” means a Company Secretary, within the meaning of clause (c) of sub section (1) of section 2 of Company Secretaries Act, 1980, who is appointed by the Company to perform the functions of the Company Secretary under this Act

“Seal” means the common seal, for the time being, of the Company.

“Share” means a Share in the capital of the Company, and includes stock, except where a distinction between Stock and Shares is express or implied.

“Year” means a calendar year and “financial year” shall have the same meaning as assigned thereto by or under the Companies Act, 2013.

Words importing the singular number include, where the context admits or requires, the plural number and vice versa.

Words importing the masculine gender also include the feminine gender.

The margin notes, if used or incorporated, or, after being used, removed, at any time thereafter, in these Articles shall not affect the construction hereof.

Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning so far as these Articles are concerned.

The Section number, with relation to the Act, referred to anywhere in these presents, may be deemed to have been replaced by such other number or numbers, as may, after the amendments or modifications effected in the Act or repeal of the Act and introduction of the new Act as such in its place, contain the relevant provisions, in the context or circumstances of that respective Article, as may be proper and justifiable and shall be interpreted in its true intention.

GENERAL AUTHORITY

3. Where the Act requires that the company cannot undertake any act or exercise any rights or powers, unless expressly authorized by its articles, these articles shall in relation to the Company, be deemed to confer such right, authority or power.

CAPITAL AND INCREASE AND REDUCTION THEREOF

4. The Authorized Share Capital of the Company is such amount, as stated, for the time being, or may be varied, from time to time, under the provisions of the Act, in the Clause V of the Memorandum of Association of the Company, divided into such number, classes and descriptions of Shares and into such denominations, as stated therein, and further with such powers to increase the same or otherwise as stated therein.

5. The Company, in general meeting, may, from time to time, increase the capital by the creation of new shares. Such increase in the capital shall be of such aggregate amount and to be divided into such number of Shares of such respective amounts, as the resolution, so passed in that respect, shall prescribe. Subject to the provisions of the Act, any Shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the general meeting, resolving upon the creation thereof, shall direct, and, if no direction be given, as the Directors shall determine, and, in particular, such Shares may be issued with a preferential, restricted or qualified right to dividends, and in the distribution of assets of the Company, on winding up, and with or without a right of voting at general meetings of the Company, in conformity with and only in the manner prescribed by the provisions of the Act. Whenever capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the applicable provisions of the Act.

6. Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered as part of the existing capital and shall be subject to the provisions contained herein with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting or otherwise.

7. Subject to the provisions of Section 55 of the Act and the rules made thereunder, the Company shall have the power to issue preference shares, which are liable to be redeemed and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption.

8. On the issue of Redeemable Preference Shares under the provisions of the preceding Article, the following provisions shall take effect:-

- (i) No such Shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of Shares made for the purpose of the redemption.
- (ii) No such shares shall be redeemed unless they are fully paid;
- (iii) The premium, if any, payable on redemption, must have been provided for, out of the profits of the Company or the Share Premium Account of the Company before, the Shares are redeemed; and
- (iv) Where any such Shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund to be called “Capital Redemption Reserve Account”, a sum equal to the nominal amount of the Shares redeemed and the provisions of the Act, relating to the reduction of the Share Capital of the Company, shall, except as provided in Section 80 of the Act, apply as if “Capital Redemption Reserve Account” were paid up Share capital of the Company.

9. Subject to Section 66 of the Companies Act, 2013, the Company may by special resolution, reduce its capital and any Capital Redemption Reserve Account or Other Premium Account, for the time being, in any manner, authorized by law, and, in particular, without prejudice to the generality of the foregoing powers, the capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power, the Company would have, if it were omitted.

10. Subject to the applicable provisions of the Act, the Company, in general meeting, may, from time to time, sub-divide, reclassify or consolidate its Shares or any of them, and the resolution whereby any Share is sub-divided, may determine that, as between the holders of the Shares resulting from such sub-division, one or more of such Shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other or others. Subject as aforesaid, the Company, in general meeting, may also cancel shares, which have not been taken or agreed to be taken by any person, and diminish the amount of its Share capital by the amount of the Shares so cancelled.

11. Whenever the capital, by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the applicable provisions of the Act, be modified, commuted, affected or abrogated, or dealt with by an agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified, in writing, by holders of at least three-fourths in nominal value of the issued Shares of the class or is confirmed by a special resolution passed at a separate general meeting of the holders of Shares of that class and all the provisions hereinafter contained as to general meetings, shall, mutatis mutandis, apply to every such meeting.

SHARES AND CERTIFICATES

12. The Company shall keep or cause to be kept a Register and Index of Members, in accordance with the applicable Sections of the Act. The Company shall be entitled to keep, in any State or Country outside India, a Branch Register of Members, in respect of those residents in that State or Country.

13. The Shares, in the capital, shall be numbered progressively according to their several classes and denominations, and, except in the manner hereinabove mentioned, no Share shall be sub-divided. Every forfeited or surrendered Share may continue to bear the number by which the same was originally distinguished with, or as may be otherwise, as may be decided by the Board of Directors or required by any other authority, as may be, for the time being, in force.

14.

- (i) Where at the time, it is proposed to increase the subscribed capital of the Company by allotment of further Shares either out of the unissued or out of the increased Share capital then:
 - (a) Such further Shares shall be offered to the persons who at the date of the offer, are holders of the Equity Shares of the Company, in proportion, as near as circumstances admit, to the capital paid up on those Shares at that date.
 - (b) Such offer shall be made by a notice specifying the number of Shares offered and limiting a time not less than fifteen days and not exceeding thirty days from the date of the offer within which the offer if not accepted, will be deemed to have been declined.
 - (c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to him in favour of any other person and the notice referred to in sub-clause (b) hereof shall contain a statement of this right provided that the Directors may decline, without assigning any reason to allot any Shares to any person in whose favour any member may, renounce the Shares offered to him.
 - (d) After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the Company.
- (ii) Notwithstanding anything contained in sub-clause (i) thereof, the further Shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub-clause (i) hereof) in any manner either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a Registered Valuer subject to such conditions prescribed in the rules made thereunder.
- (iii) Nothing in sub-clause (c) of (i) hereof shall be deemed:

- (a) To extend the time within the offer should be accepted; or
 - (b) To authorize any person to exercise the right of renunciation for a second time, on the ground that the person in whose favor the remuneration was first made has declined to take the Shares comprised in the renunciation.
- (iv) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the Debenture issued or loans raised by the Company to convert such Debenture or loans into Shares in the Company. Provided that the terms of issue of such Debentures or the terms of such loans loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the Company in general meeting.

15. Subject to the provisions of Section 62 of the Companies Act, 2013 and the rules made thereunder and these Articles of the Company for the time being shares shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at part and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give any person or persons the option or right to call for any Shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid up Shares and if so issued, shall be deemed to be fully paid Shares. Provided that option or right to call of Shares shall not be given to any person or persons without the sanction of the Company in the General Meeting. The Board shall cause to be filed the returns as to allotment as may be prescribed from time to time.

16. In addition to and without derogating from the powers for that purpose conferred on the Board under the preceding two Articles, the Company, in general meeting, may determine that any Shares, whether forming part of the original capital or of any increased capital of the Company, shall be offered to such persons, whether or not the members of the Company, in such proportion and on such terms and conditions and, subject to compliance with the provisions of applicable provisions of the Act, either at a premium or at par, as such general meeting shall determine and with full power to give any person, whether a member or not, the option to call for or be allotted Shares of any class of the Company either, subject to compliance with the applicable provision of the Act, at a premium or at par, such option being exercisable at such times and for such consideration as may be directed by such general meeting, or the Company in general meeting may make any other provision whatsoever for the issue, allotment or disposal of any Shares.

17. Any application signed by or on behalf of an applicant for subscription for Shares in the Company, followed by an allotment of any Shares therein, shall be an acceptance of Shares within the meaning of these Articles, and every person, who, thus or otherwise, accepts any Shares and whose name is entered on the Register shall, for the purpose of these Articles, be a member.

18. 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, in the manner prescribed by the Board.

19. Every member or his heirs, executors or administrators, shall pay to the Company the portion of the capital represented by his Share or Shares which may, for the time being, remain unpaid thereon, in such amounts, at such time or times, and in such manner as the Board shall, from time to time, in accordance with the Regulations of the Company, require or fix for the payment thereof.

20.

- (i) Every Member shall be entitled, without payment, to one or more certificates in marketable lots, for all the Shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such Shares and the Company shall complete and have ready for delivery such certificates within two (2) months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one (1) month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its Shares as the case may be. Every certificate of Shares shall be under the seal of the Company and shall specify the number and distinctive numbers of Shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a Share or Shares held jointly by several persons the Company

shall not be bound to issue more than one certificate and delivery of a certificate of Shares to one of several joint holders shall be sufficient delivery to all Shareholders. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a power of attorney and the Secretary or some other person appointed by the Board for the purpose, and such two Directors or their attorneys, and the Secretary or other person shall sign the Share Certificates, provided that, if the composition of the Board permits, provided that, of it, at least one of the aforesaid two Directors shall be a person other than Managing Director or a Wholetime Director. Particulars of every Share certificates issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue.

- (ii) Any two or more joint allottees, in respect of a Share, shall, for the purpose of this Article, be treated as a single member, and the certificate of any Share, which may be subject of joint ownership, may be delivered to the person named first in the order or otherwise even to any one of such joint owners, on behalf of all of them. For any further certificate, the Board shall be entitled but shall not be bound to prescribe a charge not exceeding Rupee 50(fifty) per such certificate. In this respect, the Company shall comply with the applicable provisions, for the time being, in force, of the Act.
- (iii) A director may sign a Share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Directors shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

21.

- (i) The Directors may, if they think fit, subject to the provisions of Section 50 of the Act, agree to receive from any member willing to advance the same, all or any part of the amount of his Shares beyond the sums actually called up and upon the monies so paid in advance or upon so much thereof as from time to time exceeds the amount of the calls then made upon the Shares in respect of which such advances has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.
The member shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.
The Provisions of these Articles shall mutatis mutandis apply to the calls on Debentures of the Company.
- (ii) When a new Share certificate has been issued in pursuance of the preceding clause of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "Issued in lieu of Share Certificate No..... sub-divided/replaced/on consolidation of Shares".
- (iii) If any certificate be worn out, defaced, mutilated, or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, and a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificates under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs. 50/- (Fifty) for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.
Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf.
- (iv) When a new Share certificate has been issued in pursuance of the preceding clause of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "DUPLICATE. Issued in lieu of Share Certificate No." The word "DUPLICATE" shall be stamped or punched in bold letters across the face of the Share certificate.
- (v) Where a new Share certificate has been issued in pursuance of clause (i) or clause (iii) of this Article, particulars of every such Share certificate shall be entered in a Register of Renewed and Duplicate Share Certificates, indicating against the names of the person or persons to whom the certificate is issued, the number and date of issue of the Share certificate, in lieu of which the new certificate is issued, and the necessary changes indicated in the Register of Members by suitable cross reference in the "Remarks" column.
- (vi) All blank forms to be issued for issue of Share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively numbered, whether by machine, hand or otherwise, and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary, where there is no

Secretary, the Managing Director or Whole time Director, and where there is no such director, the Chairman of the Board, for the time being, or otherwise of such other person, as the Board may appoint for the purpose, and the Secretary, such director, Chairman or such other person shall be responsible for rendering an account of these forms to the Board.

