



Since 1907

JOST'S ENGINEERING COMPANY LIMITED

Our Company was incorporated on May 09, 1907 under the Indian Companies Act 1882. For further details of the change in name and registered office of our Company, please see "History and Certain Other Corporate Matters" on page 133.

Registered and Corporate Office: Great Social Building, 60, Sir Phirozeshah Mehta Road, Mumbai 400001

Corporate Identification No.: L28100MH1907PLC000252

Tel.: 022 6237 8200 | **Fax:** 022 6237 8201

Contact Person: Chandrakant Bhalchandra Sagvekar, Vice President, Company Secretary & Compliance Officer

E-mail: jostsho@josts.in | **Website:** www.josts.com

| | | |
|---|--|--|
| <p style="text-align: center;">OUR PROMOTERS: JAI PRAKASH AGARWAL, KRISHNA AGARWAL, VISHAL JAIN, SHIKHA JAIN, RAJENDRA KUMAR AGARWAL, ANITA AGARWAL AND J P AGARWAL & SONS (HUF)</p> | | |
| <p style="text-align: center;">FOR PRIVATE CIRCULATION TO THE ELIGIBLE SHAREHOLDERS OF JOST'S ENGINEERING COMPANY LIMITED (THE "COMPANY" OR THE "ISSUER") ONLY</p> | | |
| <p>ISSUE OF UP TO [●] EQUITY SHARES WITH A FACE VALUE OF RS. 10 EACH FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF RS. [●] PER EQUITY SHARE ("RIGHTS EQUITY SHARES") AGGREGATING TO AN AMOUNT UP TO RS. 1,000.00 LAKHS ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF JOST'S ENGINEERING COMPANY LIMITED (THE "COMPANY" OR THE "ISSUER") IN THE RATIO OF [●] RIGHTS EQUITY SHARES FOR EVERY [●] FULLY PAID-UP EQUITY SHARES HELD BY SUCH ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON [●] (THE "ISSUE"). THE ISSUE PRICE OF EACH RIGHTS EQUITY SHARE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARE. FOR FURTHER DETAILS, PLEASE SEE "TERMS OF THE ISSUE" ON PAGE 252</p> | | |
| <p style="text-align: center;">GENERAL RISKS</p> | | |
| <p>Investment in equity and equity related securities involves a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in this Issue. For taking an investment decision, Investors must rely on their own examination of the Company and the Issue including the risks involved. The Rights Equity Shares being offered in the Issue have not been recommended or approved by Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Letter of Offer. The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the United States Securities Act of 1933 ("Securities Act") and are being offered and sold outside the United States to non – U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act ("Regulation S"). Investors are advised to refer to "Risk Factors" beginning on page 15 before making an investment in this Issue.</p> | | |
| <p style="text-align: center;">COMPANY'S (ISSUER'S) ABSOLUTE RESPONSIBILITY</p> | | |
| <p>Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer contains all information with regards to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Letter of Offer 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 Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.</p> | | |
| <p style="text-align: center;">LISTING</p> | | |
| <p>The existing Equity Shares of our Company are listed on BSE Limited ("BSE") ("Stock Exchange"). Our Company has received in-principle approval from BSE for listing of the Equity Shares to be allotted in this Issue pursuant to letter dated [●]. Since the existing Equity Shares of our Company are listed on BSE only, BSE shall be the Designated Stock Exchange.</p> | | |
| <p style="text-align: center;">LEAD MANAGER TO THE ISSUE</p> | | <p style="text-align: center;">REGISTRAR TO THE ISSUE</p> |
|  | |  |
| <p>Fedex Securities Limited 305, Enterprise Centre, Nehru Road, Vile Parle (East), Mumbai 400099, Maharashtra, India Tel No.: 022 2613 6460/ 07977023417 Fax.: 022 2618 6966 Contact Person: Rinkesh Saraiya E-mail: mb@fedsec.in Website: www.fedsec.in Investor Grievance E-mail: mb@fedsec.in SEBI Registration Number: INM000010163</p> | | <p>Bigshare Services Private Limited 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai 400059 Tel No.: 022 6262 8200 Fax No.: 022 6263 8299 E-mail: rightissue@bigshareonline.com Website: www.bigshareonline.com Contact Person: Jibu John SEBI Registration No.: INR000001385 Investor Grievance E-mail: investor@bigshareonline.com</p> |
| <p style="text-align: center;">ISSUE PROGRAMME</p> | | |
| <p style="text-align: center;">ISSUE OPENS ON</p> | <p style="text-align: center;">LAST DATE FOR RECEIVING REQUESTS FOR SPLIT APPLICATION FORMS</p> | <p style="text-align: center;">ISSUE CLOSES ON</p> |
| [●] | [●] | [●] |