- (vii) The Managing Director of the Company, for the time being, or, if the Company has no Managing Director, every director of the Company shall be severally responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of Share certificates except the blank forms of Share certificates referred to in Clause (vi) of this Article.
- (viii) All books referred to in clause (vii) of this Article shall be preserved in good order permanently, or for such period as may be prescribed by the Act or the Rules made thereunder.

22. If any Share stands in the names of two or more persons, the person first named, in the Register, shall, as regards receipt of dividends or bonus or service of notices and all or any matter connected with the Company, except voting at meetings and the transfer of the Shares, be deemed the sole holder thereof but the joint holders of a Share shall be severally as well as jointly liable for the payment of all installments of calls due in respect of such Share and for all incidents otherwise.

23. Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize any equitable, contingent, future or partial interest in any Share, or, except only as is, by these presents, otherwise expressly provided, any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person, from time to time, registered as the holder thereof, but the Board shall be, at liberty, at their sole discretion, to register any Share in the joint names of any two or more persons or the survivor or survivors of them.

24. Subject to the provisions of Sections 68 to 70 of the Act 2013 and the rules thereunder, the Company may purchase its own Shares or other specified securities out of free reserves, the securities premium account or the proceeds of issue of any Share or specified securities.

25. Subject to the provisions contained in sections 68 to 70 and all applicable provisions of the Act and subject to such approvals, permissions, consents and sanctions from the concerned authorities and departments, including the Securities and Exchange Board of India and the Reserve Bank of India, if any, the Company may, by passing a special resolution at a general meeting, purchase its own Shares or other specified securities (hereinafter referred to as 'buy-back') from its existing Shareholders on a proportionate basis and/or from the open market and/or from the lots smaller than market lots of the securities (odd lots), and/or the securities issued to the employees of the Company pursuant to a scheme of stock options or sweat Equity, from out of its free reserves or out of the securities premium account of the Company or out of the proceeds of any issue made by the Company specifically for the purpose, on such terms, conditions and in such manner as may be prescribed by law from time to time; provided that the aggregate of the securities so bought back shall not exceed such number as may be prescribed under the Act or Rules made from time to time.

COMMISSION AND BROKERAGE

26. Subject to the provisions of Section 40 of the Act 2013 and the rules thereof, the Company may, at any time, pay a commission to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any Shares in or Debentures of the Company or procuring or agreeing to procure the subscribers, whether absolutely or conditional, for any Shares in or Debentures of the Company, but so that the commission shall not exceed, in the case of Shares, five per cent of the price at which the Shares are issued and, in the case of Debentures two and half per cent of the price at which the Debentures are issued, and such commission may be satisfied in any such manner, including the allotment of the Shares or Debentures, as the case may be, as the Board thinks fit and proper.

27. Subject to the provisions of the Act, the Company may pay a reasonable sum for brokerage.

CALLS

28. The Board may, from time to time, subject to the terms on which any Shares may have been issued and subject to the conditions of allotment, by a resolution passed only at a duly constituted meeting of the Board, make such call, as it thinks fit, upon the members in respect of all moneys unpaid on the Shares held by them respectively and each member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board. A call may be made payable by instalments.

29. At least fifteen days' notice, in writing, of any call, shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call be paid.

30. A call shall be deemed to have been made at the time when the resolution authorizing such call was passed at a meeting of the Board.

31. The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members whom owing to their residence at a distance or other cause, the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension, save as a matter of grace and favor.

32. A call may be revoked or postponed at the discretion of Board.

33. The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.

34. If any members fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall, from time to time, be fixed by the Board, but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.

35. 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, the same becomes payable, and, in the case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise, shall apply, as if such sum had become payable by virtue of a call duly made and notified.

36. On the trial or hearing of any action or suit brought by the Company against any member or his representative for the recovery of any money claimed to be due to the Company in respect of his Shares, it shall be sufficient to prove that the name of the member, in respect of whose Shares the money is sought to be recovered, appears or is entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered, is alleged to have become due on the Shares in respect of which money is sought to be recovered, and that the resolution making the call is duly recorded in the minute book, and that notice, of which call, was duly given to the member or his representatives and used in pursuance of these Articles, and it shall not be necessary to prove the appointment of the Directors who made such call, and not that a quorum of Directors was present at the meeting of the Board at which any call was made, and nor that the meeting, at which any call was made, has duly been convened or constituted nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive of the debt.

37. Neither the receipt by the Company of a portion of any money which shall, from time to time, be due from any member to the Company in respect of his Shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as hereinafter provided.

38.

- (i) The Board may, if it thinks fit, agree to and receive from any member willing to advance the same all or any part of the amounts of his respective Shares beyond the sums actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and, at any time thereafter, as exceeds the amount of the calls then made upon and due in respect of the Shares on account of which such advances are made, the Board may pay or allow interest at such rate, as the member paying the sum in advance and the Board agrees upon, subject to the provisions of the Act. The Board may agree to repay, at any time, any amount so advanced or may, at any time, repay the same upon giving to the member 3 (Three) months' notice, in writing, provided that moneys paid, in advance of calls, on any Shares may carry interest but shall not confer a right to dividend or to participate in profits.
- (ii) No member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him, until the same would, but for such payment, become presently payable.

LIEN

39.

- (i) The Company shall have a first and paramount lien upon all the Shares/Debentures (other than fully paid-up Shares/Debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a

fixed time in respect of such Shares/Debentures and no equitable interest in any Shares shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in all respect of such Shares/Debentures. Unless otherwise agreed, the registration of a transfer of Shares/Debentures shall operate as a waiver of the Company's lien, if any, on such Shares/ Debentures. The Directors may at any time declare any Shares/Debentures wholly or in part to be exempt from the provisions of this clause.

- (ii) Every fully paid shares shall be free from all lien and that in the case of partly paid shares the Issuer's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares

40. For the purpose of enforcing such lien, the Board may sell the Shares, subject thereto, in such manner, as it shall think fit, and, for that purpose, may cause to be issued a duplicate certificate in respect of such Shares, and may authorize one of their members to execute a transfer thereof, on behalf of and in the name of such manner. No sale shall be made until such period, as aforesaid, shall have arrived and until notice, in writing, of the intention to sell, shall have been served on such member or his representatives and the default, whether express or implied, shall have been made by him or them in payment, fulfillment or discharge of such debts, liabilities or engagements, for such further days allowed, after the service of such notice, and stated therein.

41. The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount, in respect of which the lien exists, as is presently payable, and the residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the Shares before the sale, be paid to the persons entitled to the Shares at the date of the sale.

FORFEITURE OF SHARES

42. If any member fails to pay any call or installment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time thereafter, during such time as the call or installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

43. The notice shall name a day, not being less than 14 (Fourteen) days from the date of the notice, and a place or places on and at which such call or installment and such interest and expenses as aforesaid are to be paid. The notice shall also state, that, in the event of the non-payment at or before the time and at the place appointed, the Shares, in respect of which the call was made or instalment is payable, will be liable to be forfeited.

44. If the requirements of any such notice, as aforesaid, shall not be complied with, every or any Share, in respect of which such notice has been given, may, at any time thereafter, before payment of all calls or instalments, interest and expenses, as may be due in respect thereof, be forfeited by a resolution of the Board to that effect. Subject to the provisions of the Act, such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited Shares and not actually paid before the forfeiture.

45. When any Share shall have been so forfeited, notice of the forfeiture shall be given to the member, in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture with the date thereof, shall, forthwith, be made in the Register of Members. But no forfeiture shall be, in any manner, invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

46. Any Share, so forfeited, shall be deemed to be the property of the Company, and may be sold, re allotted or otherwise disposed off, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit.

47. Any member, whose Shares have been forfeited, shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand, all calls, instalments, interest and expenses owing upon or in respect of such Shares at the time of the forfeiture together with interest thereof, until payment, at such rate, as the Board may determine, and the Board may enforce the payment thereof, if it thinks fit.

48. The forfeiture of a Share shall involve extinction, at the time of the forfeiture, of all interests in and all claims and demands against the Company, in respect of such Share and all other rights, incidental to the Share, except only such of those rights as by these presents are expressly saved.

49. A declaration, in writing, that the declarant is a director or Secretary of the Company and that a Share in the Company has duly been forfeited in accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Shares.

50. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold, and cause the purchaser's name to be entered in the Register, in respect of the Shares sold, and the purchaser shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and, after his name has been entered in the Register, in respect of such Shares, the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only and exclusively against the Company and no one else.

51. Upon any sale, re allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued, in respect of the relative Shares, shall, unless the same shall, on demand by the Company, have been previously surrendered to it by the defaulting member, stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates, in respect of the said Shares, to the person or persons entitled thereto.

TRANSFER AND TRANSMISSION OF SHARES

52. The Company shall keep the "Register of Transfers" and therein shall fairly and distinctly enter particulars of every transfer or transmission of any Share.

53. No transfer shall be registered, unless a proper instrument of transfer has been delivered to the Company. Every instrument of transfer shall be duly stamped, under the relevant provisions of the Law, for the time being, in force, and shall be signed by or on behalf of the transferor and the transferee, and in the case of a Share held by two or more holders or to be transferred to the joint names of two or more transferees by all such joint holders or by all such joint transferees, as the case may be, and the transferor or the transferors, as the case may be, shall be deemed to remain the holder or holders of such Share, until the name or names of the transferee or the transferees, as the case may be, is or are entered in the Register of Members in respect thereof. Several executors or administrators of a deceased member, proposing to transfer the Share registered in the name of such deceased member, or the nominee or nominees earlier appointed by the said deceased holder of Shares, in pursuance of the Article 73, shall also sign the instrument of transfer in respect of the Share, as if they were the joint holders of the Share.

54. Shares in the Company may be transferred by an instrument, in writing, in the form, as shall, from time to time, be approved by the Directors provided that, if so required by the provisions of the Act, such instrument of Transfer shall be in the form prescribed thereunder, and shall be duly stamped and delivered to the Company within the prescribed period. All the provisions of Section 56 of the Act, 2013 shall be duly complied with in respect of all transfers of Shares and registration thereof.

55. The Board shall have power, on giving 7 (Seven) days' previous notice, by advertisement in some newspaper circulating in the district in which the Registered Office of the Company is, for the time being, situated, to close the transfer books, the Register of Members of Register of Debenture holders, at such time or times and for such periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year, as it may seem expedient.

56. Subject to the provisions of Section 58 and 59 of the Companies Act 2013, these Articles Section 22A of the Securities Contract (Regulation) Act, 1956 and any other applicable provisions of the Act or any other law for the time being in force, the Board may, refuse, whether in pursuance of any power of the Company under these Articles or otherwise, to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a member in, or Debentures of the Company, the Board shall within one month from the date on which the instrument of transfer, or the intimation of such transmission as the case may be, was delivered to the Company, send to the transferee and transferor or to the person giving intimation of such transmission, as the case may be, notice of the refusal to register such transfer, giving reasons for such refusal provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the Company has a lien on the Shares. Transfer of Shares/ Debentures in whatever lot shall not be refused.

57. An application for the registration of a transfer of Shares in the Company may be made either by the transferor or the transferee. Where such application is made by a transferor and relates to partly paid Shares, the Company shall give notice of the application to the transferee. The transferee may, within two weeks from the date of the receipt of the notice and not later, object to the proposed transfer. The notice to the transferee shall be deemed to have been duly given, if dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been delivered at the time when it would have been delivered in the ordinary course of post.

58. In the case of the death of any one or more of the persons named in the Register of Members as the joint holders of any Share, the survivor or survivors shall be the only persons recognized by the Company as having any title to or interest in such Share, but 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.

59. Subject to the provisions of Article 72 hereunder, the executors or administrators or holders of a such Succession Certificate or the legal representative of a deceased member, not being one of two or more joint holders, shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such member, and the Company shall not be bound to recognize such executors or administrators or holders of a Succession Certificate or the legal representatives, unless such executors or administrators or legal representatives shall have first obtained Probate or Letters of Administration or Succession Certificate, as the case may be, from a duly constituted Court in the Union of India, provided that, in cases, the Board may dispense with production of probate or letters of Administration or Succession Certificate upon such terms as to indemnify or otherwise, as the Board, in its absolute discretion, may think necessary, in the circumstances thereof, and, in pursuance of the Article 61 here in under, register the name of any person, who claims to be absolutely entitled to the Shares standing in the name of a deceased member, as a member.

60. No Share shall, in any circumstances, be transferred to any infant, insolvent or person of unsound mind, and that no Share, partly paid up, be issued, allotted or transferred to any minor, whether alone or along with other transferees or allottees, as the case may be.

61. So long as the director having unlimited liability has not discharged all liabilities, whether present or future, in respect of the period for which he is and continues to be, so long, liable, he shall not be entitled to transfer the Shares held by him or cease to be a member of the Stock Exchange(s) to the end and intent that he shall continue to hold such minimum number of Shares as were held by him prior to his becoming a director with unlimited liability.

62. Subject to the provisions of Articles 57, 58 and 72 hereof, any person becoming entitled to Shares in consequences of the death, lunacy, bankruptcy or insolvency of any member, or the marriage of any female member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Board, which it shall not be under any obligation to give, upon producing such evidence that he sustains the character in respect of which he proposes to act under the Article or of his title, as the Board thinks sufficient, either be registered himself as the holder of the Share or elect to have some person, nominated by him and approved by the Board, registered as such person, provided, nevertheless, that if such person shall elect to have his nominee registered, he shall testify the election by executing in favor of his nominee an instrument of transfer in accordance with the provisions herein to in these Articles as "The Transmission Article".

63. Subject to the provisions of the Act, a person entitled to a Share by transmission shall, subject to the right of the Directors to retain such dividend or money as hereinafter provided, be entitled to receive and may be given a discharge for, any dividends or other moneys payable in respect of the Share.

64. No fees shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar document.

65. The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of Shares made or purporting to be made by any apparent legal owner thereof, as shown or appearing in the Register of Members, to the prejudice of 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 of such transfer, and may have entered such notice, referred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board shall so think fit.

65A. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its Securities and to offer Securities in a dematerialized form pursuant to the Depositories Act, 1996.

65B. Every holder of or subscriber to Securities of the Company shall have the option to receive Security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the Securities can at any time opt out of a Depository, if permitted by law, in respect of any Security in the manner provided by the Depositories Act, 1996 and the Company shall in the manner and within the time

prescribed, issued to the beneficial owner the required Certificates for the Securities. If a person opts to hold its Security with a Depository, the Company shall intimate such Depository the details of allotment of the Security.

64C. All Securities of the Company held by the Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 89 and 186 of the Act 2013 shall apply to a Depository in respect of the Securities of the Company held by it on behalf of the beneficial owners.

64D.

- (i) Notwithstanding anything to the contrary contained in the Act, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Security of the Company on behalf of the beneficial owner.
- (ii) Save as otherwise provided in (i) above, the Depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.
- (iii) Every person holding Securities of the Company and whose name is entered as the beneficial owner in the record of the Depository shall be deemed to be a member of the Company. The beneficial owner of Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Securities which are held by a Depository.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

66. The Company, by resolution in general meeting, may convert any paid up Shares into stock, or may, at any time, reconvert any stock into paid up Shares of any denomination. When any Shares shall have been converted into stock, the several holders of such stock may thenceforth transfer their respective interests therein, or any part of such interest, in the same manner and, subject to the same regulations as to which Shares in the Company may be transferred or as near thereto as circumstances will admit. But the Directors may, from time to time, if they think fit, fix the minimum amount of stock transferable, and restrict or forbid the transfer of fractions of that minimum, but with full power nevertheless, at their discretion, to waive such rules in any particular case. The notice of such conversion of Shares into stock or reconversion of stock into Shares shall be filed with the Registrar of Companies as provided in the Act.

67. The Stock shall confer on the holders thereof respectively the same privileges and advantages, as regards participation in profits and voting at meetings of the Company and, for other purposes, as would have been conferred by Shares of equal amount in the capital of the Company of the same class as the Shares from which such stock was converted but no such privilege or advantage, except the participation in profits of the Company, or in the assets of the Company on a winding up, shall be conferred by any such aliquot part or, consolidated stock as would not, if existing in Shares, have conferred such privileges or advantages. No such conversion shall affect or prejudice any preference or other special privilege attached to the Shares so converted. Save as aforesaid, all the provisions herein contained shall, so far as circumstances will admit, apply to stock as well as to Shares and the words "Share" and "Shareholder" in these presents shall include "stock" and "stock-holder".

68. The Company may issue Share warrants in the manner provided by the said Act and accordingly the Directors may, in their discretion, with respect to any fully paid up Share or stock, on application, in writing, signed by the person or all persons registered as holder or holders of the Share or stock, and authenticated by such evidence, if any, as the Directors may, from time to time, require as to the identity of the person or persons signing the application, and on receiving the certificate, if any, of the Share or stock and the amount of the stamp duty on the warrant and such fee as the Directors may, from time to time, prescribe, issue, under the Seal of the Company, a warrant, duly stamped, stating that the bearer of the warrant is entitled to the Shares or stock therein specified, and may provide by coupons or otherwise for the payment of future dividends, or other moneys, on the Shares or stock included in the warrant. On the issue of a Share warrant the names of the persons then entered in the Register of Members as the holder of the Shares or stock specified in the warrant shall be struck off the Register of Members and the following particulars shall be entered therein.

- (i) fact of the issue of the warrant.
- (ii) a statement of the Shares or stock included in the warrant distinguishing each Share by its number, and
- (iii) the date of the issue of the warrant.

69. A Share warrant shall entitle the bearer to the Shares or stock included in it, and, notwithstanding anything contained in these articles, the Shares or stock shall be transferred by the delivery of the Share-warrant, and the provisions of the regulations of the Company with respect to transfer and transmission of Shares shall not apply thereto.

70. The bearer of a Share-warrant shall, on surrender of the warrant to the Company for cancellation, and on payment of such fees, as the Directors may, from time to time, prescribe, be entitled, subject to the discretion of the

Directors, to have his name entered as a member in the Register of Members in respect of the Shares or stock included in the warrant.

71. The bearer of a Share-warrant shall not be considered to be a member of the Company and accordingly save as herein otherwise expressly provided, no person shall, as the bearer of Share-warrant, sign a requisition for calling a meeting of the Company, or attend or vote or exercise any other privileges of a member at a meeting of the Company, or be entitled to receive any notice from the Company of meetings or otherwise, or qualified in respect of the Shares or stock specified in the warrant for being a director of the Company, or have or exercise any other rights of a member of the Company.

72. The Directors may, from time to time, make rules as to the terms on which, if they shall think fit, a new Share warrant or coupon may be issued by way of renewal in case of defacement, loss, or destruction.

NOMINATION BY SECURITY HOLDER

73.

- (i) Every holder of Securities in the Company may, at any time, nominate, in the prescribed manner, a person to whom his Securities in the Company, shall vest in the event of his death.
- (ii) Where the Securities in the Company are held by more than one person jointly, the joint-holders may together nominate, in the prescribed manner, a person to whom all the rights in the Securities in the Company shall vest in the event of death of all joint holders.
- (iii) Notwithstanding anything contained in these Articles or any other law, for the time being, in force, or in any disposition, whether testamentary or otherwise, in respect of such Securities in the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the Securities in the Company, the nominee shall, on the death of the Shareholders of the Company or, as the case may be, on the death of the joint holders, become entitled to all the rights in the Securities of the Company or, as the case may be, all the joint holders, in relation to such securities in the Company, to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.
- (iv) In the case of fully paid up Securities in the Company, where the nominee is a minor, it shall be lawful for the holder of the Securities, to make the nomination to appoint in the prescribed manner any person, being a guardian, to become entitled to Securities in the Company, in the event of his death, during the minority.

74.

- (i) Any person who becomes a nominee by virtue of the provisions of the preceding Article, upon the production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either -
 - (a) to be registered himself as holder of the Share(s); or
 - (b) to make such transfer of the Share(s) as the deceased Shareholder could have made.
- (ii) If the person being a nominee, so becoming entitled, elects to be registered as holder of the Share(s), himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder.
- (iii) All the limitations, restrictions and provisions of the Act relating to the right to transfer and the registration of transfers of Securities shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer has been signed by that Shareholder.
- (iv) A person, being a nominee, becoming entitled to a Share by reason of the death of the holder, shall be entitled to the same dividends and other advantages which he would be entitled if he were the registered holder of the Share except that he shall not, before being registered a member in respect of his 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(s) and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Share(s) or until the requirements of the notice have been complied with.

MEETING OF MEMBERS

75.