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SECTION -I - GENERAL

DEFINITIONS AND ABBREVIATIONS

In this Draft Letter of Offer, unless the context otherwise requires, the terms defined and abbreviations expanded herein below shall have the same meaning as stated in this section and references to any statute or regulations or acts or policies shall include amendments thereto, from time to time.

In this Draft Letter of Offer, unless otherwise indicated or the context otherwise requires, all references to “our Company”, “the Company” and “the Issuer”, are references to Jost’s Engineering Company Limited. References to “we”, “us” and “our” are references to Jost’s Engineering Company Limited along with its Subsidiaries on a consolidated basis. References to “you” are to the prospective investors in the Issue.

Company related terms

| Term | Description |
|---|---|
| Articles/ Articles of Association / AoA | The articles of association of our Company, as amended from time to time |
| Audit Committee | The audit committee of our Board |
| Board/ Board of Directors | The Board of Directors of our Company including any committees thereof, as the context may refer to |
| Directors | Any or all the director(s) of our Board, as may be appointed from time to time |
| Equity Share(s) | Equity shares of our Company having a face value of Rs. 10 each, unless otherwise specified in the context thereof |
| Equity Listing Agreement/ Listing Agreement | Uniform listing agreements entered into under the SEBI Listing Regulations and the erstwhile equity listing agreements entered into between our Company and the Stock Exchanges, as the context may refer to |
| Group Companies | This includes such companies or entities as covered under the applicable accounting standards. For further details, see section “Our Group Companies” on page 162 of the Draft Letter of Offer. |
| Independent Directors | Independent directors on the Board, and eligible to be appointed as an independent director under the provisions of the Companies Act and the SEBI Listing Regulations. For details of the Independent Directors, see “Our Management” on page 142 of the Draft Letter of Offer |
| KMPs/ Key Managerial Personnel | Key managerial personnel of our Company in terms of Regulation 2(1) (s) of the SEBI ICDR Regulations and disclosed in “Our Management” on page 142 of the Draft Letter of Offer |
| MHD | Material Handling Division of the Company as detailed on page 105 of the Draft Letter of Offer |
| Memorandum/ Memorandum of Association | The memorandum of association of our Company, as amended |
| Nomination and Remuneration Committee | The nomination and remuneration committee of our Board |
| Promoters | For details see “Our Promoter and Promoter Group” on page 154 of the Draft Letter of Offer. |
| Promoter Group | Promoter group of our Company as determined in terms of Regulation 2(1)(zb) of the SEBI ICDR Regulations |
| Registered and Corporate Office | The registered office of our Company located at Great Social Building 60, Sir Phirozeshah Mehta Road, Mumbai 400001, Maharashtra, India |
| Registrar of Companies/ RoC | Registrar of Companies, Mumbai located at 100, Everest, Marine Drive, Mumbai 400002, |

| Term | Description |
|--|--|
| Share Transfer and Stakeholders Relationship Committee | The Share Transfer and Stakeholders Relationship committee of our Board. |
| Statutory and Peer Reviewed Auditors | Our Statutory and Peer Reviewed Auditors, M/s. Sorab S. Engineer & Co, Chartered Accountants (Firm's Registration No. 110417W) |
| Subsidiaries | The subsidiaries of our Company, in accordance with the Companies Act, as disclosed in “History and Certain Other Corporate Matters” on page 133 of the Draft Letter of Offer. |

Issue related terms

| Term | Description |
|---|--|
| Abridged Letter of Offer | The abridged letter of offer to be sent to the Eligible Equity Shareholders as on the record date with respect to this Issue in accordance with SEBI ICDR Regulations and the Companies Act |
| Additional Rights Shares | The Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement |
| Allot/ Allotted/ Allotment | Unless the context requires, the allotment of Rights Equity Shares pursuant to the Issue |
| Allotment Date | Date on which the Allotment is made |
| Allottee(s) | Person (s) who are Allotted Rights Equity Shares pursuant to the Allotment |
| Allotment Advice | The note or advice or intimation of Allotment sent to the Investors, who have been or are to be allotted the Rights Equity Shares after the basis of Allotment has been approved by the BSE |
| Applicant(s) | Eligible Equity Shareholder(s) and/or Renouncees who make an application for the Rights Equity Shares pursuant to the Issue in terms of the Letter of Offer, including an ASBA Applicant |
| Application Money | Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price |
| Application Supported by Blocked Amount/ ASBA | The application (whether physical or electronic) used by an ASBA investor to make an application authorizing the SCSB to block the amount payable on application in their specified bank account |
| ASBA Account | Account maintained by an ASBA Investor with an SCSB which will be blocked by such SCSB to the extent of the appropriate amount in relation to an application in an ASBA Account maintained with the SCSB |
| ASBA Applicant/ ASBA Investor | Eligible Equity Shareholders proposing to subscribe to the Issue through ASBA process and: (a) Who are holding the Equity Shares in dematerialized form as on the Record Date and have applied for their Rights Entitlements and/ or Additional Rights Shares in dematerialized form; (b) Who have not renounced their Rights Entitlements in full or in part; (c) Who are not Renouncees; and (d) Who are applying through blocking of funds in a bank account maintained with SCSBs. All (i) QIBs, (ii) Non-Institutional Investors, and (iii) other investors whose application value exceeds Rs. 200,000, can participate in the Issue only through an ASBA process |
| Bankers to the Issue/ Escrow Collection Banks | [•] |
| Composite Application Form / CAF | The form used by an Investor to make an application for the Allotment of Rights Equity Shares in the Issue |

| Term | Description |
|---|---|
| Consolidated Certificate | In case of holding of Equity Shares in physical form, the certificate that our Company would issue for the Rights Equity Shares Allotted to one folio |
| Controlling Branches/ Controlling Branches of the SCSBs | Such branches of the SCSBs which coordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchange, a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries and/or such other website(s) as may be prescribed by the SEBI / Stock Exchange(s) from time to time |
| Designated Stock Exchange | BSE Limited |
| Designated Branches | Such branches of the SCSBs which shall collect the CAF or the plain paper application, as the case may be, used by the ASBA Investors and a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 |
| Draft Letter of Offer | This Draft Letter of Offer dated [●] filed with SEBI and which does not contain complete particulars of the Issue Price and Issue Size in terms of the number of Rights Equity Shares proposed to be offered in the Issue and issued by our Company in accordance with the SEBI ICDR Regulations |
| Equity Shareholder(s)/ Shareholders | The holders of Equity Shares of our Company |
| Eligible Equity Shareholder(s) | Holders of Equity Shares of our Company as on the Record Date, i.e. [●]. Please note that investors eligible to participate in this Issue exclude certain overseas shareholders. For further details, please see “Notice to overseas Investors” on page 10 of the Draft Letter of Offer. |
| Investor(s) | Eligible Equity Shareholders and/or Renouncees applying in the Issue |
| Issue/ Rights Issue | Issue of up to [●] Equity Shares of face value of Rs 10 each for cash at a price of Rs. [●] per Equity Share (including a premium of Rs. [●] per Equity Share) for an amount up to ₹ 1,000.00 lakhs on a rights basis to the Eligible Equity Shareholders in the ratio of [●] Rights Equity Share(s) for every [●] fully paid-up Equity Share(s) held by the Eligible Equity Shareholders on the Record Date |
| Issue Closing Date | [●] |
| Issue Opening Date | [●] |
| Issue Price | Rs. [●] per Rights Equity Share |
| Issue Proceeds | Gross proceeds of the Issue |
| Issue Size | The issue of [●] Rights Equity Shares up to Rs. 1,000 lakhs |
| Lead Manager | Fedex Securities Limited |
| Letter of Offer | The final letter of offer to be filed with the Stock Exchange after incorporating the observations received from the SEBI on this Draft Letter of Offer |
| Net Proceeds | The Issue Proceeds less the Issue related expenses. For further details, please see “Objects of the Issue” on page 70 of the Draft Letter of Offer. |
| NAV | Net Asset Value calculated as Net Worth divided by number of paid up equity shares |
| Non-ASBA Investor | Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process |
| Non-Institutional Investors | All Investors including sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals, that are not QIBs or Retail Individual Investors and who have applied for the Equity Shares in this Issue, for a cumulative amount of more than Rs. 2 lakhs |
| Qualified Foreign Investors / QFIs | Qualified Foreign Investor as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 (as amended), registered with SEBI under applicable laws in India. A |