- (i) The Company shall, in each year, hold a general meeting as its Annual General Meeting. Any meeting, other than Annual General Meeting, shall be called Extra-ordinary General Meeting.
- (ii) Not more than 15 (Fifteen) months or such other period, as may be prescribed, from time to time, under the Act, shall lapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar

- under the provisions of the Act to extend time within which any Annual General Meeting may be held.
- (iii) Every Annual General Meeting shall be called for a time during business hours ie., between 9 a.m. and 6 p.m., on a day that is not a National Holiday, and shall be held at the Office of the Company or at some other place within the city, in which the Office of the Company is situated, as the Board may think fit and determine and the notices calling the Meeting shall specify it as the Annual General Meeting.
- (iv) Every member of the Company shall be entitled to attend, either in person or by proxy, and by way of a postal ballot whenever and in the manner as may permitted or prescribed under the provisions of the Act, and the Auditors to the Company, who shall have a right to attend and to be heard, at any general meeting which he attends, on any part of the business, which concerns him as the Auditors to the Company, further, the Directors, for the time being, of the Company shall have a right to attend and to be heard, at any general meeting, on any part of the business, which concerns them as the Directors of the Company or generally the management of the Company.
- (v) At every Annual General Meeting of the Company, there shall be laid, on the table, the Directors' Report and Audited Statements of Account, Auditors' Report, the proxy Register with forms of proxies, as received by the Company, and the Register of Directors' Share holdings, which Register shall remain open and accessible during the continuance of the meeting, and therefore in terms of the provisions of Section 96 of the Act, the Annual General Meeting shall be held within six months after the expiry of such financial year. The Board of Directors shall prepare the Annual List of Members, Summary of the Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar in accordance with the applicable provisions of the Act.

76. The Board may, whenever it thinks fit, call an Extra-ordinary General Meeting and it shall do so upon a requisition, in writing, by any member or members holding, in aggregate not less than one-tenth or such other proportion or value, as may be prescribed, from time to time, under the Act, of such of the paid-up capital as at that date carries the right of voting in regard to the matter, in respect of which the requisition has been made.

77. Any valid requisition so made by the members must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the office, provided that such requisition may consist of several documents, in like form, each of which has been signed by one or more requisitionists.

78. Upon receipt of any such requisition, the Board shall forthwith call an Extra-ordinary General Meeting and if they do not proceed within 21 (Twenty-one) days or such other lessor period, as may be prescribed, from time to time, under the Act, from the date of the requisition, being deposited at the office, to cause a meeting to be called on a day not later than 45 (Forty-five) days or such other lessor period, as may be prescribed, from time to time, under the Act, from the date of deposit of the requisition, the requisitionists, or such of their number as represent either a majority in value of the paid up Share capital held by all of them or not less than one-tenth of such of the paid up Share Capital of the Company as is referred to in Section 100(4) of the Act, whichever is less, may themselves call the meeting, but, in either case, any meeting so called shall be held within 3 (Three) months or such other period, as may be prescribed, from time to time, under the Act, from the date of the delivery of the requisition as aforesaid.

79. Any meeting called under the foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible as that in which such meetings are to be called by the Board.

80. At least 21 (Twenty-one) days' notice, of every general meeting, Annual or Extra-ordinary, and by whomsoever called, specifying the day, date, place and hour of meeting, and the general nature of the business to be transacted there at, shall be given in the manner hereinafter provided, to such persons as are under these Articles entitled to receive notice from the Company, provided that in the case of an General Meeting, with the consent of members holding not less than 95 per cent of such part of the paid up Share Capital of the Company as gives a right to vote at the meeting, a meeting may be convened by a shorter notice. In the case of an Annual General Meeting of the Shareholders of the Company, if any business other than

- (i) the consideration of the Accounts, Balance Sheet and Reports of the Board and the Auditors thereon,
- (ii) the declaration of dividend,
- (iii) appointment of directors in place of those retiring,
- (iv) the appointment of, and fixing the remuneration of, the Auditors,

is to be transacted, and in the case of any other meeting, in respect of any item of business, a statement setting out all material facts concerning each such item of business, including, in particular, the nature and extent of the interest, if any, therein of every director and manager, if any, where any such item of special business relates to, or affects any other company, the extent of shareholding interest in that other company or every director and manager, if any, of the Company shall also be set out in the statement if the extent of such Share-holding interest is not less than such percent, as may be prescribed, from time to time, under the Act, of the paid-up Share

Capital of that other Company.

Where any item of business consists of the according of approval of the members to any document at the meeting, the time and place, where such document can be inspected, shall be specified in the statement aforesaid.

81. The accidental omission to give any such notice as aforesaid to any of the members, or the non-receipt thereof shall not invalidate any resolution passed at any such meeting.

82. No general meeting, whether Annual or Extra-ordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.

83. Subject to the provisions of the Act and these Articles, five(5) shareholders shall constitute quorum in Shareholder's Meetings of the Company if number of shareholders as on date of meeting is not more than One Thousand; Fifteen (15) shareholders shall constitute quorum in Shareholder's Meetings of the Company if number of shareholders as on date of meeting is more than One Thousand but not more than Five Thousand; Thirty (30) shareholders shall constitute quorum in Shareholders' Meetings of the Company if number of shareholders as on date of meeting exceeds five thousand.

84. A body corporate, being a member, shall be deemed to be personally present, if it is represented in accordance with and in the manner as may be prescribed by, the applicable provisions of the Act.

85. If, at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum shall not be present, then the meeting, if convened by or upon the requisition of members, shall stand dissolved, but in any other case, it shall stand adjourned to such time on the following day or such other day and to such place, as the Board may determine, and, if no such time and place be determined, to the same day in the next week, at the same time and place in the city or town in which the office of the Company is, for the time being, situate, as the Board may determine, and, if at such adjourned meeting also, a quorum is not present, at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called.

86. The Chairman of the Board of Directors shall be entitled to take the chair at every general meeting, whether Annual or Extra-ordinary. If there be no such Chairman, or, if, at any meeting, he shall not be present within 15 (Fifteen) minutes of the time appointed for holding such meeting, then the members present shall elect another director as the Chairman of that meeting, and, if no director be present, or if all the Directors present decline to take the Chair, then the members present shall elect one among them to be the Chairman.

87. No business shall be discussed at any general meeting, except the election of a Chairman, whilst the Chair is vacant.

88. The Chairman, with the consent of the meeting, may adjourn any meeting, from time to time, and from place to place, in the city or town, in which the office of the Company is, for the time being, situate, but no business shall be transacted at any adjourned meeting, other than the business left unfinished, at the meeting, from which the adjournment took place.

89. At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is demanded, before or on the declaration of the result of the show of hands, by any member or members present in person or by proxy and holding Shares in the Company, which confer a power to vote on the resolution not being less than one-tenth or such other proportion as may statutorily be prescribed, from time to time, under the Act, of the total voting power, in respect of the resolution or on which an aggregate sum of not less than Rs. 500,000/- or such other sum as may statutorily be prescribed, from time to time, under the Act, has been paid up, and unless a poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried unanimously or by a particular majority, or has been lost and an entry to that effect in the minutes book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution.

90. In the case of an equality of votes, the Chairman shall, both on a show of hands and at a poll, if any, have a casting vote in addition to the vote of votes, if any, to which he may be entitled as a member, if he is.

91. If a poll is demanded as aforesaid, the same shall, subject to Article 93 hereinafter, be taken at Mumbai or, if not desired, then at such other place as may be decided by the Board, at such time not later than 48 (Forty-eight) hours from the time when the demand was made and place in the city or town in which the office of the Company is, for the time being, situate, and, either by open voting or by ballot, as the Chairman shall direct, and either at once or after an

interval or adjournment, or otherwise, and the result of the poll shall be deemed to be resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the persons, who made the demand.

92. Where a poll is to be taken, the Chairman of the meeting shall appoint one or, at his discretion, two scrutinisers, who may or may not be members of the Company to scrutinise the votes given on the poll and to report thereon to him, subject to that one of the scrutinisers so appointed shall always be a member, not being an officer or employee of the Company, present at the meeting, provided that such a member is available and willing to be appointed. The Chairman shall have power, at any time, before the result of the poll is declared, to remove a scrutinisher from office and fill the vacancy so caused in the office of a scrutinisher arising from such removal or from any other cause.

93. Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment of the meeting shall be taken forthwith at the same meeting.

94. The demand for a poll, except on questions of the election of the Chairman and of an adjournment thereof, 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.

VOTES OF MEMBERS

95. No member shall be entitled to vote either personally or by proxy at any general meeting or meeting of a class of Shareholders either upon a show of hands or upon a poll in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, or has exercised, any right of lien.

96. Subject to the provisions of these Articles and without prejudice to any special privileges or restrictions so to voting, for the time being, attached to any class of Shares, for the time being, forming part of the capital of the Company, every member, not disqualified by the last preceding Article shall be entitled to be present, speak and vote at such meeting, and, on a show of hands, every member, present in person, shall have one vote and, upon a poll, the voting right of every member present in person or by proxy shall be in proportion to his Share of the paid-up Equity Share Capital of the Company. Provided, however, if any preference Shareholder be present at any meeting of the Company, subject to the provision of section 47, he shall have a right to vote only on resolutions, placed before the meeting, which directly affect the rights attached to his Preference Shares.

97. On a poll taken at a meeting of the Company, a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes, he uses.

98. A member of unsound mind or in respect of whom an order has been made by a court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian; and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote, in respect of his Share or Shares, be used by his guardian, or any one of his guardians, if more than one, to be selected, in the case of dispute, by the Chairman of the meeting.

99. If there be joint registered holders of any Shares, any one of such persons may vote at any meeting or may appoint another person, whether a member or not, as his proxy, in respect of such Shares, as if he were solely entitled thereto, but the proxy so appointed shall not have any right to speak at the meeting and, if more than one of such joint holders be present at any meeting, then one of the said persons so present, whose name stands higher on the Register, shall alone be entitled to speak and to vote in respect of such Shares, but the other of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased member in whose name Shares stand shall, for the purpose of these Articles, be deemed joint holders thereof.

100. Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate, being a member, may vote either by a proxy or by a representative, duly authorised, in accordance with the applicable provisions, if any, of the Act, and such representative shall be entitled to exercise the same rights and powers, including the right to vote by proxy, on behalf of the body corporate, which he represents, as that body corporate could exercise, if it were an individual member.

101. Any person entitled, under the Article 61 hereinabove, to transfer any Share, may vote, at any general meeting, in respect thereof, in the same manner, as if he were the registered holder of such Shares provided that forty-eight hours

at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Directors of his right to transfer such Shares and give such indemnity, if any, as the Directors may require or the Directors shall have provisionally admitted his right to vote at such meeting in respect thereof.

102. Every proxy, whether a member or not, shall be appointed, in writing, under the hand of the appointer or his attorney, or if such appointer is a body corporate under the common seal of such corporate, or be signed by an officer or officers or any attorney duly authorised by it or them, and, for a member of unsound mind or in respect of whom an order has been made by a court having jurisdiction in lunacy, any committee or guardian may appoint such proxy. The proxy so appointed shall not have a right to speak on any matter at the meeting.