| Term | Description |
|--|--|
| | Qualified Foreign Investor may buy, sell or otherwise continue to deal in securities without registration as Foreign Portfolio Investors subject to compliance with conditions specified in the SEBI (Foreign Portfolio Investors) Regulations, 2014 |
| QIBs or Qualified Institutional Buyers | Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations |
| Record Date | A record date fixed by our Company for the purposes of determining the names of the Equity Shareholders who are eligible to apply for Rights Equity Shares in this Issue i.e. [●]. |
| Registrar to the Issue/Registrar | Bigshare Services Private Limited |
| Renouncees | Any persons who has / have acquired Rights Entitlements from the Eligible Equity Shareholders |
| Retail Individual Investor | Individual Investors who have applied for Rights Equity Shares for an amount less than or equal to Rs. 2 lakhs (including HUFs applying through their Karta). |
| Refund Bank | [●] |
| Rights Entitlement | The number of Equity Shares that an Investor is entitled to in proportion to the number of Equity Shares held by the Investor on the Record Date. |
| Rights Equity Share(s) | The Equity Share(s) offered in this Issue |
| Split Application Form/SAF(s) | Split application form(s) which is an application form used in case of renunciation in part by an Eligible Shareholder in favour of one or more Renouncee(s). |
| SCSB(s) | The banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time. |
| Share Certificate | The certificate in respect of the Rights Equity Shares allotted to a folio in a physical form |
| Stock Exchange | BSE, where the Equity Shares are presently listed and traded |
| Wilful Defaulter | Company or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes any company whose director or promoter is categorised as such |
| Working Days | All days other than second and fourth Saturdays of the month, Sundays or public holidays, on which commercial banks in Mumbai are open for business |

Conventional, General and Industry Terms or Abbreviations

| Term | Description |
|---------------------------|---|
| ₹ / Rs. / Rupees / INR | Indian Rupees |
| 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 issued by the Institute of Chartered Accountants of India as notified under the Companies (Accounts) Rules, 2014 |
| BSE | BSE Limited |
| CAGR | Compounded annual growth rate |
| CDSL | Central Depository Services (India) Limited |
| CIN | Corporate Identity Number |