103. An instrument of Proxy may state the appointment of a proxy either for the purpose of a particular meeting specified in the instrument and any adjournment thereof or it may appoint for the purpose of every meeting of the Company or of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.

104. A member, present by proxy, shall be entitled to vote only on a poll.

105. The instrument appointing a proxy and a Power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of authority, shall be deposited at the Office not later than 48 (Forty-eight) hours before the time for holding the meeting at which the person named in the Instrument proposes to vote, and, in default, the Instrument of Proxy shall not be treated as valid. No instrument appointing a proxy shall be a valid after the expiration of 12 (Twelve) months or such other period as may be prescribed under the Laws, for the time being, in force, or if there shall be no law, then as may be decided by the Directors, from the date of its execution.

106. Every Instrument of proxy, whether for a specified meeting or otherwise, shall, as nearly as circumstances thereto will admit, be in any of the forms as may be prescribed from time to time.

107. A vote, given in accordance with the terms of an Instrument of Proxy, shall be valid notwithstanding the previous death of insanity of the principal, or revocation of the proxy or of any power of Attorney under which such proxy was signed or the transfer of the Share in respect of which the vote is given, provided that no intimation, in writing, of the death or insanity, revocation or transfer shall have been received at the Office before the meeting.

108. No objections shall be made to the validity of any vote, except at any meeting or poll at which such vote shall be tendered, and every vote, whether given personally or by proxy, or not disallowed at such meeting or on a poll, shall be deemed as valid for all purposes of such meeting or a poll whatsoever.

109. 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.

110.

- (i) The Company shall cause minutes of all proceeding of every general meeting to be kept by making, within 30 (Thirty) days of the conclusion of every such meeting concerned, entries thereof in books kept, whether manually in the registers or by way of loose leaves bound together, as may be decided by the Board of Directors, for that purpose with their pages consecutively numbered.
- (ii) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period, by a director duly authorised by the Board for that purpose.
- (iii) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
- (iv) The minutes of each meeting shall contain a fair and correct summary of the proceedings there at.
- (v) All appointments made at any meeting aforesaid shall be included in the minutes of the meeting.
- (vi) Nothing herein contained shall require or to be deemed to require the inclusion, in any such minutes, of any matter, which, in the opinion of the Chairman of the meeting, (i) is or could reasonably be regarded as, defamatory of any person, or (ii) is irrelevant or immaterial to the proceedings, or (iii) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.
- (vii) Any such minutes shall be conclusive evidence of the proceedings recorded therein.
- (viii) The book containing the minutes of proceedings of general meetings shall be kept at the Office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than

2 (Two) hours, in each day, as the Directors determine, to the inspection of any member without charge.

DIRECTORS

111. Until otherwise determined by a general meeting of the Company and, subject to the applicable provisions of the Act, the number of Directors) shall not be less than three nor more than fifteen.

The First Directors of the Company are:

1. **Mr. Sheetal Rajgonda Patil**
2. **Mr. Shital Adinath Ketkale**
3. **Mrs. Vaishali Shital Ketkale**

112.

- (i) Whenever, Directors enter into a contract with any Government, whether central, state or local, bank or financial institution or any person or persons (hereinafter referred to as "the appointer") for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or for underwriting or enter into any other arrangement whatsoever or in case of Promoters of the Company (hereinafter referred as "Promoters"), the Directors shall have, subject to the provisions of Section 152 and other applicable provisions, if any, of the Act, the power to agree that such appointer or Promoters shall have the right to appoint or nominate by a notice, in writing, addressed to the Company, one or more Directors on the Board (hereinafter referred to as "Special Director") for such period and upon such terms and conditions, as may be mentioned in the agreement if any, and that such Director or Directors may or may not be liable to retire by rotation, nor be required to hold any qualification Shares. The Directors may also agree that any such Director or Directors may be removed, from time to time, by the appointer or Promoter, entitled to appoint or nominate them and the appointer or Promoter may appoint another or others in his or their place and also fill in vacancy, which may occur as a result of any such director or directors ceasing to hold that office for any reasons whatsoever. The directors, appointed or nominated under this Article, shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the directors of the Company including payment of remuneration, sitting fees and travelling expenses to such director or directors, as may be agreed by the Company with the appointer.
- (ii) The Special Directors, appointed under the preceding Article, shall be entitled to hold Office until required by the Government, person, firm, body corporate promoters or financial institution/s who may have appointed them. A Special Director shall not be required to hold any qualification Share(s) in the Company. As and when a Special Director vacates Office, whether upon request as aforesaid or by death, resignation or otherwise, the Government, person, firm or body corporate promoters or financial institution, who appointed such Special Director, may appoint another director in his place. Every nomination, appointment or removal of a Special Director or other notification, under this Article, shall be in writing and shall, in the case of the Government, be under the hand of a Secretary or some other responsible and authorised official to such Government, and in the case of a company or financial institution, under the hand of director of such company or institution duly authorised in that behalf by a resolution of the Board of Directors. Subject as aforesaid, a Special Director shall be entitled to the same rights and privileges and be subject to the same of obligations as any other director of the Company.

113. If it is provided by the Trust Deed, securing or otherwise, in connection with any issue of Debentures of the Company, that any person or persons shall have power to nominate a director of the Company, then in the case of any and every such issue of Debentures, the person or persons having such power may exercise such power, from time to time, and appoint a director accordingly. Any director so appointed is hereinafter referred to as "the Debenture Director". A Debenture Director may be removed from Office, at any time, by the person or persons in whom, for the time being, is vested the power, under which he was appointed, and another director may be appointed in his place. A Debenture Director shall not be required to hold any qualification Share(s) in the Company.

114. Subject to the provisions of section 161(2) of the Act, 2013, The Board may appoint an alternate director to act for a director (hereinafter called "the Original Director") during his absence for a period of not less than 3 (Three) months or such other period as may be, from time to time, prescribed under the Act, from the India, in which the meetings of Board are ordinarily held. An alternate director appointed, under this Article, shall not hold Office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate Office, if and when the Original Director returns to that State. If the term of Office of the Original Director is determined before he so returns to that State, any provisions in the Act or in these Articles for the automatic re-appointment of a retiring director, in default of another appointment, shall apply to the original director and not to the alternate director.

115. Subject to the provisions of section 161(1) of the Act, 2013, the Board shall have power, at any time and from time to time, to appoint any other qualified person to be an Additional Director, but so that the total number of Directors shall not, at any time, exceed the maximum fixed under these Articles. Any such Additional Director shall hold Office only upto the date of the next Annual General Meeting.

116. Subject to the provisions of section 152 and 162 of the Act, 2013, the Board shall have power, at any time and from time to time, to appoint any other qualified person to be a director to fill a casual vacancy. Any person so appointed shall hold Office only upto the date, upto which the director in whose place he is appointed would have held Office if it had not been vacated by him.

117. A director shall not be required to hold any qualification Share(s) in the Company.

118.

- (i) Subject to the provisions of section 196, 197 and read with schedule V of the Companies Act, 2013, a Managing Director or Director who is in the Whole-time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other, or in any other manner, as may be, from time to time, permitted under the Act or as may be thought fit and proper by the Board or, if prescribed under the Act, by the Company in general meeting.
- (ii) Subject generally to the provisions of the Act, and, in the case of the Managing Director, subject to the provisions of the Articles herein below, as may be applicable, the Board shall have power to pay such remuneration to a director for his services, Whole-time or otherwise, rendered to the Company or for services of professional or other nature rendered by him, as may be determined by the Board. If any director, being willing, shall be called upon to perform extra services or make any special exception in going to or residing at a place other than the place where the director usually resides, or otherwise in or for the Company's business or for any of the purpose of the Company, then, subject to the provisions of the Act, the Board shall have power to pay to such director such remuneration, as may be determined by the Board.
- (iii) Subject to the provisions of the Act, a director, who is neither in the Whole-time employment nor a Managing Director, may be paid remuneration either;
 - (a) by way of monthly, quarterly or annual payment with the approval of the Central Government; or
 - (b) by way of commission, if the Company, by a special resolution, authorizes such payment.
- (iv) The fee payable to a director, excluding a Managing or Whole time Director, if any, for attending a meeting of the Board or Committee thereof shall be such sum, as the Board may, from time to time, determine, but within and subject to the limit prescribed by the Central Government pursuant to the provisions, for the time being, under the Act.

119. The Board may allow and pay to any director such sum, as the Board may consider fair compensation, for travelling, boarding, lodging and other expenses, in addition to his fee for attending such meeting as above specified and if any director be called upon to go or reside out of the ordinary place of his residence for the Company's business, he shall be entitled to be repaid and reimbursed of any travelling or other expenses incurred in connection with business of the Company. The Board may also permit the use of the Company's car or other vehicle, telephone(s) or any such other facility, by the director, only for the business of the Company.

120. The continuing Directors may act, notwithstanding, any vacancy in their body but if, and so long as their number is not reduced below the minimum number fixed by Article 111 hereof. the continuing Directors, not being less than two, may only act, for the purpose of increasing the number of Directors to that prescribed minimum number or of summoning a general meeting but for no other purpose.

121. The office of director shall be vacated, pursuant to the provisions of section 164 and section 167 of the Companies Act, 2013. Further, the Director may resign his office by giving notice to the Company pursuant to section 168 of the Companies Act, 2013

122. The Company shall keep a Register, in accordance with Section 189(1) of the Act, and within the time as may be prescribed, enter therein such of the particulars, as may be relevant having regard to the application thereto of Section 184 or Section 188 of the Act, as the case may be. The Register aforesaid shall also specify, in relation to each director of the Company, names of the bodies corporate and firms of which notice has been given by him, under the preceding two Articles. The Register shall be kept at the Office of the Company and shall be open to inspection at such Office, and the extracts may be taken there from and copies thereof may be required by any member of the Company to the same extent, in the same manner, and on payment of the same fee as in the case of the Register of Members of the

Company and the provisions of Section 189(3) of the Act shall apply accordingly.

123. A director may be or become a director of any other Company promoted by the Company or in which it may be interested as a vendor, Shareholder or otherwise, and no such director shall be accountable for any benefits received as director or Shareholder of such Company except in so far as the provisions of the Act may be applicable.

124.

- (i) At every Annual General Meeting of the Company, one-third of such of the Directors, for the time being, as are liable to retire by rotation or if their number is not three or a multiple of three, the number nearest to one-third shall retire from Office. The Independent, Nominee, Special and Debenture Directors, if any, shall not be subject to retirement under this clause and shall not be taken into account in determining the rotation of retirement or the number of directors to retire, subject to Section 152 and other applicable provisions, if any, of the Act.
- (ii) Subject to Section 152 of the Act, the directors, liable to retire by rotation, at every annual general meeting, shall be those, who have been longest in Office since their last appointment, but as between the persons, who became Directors on the same day, and those who are liable to retire by rotation, shall, in default of and subject to any agreement among themselves, be determined by lot.

125. A retiring director shall be eligible for re-election and shall act as a director throughout the meeting at which he retires.

126. Subject to Section 152 of the Act, the Company, at the general meeting at which a director retires in manner aforesaid, may fill up the vacated Office by electing a person thereto.

127.

- (i) If the place of retiring director is not so filled up and further the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place or if that day is a public holiday, till the next succeeding day, which is not a public holiday, at the same time and place.
- (ii) If at the adjourned meeting also, the place of the retiring director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring director shall be deemed to have been re-appointed at the adjourned meetings, unless:-
 - (a) at that meeting or at the previous meeting, resolution for the re-appointment of such director has been put to the meeting and lost;
 - (b) the retiring director has, by a notice, in writing, addressed to the Company or its Board, expressed his unwillingness to be so re-appointed;
 - (c) he is not qualified, or is disqualified, for appointment.
 - (d) a resolution, whether special or ordinary, is required for the appointment or re-appointment by virtue of any provisions of the Act; or
 - (e) Section 162 of the Act is applicable to the case.

128. Subject to the provisions of Section 149 of the Act, the Company may, by special resolution, from time to time, increase or reduce the number of directors, and may alter their qualifications and the Company may, subject to the provisions of Section 169 of the Act, remove any director before the expiration of his period of Office and appoint another qualified person in his stead. The person so appointed shall hold Office during such time as the director, in whose place he is appointed, would have held, had he not been removed.

129.

- (i) No person, not being a retiring director, shall be eligible for appointment to the office of director at any general meeting unless he or some member, intending to propose him, has, not less than 14 (Fourteen) days or such other period, as may be prescribed, from time to time, under the Act, before the meeting, left at the Office of the Company, a notice, in writing, under his hand, signifying his candidature for the Office of director or an intention of such member to propose him as a candidate for that office, along with a deposit of Rupees One lakh or such other amount as may be prescribed, from time to time, under the Act,, which shall be refunded to such person or, as the case may be, to such member, if the person succeeds in getting elected as a director or gets more than twenty-five per cent of total valid votes cast either on show of hands or on poll on such resolution.
- (ii) 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 of the Act 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, the consent, in writing, to act as a director, if appointed.

- (iii) A person, other than a director re-appointed after retirement by rotation immediately on the expiry of his term of Office, or an Additional or Alternate Director, or a person filling a casual vacancy in the Office of a director under Section 161 of the Act, appointed as a director or reappointed as a director immediately on the expiry of his term of Office, shall not act as a director of the Company, unless he has, within thirty days of his appointment, signed and filed with the Registrar his consent, in writing, to act as such director.

130. The Company shall keep at its Office a Register containing the particulars of its directors and key managerial personnel and their shareholding as mentioned in Section 170 of the Act, and shall otherwise comply with the provisions of the said Section in all respects.

131. Every director and Key Managerial Personnel within a period of thirty days of his appointment, or relinquishment of his office, as the case may be, disclose to the company the particulars specified in sub-section (1) of section 184 relating to his concern or interest in any company or companies or bodies corporate (including shareholding interest), firms or other association which are required to be included in the register under that section 189 of the Companies Act, 2013.

MANAGING DIRECTOR

132.

- (i) Subject to the provisions of the Act and of these Articles, the Board shall have power to appoint, from time to time, any of its member as a Managing Director or Managing Directors of the Company for a fixed term, not exceeding 5 (Five) years at a time, and upon such terms and conditions as the Board thinks fit, and subject to the provisions of the succeeding Article hereof, the Board may, by resolution, vest in such Managing Director or Managing Directors such of the powers hereby vested in the Board generally, as it thinks fit, and such powers may be made exercisable for such period or periods; and upon such conditions and subject to such restrictions, as it may determine. The remuneration of a Managing Director may be by way of salary and/or allowances, commission or participation in profits or perquisites of any kind, nature or description, or by any or all of these modes, or by any other mode(s) not expressly prohibited by the Act or the Rules made thereunder, or any notification or circular issued under the Act.
- (ii) The Board shall have power to appoint an individual as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company at the same time.

133. Subject to the superintendence, directions and control of the Board, the Managing Director or Managing Directors shall exercise the powers, except to the extent mentioned in the matters, in respect of which resolutions are required to be passed only at the meeting of the Board, under Section 179 of the Act and the rules made thereunder

134. Subject also to the other applicable provisions, if any, of the Act, the Company shall not appoint or employ, or continue the appointment or employment of, a person as its Managing or Whole-time Director who :-

- (i) is below the age of twenty-one years or has attained the age of seventy years
- (ii) is an undischarged insolvent, or has any time been adjudged an insolvent;
- (iii) suspends, or has at any time suspended, payment to his creditors, or makes or has, at any time, made, a composition with them; or
- (iv) is or has, at any time, been convicted by a Court and sentenced for a period of more than six months.

PROCEEDINGS OF THE BOARD OF DIRECTORS

135. Unless decided by the Board to the contrary, depending upon the circumstances of the case, a Managing Director shall not, while he continues to hold that office, be subject to retirement by rotation, in accordance with the Article 124 hereof. If he ceases to hold the office of director, he shall ipso-facto and forthwith ceases to hold the office of Managing Director.

136. The Directors may meet together as a Board for the despatch of business, from time to time, and shall so meet at least once in every 3 (Three) months and at least 4 (Four) such meetings shall be held in every year in such a manner that not more than one hundred and twenty days (120) days shall intervene between two consecutive meetings of the Board. The Directors may adjourn and otherwise regulate their meetings as they think fit, subject to the provisions of the Act. The Board of directors may participate in a meeting of the Board either in person or through video conferencing or other audio visual means, as may be prescribed, which are capable of recording and recognising the participation of the directors and of recording and storing the proceedings of such meetings along with date and time subject to the rules as may be prescribed.

137. Not less than seven (7) days Notice of every meeting of the Board may be given, in writing, 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. Subject to the provisions of section 173(3) meeting may be called at shorter notice.

138. Subject to Section 174 of the Act, the quorum for a meeting of the Board shall be one-third of its total strength, excluding Directors, if any, whose places may be vacant at the time and any fraction contained in that one-third being rounded off as one, or two directors, whichever is higher, provided that where, at any time, the number of interested directors exceeds or is equal to two-thirds of the total strength the number of the remaining directors, that is to say, the number of directors who are not interested, present at the meeting, being not less than two, shall be the quorum, during such time.

139. If a meeting of the Board could not be held for want of quorum, then the meeting shall automatically stand adjourned for 30 minutes in the same day and at same place.

140. A director may, at any time, or Secretary shall, as and when directed by the any of the Directors to do so, convene a meeting of the Board, by giving a notice, in writing, to every other director.

141. The Board may, from time to time, elect one of their member to be the Chairman of the Board and determine the period for which he is to hold the office. If at any meeting of the Board, the Chairman is not present at a time appointed for holding the same, the directors present shall choose one of them, being present, to be the Chairman of such meeting.

142. Subject to the restrictive provisions of any agreement or understanding as entered into by the Company with any other person(s) such as the collaborators, financial institutions, etc., the questions arising at any meeting of the Board shall be decided by a majority of the votes of the directors present there at and, also subject to the foregoing, in the case of an equality of votes, the Chairman shall have a second or casting vote.

143. A meeting of the Board, at which a quorum is present, shall be competent to exercise all or any of the authorities, powers and discretions, which, by or under the Act or the Articles of the Company, are, for the time being, vested in or exercisable by the Board generally.

144. Subject to the restrictions contained in Section 179 of the Act 2013 and the rules made thereunder, the Board may delegate any of their powers to the committee of the Board, consisting of such number of its body, as it thinks fit, and it may, from time to time, revoke and discharge any such committee of the Board, either wholly or in part and either as to persons or purposes, but every committee of the Board, so formed, shall, in the exercise of the powers so delegated, conform to any regulations that may, from time to time, be imposed on it by the Board. All acts done by any such committee of the Board, in conformity with such regulations, and in fulfilment of the purposes of their appointment but not otherwise, shall have the like force and effect as if were done by the Board.

145. The meetings and proceedings of any meeting of such Committee of the Board, consisting of two or more members, shall be governed by the provisions contained herein for regulating the meetings and proceedings of the meetings of the directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.

146. No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the directors or to all the members of the Committee, then in India, not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be, and to all the directors or to all the members of the Committee, at their usual addresses in India and has been approved, in writing, by such of the directors or members of the Committee as are then in India, or by a majority of such of them, as are entitled to vote on the resolution.

147. All acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a director shall notwithstanding that it shall, afterwards, be discovered that there was some defect in the appointment of such director or persons acting as aforesaid or that they or any of them were or was, as the case may be, disqualified or had vacated office or that the appointment of any of them was disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had duly been appointed and was qualified to be a director and had not vacated his office or his appointed had not been terminated, provided that nothing in this Article shall be deemed to give validity to any act or acts done by a director or directors after his or their appointment(s) has or have been shown to the Company to be invalid or to have terminated.

148.

- (i) The Company shall cause minutes of all proceedings of every meeting of the Board and the Committee thereof to be kept by making, within 30 (Thirty) days of the conclusion of each such meeting, entries thereof in books kept, whether manually in the registers or by way of loose leaves bound together, as may be decided by the Board of Directors, for that purpose with their pages consecutively numbered.
- (ii) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
- (iii) In no case, the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
- (iv) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
- (v) All appointment made at any of the meetings aforesaid shall be included in the minutes of the meeting.
- (vi) The minutes shall also contain:-
 - (a) the names of the Directors present at the meeting; and
 - (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.
- (vii) Nothing contained in sub-clauses (i) to (vii) shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairman of the meeting -
 - (a) is, or could reasonably be regarded as, defamatory of any person;
 - (b) is irrelevant or immaterial to the proceedings; or
 - (c) is detrimental to the interests of the Company;and that the Chairman shall exercise an absolute discretion with regard to the inclusion or non-inclusion of any matter in the minutes on the ground specified in this sub-clause.
- (viii) Minutes of the meetings kept in accordance with the aforesaid provisions shall be an evidence of the proceedings recorded therein.

149. Without prejudice to the general powers as well as those under the Act, and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles or otherwise, it is hereby declared that the Directors shall have, inter alia, the following powers, that is to say, power -

- (i) to pay the costs, charges and expenses, preliminary and incidental to the promotion, formation, establishment and registration of the Company;
- (ii) to pay and charge, to the account of the Company, any commission or interest lawfully payable thereon under the provision of the Act;
- (iii) subject to the provisions of the Act, to purchase or otherwise acquire for the Company any property, rights or privileges, which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit and being in the interests of the Company, and in any such purchase or other acquisition to accept such title or to obtain such right as the directors may believe or may be advised to be reasonably satisfactory;
- (iv) at their discretion and subject to the provisions of the Act, to pay for any property, right or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in Shares, Bonds, Debentures, mortgages, or other securities of the Company, and any such Shares may be issued either as fully paid up, with such amount credited as paid up thereon, as may be agreed upon, and any such bonds, Debentures, mortgages or other securities may either be specifically charged upon all or any part of the properties of the Company and its uncalled capital or not so charged;
- (v) to secure the fulfilment of any contracts or engagement entered into by the Company or, in the interests or for the purposes of this Company, by, with or against any other Company, firm or person, by mortgage or charge of all or any of the properties of the Company and its uncalled capital, for the time being, or in such manner and to such extent as they may think fit;
- (vi) to accept from any member, as far as may be permissible by law, a surrender of his Shares or any part thereof, whether under buy-back or otherwise, on such terms and conditions as shall be agreed mutually, and as may be permitted, from time to time, under the Act or any other Law or the Regulations, for the time being, in force,
- (vii) to appoint any person to accept and hold in trust, for the Company, any property belonging to the Company, in which it is interested, or for any other purposes, and execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees;
- (viii) 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 and of any differences to arbitration and observe and perform any awards made thereon;

- (ix) to act on behalf of the Company in all matters relating to bankruptcy and insolvents;
- (x) to make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company;
- (xi) subject to the applicable provisions of the Act, 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 realise such investments, save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name;
- (xii) 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 surety, for the benefit or purposes of the Company, such mortgages of the Company's property, present and future, as they may think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon;
- (xiii) to determine from time to time, who shall be entitled to sign, on behalf of the Company, bills, invoices, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and or any other document or documents and to give the necessary authority for such purpose, and further to operate the banking or any other kinds of accounts, maintained in the name of and for the business of the Company;
- (xiv) to distribute, by way of bonus, incentive or otherwise, amongst the employees of the Company, a Share or Shares in the profits of the Company, and to give to any staff, officer or others employed by the Company a commission on the profits of any particular business or transaction, and to charge any such bonus, incentive or commission paid by the Company as a part of the operational expenditure of the Company;
- (xv) to provide for the welfare of directors or ex-directors, Shareholders, for the time being, or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses or dwellings, or grants of moneys, whether as a gift or otherwise, pension, gratuities, allowances, bonus, loyalty bonuses or other payments, also whether by way of monetary payments or otherwise, or by creating and from time to time, subscribing or contributing to provident and other association, institutions, funds or trusts and by providing or subscribing or contributing towards places of worship, instructions and recreation, hospitals and dispensaries, medical and other attendance and other assistance, as the Board shall think fit, and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects, which shall have any moral or other claim to support or aid by the Company, either by reason of locality or place of operations, or of public and general utility or otherwise;
- (xvi) before recommending any dividend, to set aside out of the profits of the Company such sums, as the Board may think proper, for depreciation or to a Depreciation Fund, or to an Insurance Fund, a Reserve Fund, Capital Redemption Fund, Dividend Equalisation Fund, Sinking Fund or any Special Fund to meet contingencies or to repay debentures or debenture-stock, or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes, including the purposes referred to in the preceding clause, as the Board may, in their absolute discretion, think conducive to the interests of the Company and, subject to the provisions of the Act, to invest the several sums so set aside or so much thereof, as required to be invested, upon such investments, other than shares of the Company, as they may think fit, and from time to time, to deal with and vary such investments and dispose off and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes, as the Board, in their absolute discretion, think conducive to the interests of the Company, notwithstanding, that the matter, to which the Board apply or upon which they expend 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 Fund into such special funds, as the Board may think fit, with full power to transfer the whole or any portion of a Reserve Fund or divisions of a Reserve Fund and with full powers to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the Company or in the purchase of or repayment of debentures or debenture stock and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper, subject to the provisions of the applicable laws, for the time being, in force.
- (xvii) to appoint and at their discretion, remove or suspend such general managers, secretaries, assistants, supervisors, clerks, agents and servants or other employees, in or for permanent, temporary or special services, as they may, from time to time, think fit, and to determine their powers and duties and to fix

- their salaries, emoluments or remuneration of such amount, as they may think fit.
- (xviii) to comply with the requirements of any local laws, Rules or Regulations, which, in their opinion, it shall, in the interests of the Company, be necessary or expedient to comply with.
 - (xix) at any time, and from time to time, by power of attorney, under the Seal of the Company, to appoint any person or persons to be the attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions, not exceeding those vested in or exercisable by the Board under these presents and excluding the powers to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys, and for such period and subject to such conditions as the Board may, from time to time, think fit, and any such appointment may, if the Board thinks fit, be made in favour of the members or in favour of any Company, or the Share-holders, directors, nominees, or managers of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such Power of Attorney may contain such powers for the protection of convenience of person dealing with such Attorneys, as the Board may think fit, and may contain powers enabling any such delegates all or any of the powers, authorities and discretions, for the time being, vested in them;
 - (xx) Subject to the provisions of the Act, 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 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;
 - (xxi) from time to time, make, vary and repeal bylaws for the regulation of the business of the Company, its Officers and Servants.

MANAGEMENT

150. The Company shall not appoint or employ, at the same time, more than one of the following categories of managerial personnel, namely

- (i) Managing Director, and
- (ii) Manager

CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER

151. Subject to the provisions of the Act,—

- (i) A chief executive officer, manager, company secretary, 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, chief financial officer so appointed may be removed by means of a resolution of the Board;
- (ii) A director may be appointed as chief executive officer, manager, company secretary, chief financial officer.

152. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary, chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary, chief financial officer.

COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS

153. Copies of the Memorandum and Articles of Association of the Company and other documents, referred to in Section 17 of the Act, shall be sent by the Company to every member, at his request, within 7 (Seven) days of the request, on payment, if required by the Board, of the sum of Re.1/- (Rupee One Only) or such other higher sum, as may be prescribed, from time to time, under the Act and further decided, from time to time, by the Board, for each such copy.

SEAL

154.

- (i) The Board shall provide a Common Seal for the purposes of the Company, and shall have power, from time to time, to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal, for the time being, and that the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given. The Common Seal of the Company shall be kept at its office or at such other place, in India, as the Board thinks fit.
- (ii) The Common Seal of the Company shall be used by or under the authority of the Directors or by a Committee of the Board of Directors authorised by it in that behalf in the presence of at least one director, or Secretary or any other responsible officer of the Company as may be expressly authorised by

the Board by way of a resolution passed at their duly constituted meeting, who shall sign every instrument to which the seal is affixed. Such instruments may also be counter-signed by other officer or officers, if any, appointed for the purpose. However, the certificates, relating to Shares or Debentures in or of the Company, shall be signed in such manner as may be prescribed in the Act and/or any Rules thereunder.

DIVIDEND

155. The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these Articles, and further subject to the provisions of these Articles, shall be divisible among the members in proportion to the amount of capital paid up or credited as paid up to the Shares held by them respectively.

156. The Company, in general meeting, may declare that dividends be paid to the members according to their respective rights, but no dividends shall exceed the amount recommended by the Board, but the Company may, in general meeting, declare a smaller dividend than was recommended by the Board.

157. Subject to the applicable provisions of the Act, no dividend shall be declared or paid otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provisions of the 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 these provisions and remaining undistributed or out of both provided that :-

- (i) if the Company has not provided for any previous financial year or years it shall, before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year or out of the profits of any other previous financial year or years;
- (ii) if the Company has incurred any loss in any previous financial year or years the amount of loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the dividend is proposed to be declared or paid as against the profits of the Company for any financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of schedule II of the Act

158. The Board may, from time to time, pay to the members such interim dividend, as in their judgement, the position of the Company justifies.

159. Where capital is paid in advance of calls, such capital may carry interest as may be decided, from time to time, by the Board, but shall not, in respect thereof, confer a right to dividend or to participate in profits.

160. All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during which any portion or portions of the period in respect of which the dividend is paid up; but if any Share is issued on the terms providing that it shall rank for dividend as from a particular date or on such preferred rights, such Share shall rank for dividend accordingly.

161. The Board may retain the dividends payable upon Shares in respect of which any person is, under the Article 61 hereinabove, entitled to become a member, or which any person under that article is entitled to transfer until such person shall become a member in respect of such Shares, or shall duly transfer the same and until such transfer of Shares has been registered by the Company, notwithstanding anything contained in any other provision of the Act or these Articles, the provisions of Section 206A of the Act or the corresponding section of Act, 2013 as and when notified shall apply.

162. Any one of several persons, who are registered as joint holders of any Share, may give effectual receipts for all dividends or bonus and payments on account of dividends or bonus or other moneys payable in respect of such Shares.

163. No member shall be entitled to receive payment of any interest or dividend in respect of his Share or Shares, whilst any money may be due or owing from him to the Company in respect of such Share or Shares or otherwise howsoever, either alone or jointly with any other person or persons, and the Board may deduct, from the interest or dividend payable to any member, all sums of money so due from him to the Company.

164. Subject to the applicable provisions, if any, of the Act, a transfer of Shares shall not pass the right to any dividend declared thereon and made effective from the date prior to the registration of the transfer.

165. Unless otherwise directed, any dividend may be paid up by cheque or warrant or by a pay-slip sent through the post to the registered address of the member or person entitled, or, in the case of joint holders, to that one of them first named in the Register in respect of the joint holdings. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant or pay-slip

lost in transmission or for any dividend lost to the member or person entitled thereto due to or by the forged endorsement of any cheque or warrant or the fraudulent recovery of the dividend by any other means.

166.

- (i) If the Company has declared a dividend but which has not been paid or claimed within 30 (Thirty) days from the date of declaration the Company shall transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 (Thirty) days a special account to be opened by the Company in that behalf in any scheduled Bank called “the Unpaid Dividend Account of Sanmati Precision Engineering Limited”. The Company shall within a period of ninety days of making any transfer of an amount to the Unpaid Dividend Account, prepare a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person and place it on the website of the Company and also on any other website approved by the Central Government, for this purpose. No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law.
- (ii) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of 7 (Seven) years, from the date of such transfer shall be transferred by the Company to the Fund known as the Investor Education and Protection Fund established under Section 125 of the Act 2013.

167. Subject to the provisions of the Act, no unpaid dividend shall bear interest as against the Company.

168. Any general meeting declaring a dividend may, on the recommendation of the Directors, make a call on the members of such amount as the meeting decides, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the members, be set off against the calls.

CAPITALISATION

169.

- (i) The Company, in general meeting, may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the Reserve Fund, or any Capital Redemption Reserve Account or in the hands of the Company and available for dividend, or representing premium received on the issue of Shares and standing to the credit of the Share Premium Account, be capitalized and distributed amongst such of the Shareholders as would be entitled to receive the same, if distributed by way of dividend, and in the same proportion on the footing that they become entitled thereto as capital, and that all or any part of such capitalized fund be applied, on behalf of such Shareholders, in paying up in full either at par or at such premium, as the resolution may provide, any unissued Shares or Debentures or Debenture stock of the Company which shall be distributed accordingly on or towards payment of the uncalled liability on any issued Shares or Debentures, stock and that such distribution or payment shall be accepted by such Shareholders in full satisfaction of their interest in the said capitalised sum, provided that a Share Premium Account and a Capital Redemption Reserve Account may, for the purposes of this Article, only be applied for the paying of any unissued Shares to be issued to members of the Company as, fully paid up, bonus Shares.
- (ii) A general meeting may resolve that any surplus moneys arising from the realization of any capital assets of the Company, or any investments representing the same, or any other undistributed profits of the Company, not subject to charge for income tax, be distributed among the members on the footing that they receive the same as capital.
- (iii) For the purpose of giving effect to any resolution under the preceding paragraphs of this Article, the Board may settle any difficulty, which may arise, in regard to the distribution, as it thinks expedient, and, in particular, may issue fractional certificates and may fix the value for distribution of any specific assets, and may determine that such cash payments shall be made to any members upon the footing of the value so fixed or that fraction of value less than Rs.10/- (Rupees Ten Only) may be disregarded in order to adjust the rights of all parties, and may vest any such cash or specific assets in trustees upon such trusts for the person entitled to the dividend or capitalized funds, as may seem expedient to the Board. Where requisite, a proper contract shall be delivered to the Registrar for registration in accordance with Section 75 of the Act and the Board may appoint any person to sign such contract, on behalf of the persons entitled to the dividend or capitalized fund, and such appointment shall be effective.

ACCOUNTS

170. The Company shall keep at the Office or at such other place in India, as the Board thinks fit and proper, books of account, in accordance with the provisions of the Act with respect to :-

- (i) all sums of money received and expended by the Company and the matters in respect of which the

- receipt and expenditure take place;
- (ii) all sales and purchases of goods by the Company;
- (iii) the assets and liabilities of the Company;
- (iv) such particulars, if applicable to this Company, relating to utilization of material and/or labour or to other items of cost, as may be prescribed by the Central Government.

Where the Board decides to keep all or any of the books of account at any place, other than the Office of the Company, the Company shall, within 7 (Seven) days, or such other period, as may be fixed, from time to time, by the Act, of the decision, file with the Registrar, a notice, in writing, giving the full address of that other place.

The Company shall preserve, in good order, the books of account, relating to the period of not less than 8 (Eight) years or such other period, as may be prescribed, from time to time, under the Act, preceding the current year, together with the vouchers relevant to any entry in such books.

Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article, if proper books of account, relating to the transaction effected at the branch office, are kept at the branch office, and the proper summarized returns, made up to day at intervals of not more than 3 (Three) months or such other period, as may be prescribed, from time to time, by the Act, are sent by the branch office to the Company at its Office or other place in India, at which the books of account of the Company are kept as aforesaid.

The books of account shall give a true and fair view of the state of affairs of the Company or branch office, as the case may be, and explain the transactions represented by it. The books of account and other books and papers shall be open to inspection by any director, during business hours, on a working day, after a prior notice, in writing, is given to the Accounts or Finance department of the Company.

171. The Board shall, from time to time, determine, whether, and to what extent, and at what times and places, and under what conditions or regulations, the accounts and books of the Company or any of them shall be open to the inspection of members, not being the directors, and no member, not being a director, shall have any right of inspecting any account or books or document of the Company, except as conferred by law or authorised by the Board.

172. The Directors shall, from time to time, in accordance with sections 129 and 134 of the Act, cause to be prepared and to be laid before the Company in Annual General Meeting of the Shareholders of the Company, such Balance Sheets, Profit and Loss Accounts, if any, and the Reports as are required by those Sections of the Act.

173. A copy of every such Profit & Loss Accounts and Balance Sheets, including the Directors' Report, the Auditors' Report and every other document(s) required by law to be annexed or attached to the Balance Sheet, shall at least 21 (Twenty-one) days, before the meeting, at which the same are to be laid before the members, be sent to the members of the Company, to every trustee for the holders of any Debentures issued by the Company, whether such member or trustee is or is not entitled to have notices of general meetings of the Company sent to him, and to all persons other than such member or trustees being persons so entitled.

174. The Auditors, whether statutory, branch or internal, shall be appointed and their rights and duties shall be regulated in accordance with the provisions of the Act and the Rules made thereunder.

DOCUMENTS AND NOTICES

175.

- (i) A document or notice may be served or given by the Company on any member either personally or by sending it, by post or by such other means such as fax, e-mail, if permitted under the Act, to him at his registered address or, if he has no registered address in India, to the address, if any, in India, supplied by him to the Company for serving documents or notices on him.
- (ii) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, pre-paying, wherever required, and posting a letter containing the document or notice, provided that where a member has intimated to the Company, in advance, that documents or notices should be sent to him under a certificate of posting or by registered post, with or without the acknowledgement due, and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to be effected unless it is sent in the manner and, such service shall be deemed to have been effected, in the case of a notice of a meeting, at the expiration of forty-eight hours after the letter containing the document or notice is posted, and in any other case, at the time at which the letter would be delivered in the ordinary course of post.

176. A document or notice, whether in brief or otherwise, advertised, if thought fit by the Board, in a newspaper circulating in the neighbourhood of the Office shall be deemed to be duly served or sent on the day, on which the advertisement appears, on or to every member who has no registered address in India and has not supplied to the Company an address within India for the serving of documents on or the sending of notices to him.

177. A document or notice may be served or given by the Company on or to the joint holders of a Share by serving or giving the document or notice on or to the joint holder named first in the Register of Members in respect of the Share.

178. A document or notice may be served or given by the Company on or to the person entitled to a Share, including the person nominated in the manner prescribed hereinabove, in consequence of the death or insolvency of a member by sending it through the post as a prepaid letter addressed to them by name or by the title or representatives of the deceased, or assigned of the insolvent or by any like description, at the address, if any, in India, supplied for the purpose by the persons claiming to be entitled, or, until such an address has been so supplied, by serving the document or notice, in any manner in which the same might have been given, if the death or insolvency had not occurred.

179. Documents or notices of every general meeting shall be served or given in some manner hereinafter authorised on or to (i) every member, (ii) every person entitled to a Share in consequence of the death or insolvency of member, (iii) the Auditor or Auditors of the Company, and (iv) the directors of the Company.

180. Every person who, by operation of law, transfer or by other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which, previously to his name and address being entered on the Register of Members, shall have duly served on or given to the person from whom he derives his title to such Shares.

181. Any document or notice to be served or given by the Company may be signed by a director or some person duly authorised by the Board for such purpose and the signature thereto may be written, printed or lithographed.

182. All documents or notices to be served or given by members on or to the Company or any Officer thereof shall be served or given by sending it to the Company or Officer at the Office by post, under a certificate of posting or by registered post, or by leaving it at the Office, or by such other means such as fax, e-mail, if permitted under the Act.

WINDING UP

183. The Liquidator, on any winding up, whether voluntary or under supervision or compulsory, may, with the sanction of a special resolution, but subject to the rights attached to any Preference Share Capital, divide among the contributories, in specie, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories, as the liquidators, with the like sanction, shall think fit.

INDEMNITY AND RESPONSIBILITY

184. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favor or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

SECRECY

185.

- (i) Every director, manager, auditor, treasurer, trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with the 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 contained in these presents or the Memorandum of Association of the Company.
- (ii) No member shall be entitled to visit or inspect any works of the Company, without the permission of the Directors, or to require discovery of or any information respecting any details of the Company's trading or business or any matter which is or may be in the nature of a trade secret, mystery of trade, secret or patented process or any other matter, which may relate to the conduct of the business of the Company and, which in the opinion of the Directors, it would be inexpedient in the interests of the Company to disclose.

SECTION X – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by the Company (not being contracts entered into in the ordinary course of business carried on by the Company or contracts entered into more than two years before the date of this Draft Prospectus) which are or may be deemed material have been attached to the copy of the Draft Prospectus delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of the Company between 10:30 a.m. and 5:30 p.m. on all Working Days from Application/Issue Opening Date until the Application/Issue Closing Date.

A. Material Contracts

1. Memorandum of Understanding dated June 08, 2020 between our Company and the Lead Manager.
2. Memorandum of Understanding dated June 22, 2020 between our Company and the Registrar to the Issue.
3. Escrow Agreement dated [●] between our Company, the Lead Manager, Escrow Collection Bank(s) and the Registrar to the Issue.
4. Market Making Agreement dated [●] between our Company, the Lead Manager and Market Maker.
5. Underwriting Agreement dated [●] between our Company, the Underwriter and Market Maker.
6. Tripartite agreement between the NSDL, our Company and the Registrar dated June 13, 2019.
7. Tripartite agreement between the CDSL, our Company and the Registrar dated June 13, 2019.

B. Material Documents

1. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.
2. Copy of Certificates of Incorporation of Sanmati Precision Engineering Limited.
3. Resolution of the Board of Directors meeting dated May 12, 2020 authorizing the issue.
4. Shareholders' resolution passed at the EGM held with shorter notice on June 04, 2020 authorizing the issue.
5. Auditor's report for Restated Financials dated June 15, 2020 included in this Draft Prospectus.
6. The Statement of Tax Benefits dated June 15, 2020 from our Statutory Auditors.
7. Consent of our Promoters, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, Lead Manager, Banker to the issue, Banker to the Company, Legal Advisor to the Issue, Registrar to the Issue, Market Maker and Underwriter* as referred to in their specific capacities.
8. Approval from NSE vide letter dated [●] to use the name of NSE in this Offer Document for listing of Equity Shares on the EMERGE Platform of the National Stock Exchange of India Limited.

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We, hereby declare that, all the relevant provisions of the Companies Act, 1956, Companies Act, 2013 (to the extent notified) and the Guidelines issued by the Government of India or the Regulations or Guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in the Draft Prospectus is contrary to the provisions of the Companies Act, 1956, Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992, each as Amended or Rules made there under or Guidelines / Regulations issued, as the case may be. We further certify that all the disclosures and statements made in the Draft Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY:

SD/- _____	Mr. Shital Ketkale Managing Director
SD/- _____	Mrs. Vaishali Ketkale Whole Time Director
SD/- _____	Mr. Sheetal Patil Non-Executive Director
SD/- _____	Mr. Pandurang Kumbhar Non-Executive Independent Director
SD/- _____	Mr. Padmasinh Patil Non-Executive Independent Director

SIGNED BY THE CHIEF FINANCIAL OFFICER

SD/- _____	Mr. Abhinandan Bhokare Chief Financial Officer
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SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER

SD/- _____	Mr. Shahaji Patil Company Secretary & Compliance Officer
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Date: June 23, 2020

Place: Kolhapur