| | |
|------------------------------|---|
| Companies Act | Companies Act, 2013, to the extent in force pursuant to the notification of sections of the Companies Act, 2013, along with the relevant rules made thereunder |
| Companies Act, 1956 | Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made thereunder |
| CSR | Corporate Social Responsibility |
| Depositories | NSDL and CDSL |
| Depositories Act | The Depositories Act, 1996 |
| DIN | Director Identification Number |
| DIPP | Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India |
| DP / Depository Participant | A depository participant as defined under the Depositories Act |
| DP ID | Depository Participant Identification |
| EGM | Extraordinary General Meeting |
| EPS | Earnings Per Share |
| EBITDA | Earnings before Interest, Tax, Depreciation and Amortisation |
| EPFO | Employees' Provident Fund Organisation |
| ERP System | Enterprise Resource System |
| ESIC | Employee State Insurance Corporation |
| FCNR Account/ FCNR | Foreign currency non-resident account |
| FDI | Foreign Direct Investment |
| FEMA Act/ FEMA | Foreign Exchange Management Act, 1999, read with rules and regulations thereunder |
| FEMA Regulations | FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and amendments thereto |
| FII | Foreign Institutional Investor, as defined under Regulation 2(1)(g) of the SEBI (Foreign Portfolio Investors) Regulations, 2014, registered with SEBI under applicable laws in India. |
| Financial Year / Fiscal / FY | Unless stated otherwise, the period of 12 months ending March 31 of that particular year |
| FIPB | Foreign Investment Promotion Board, Department of Economic Affairs, Ministry |
| FPI(s) | Foreign portfolio investors as defined under the SEBI FPI Regulations |
| FSI | Floor Spacing Index |
| FVCI | Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations |
| GDP | Gross Domestic Product |
| GIR | General Index Register |
| GoI or Government | Government of India |
| GST | Goods and Services Tax |
| HUF | Hindu Undivided Family |
| HNI | High Net Worth Individual. |
| ICAI | The Institute of Chartered Accountants of India |
| IEC | Import Export Code |
| IFRS | International Financial Reporting Standards |
| Ind AS | Indian accounting standards converged with IFRS, as notified by the Ministry of Corporate Affairs vide Companies (Indian Accounting Standards) Rules, 2015 in its general statutory rules dated February 16, 2015 |
| Indian GAAP | Generally Accepted Accounting Principles in India |
| IT Act | The Income tax Act, 1961 |

| | |
|-------------------------------|---|
| IT Rules | Income Tax Rules, 1962 |
| JV | Joint Venture |
| LC | Letter of Credit |
| MCA | Ministry of Corporate Affairs, Government of India |
| MICR | Magnetic Ink Character Recognition |
| Mn | Million |
| Mutual Fund(s) | Mutual Fund(s) means mutual funds registered under the SEBI (Mutual Funds) Regulations, 1996 |
| MoU | Memorandum of Understanding |
| N.A. / NA | Not Applicable |
| NEFT | National Electronic Fund Transfer |
| NR | Non-resident |
| NRE Account | Non-Resident External Account |
| NRI | A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955 |
| NRO Account | Non-Resident Ordinary Account |
| NSDL | National Securities Depository Limited |
| OCB / Overseas Corporate Body | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue |
| p.a. | Per annum |
| P/E Ratio | Price/Earnings Ratio |
| PAN | Permanent Account Number |
| PAT | Profit After Tax |
| PBT | Profit Before Tax |
| RBI | The Reserve Bank of India |
| RONW | Return on Net Worth |
| RTGS | Real Time Gross Settlement |
| SCRA | Securities Contracts (Regulation) Act, 1956, as amended |
| SCR | Securities Contracts (Regulation) Rules, 1957, as amended |
| SEBI | The Securities and Exchange Board of India constituted under the SEBI Act, 1992 |
| SEBI Act | Securities and Exchange Board of India Act, 1992 |
| SEBI AIF Regulations | Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012 |
| SEBI FII Regulations | Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 |
| SEBI FPI Regulations | Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 |
| SEBI FVCI Regulations | Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 |
| SEBI ICDR Regulations | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 |
| SEBI Listing Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 |
| SEBI VCF Regulations | Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations |

| | |
|----------------------------|---|
| SEBI Takeover Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 |
| Securities Act | U.S. Securities Act of 1933 |
| STT | Securities Transaction Tax |
| TAN | Tax Deduction Account Number |
| TIN | Taxpayers Identification Number |
| U.S. / USA / United States | United States of America |
| USD / US\$ | United States Dollars |
| VAT | Value Added Tax |
| VCFs | Venture capital funds as defined in and registered with SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be |
| WCDL | Working Capital Demand Loan |
| YTM | Yield to maturity |

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the Companies Act, SCRA, the SEBI ICDR Regulations, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in “Main Provisions of the Articles of Association of our Company”, “Statement of Tax Benefits”, “Key Industry Regulations and Policies”, “Outstanding Litigations and Defaults” and “Financial Statements” on pages 294, 79, 126, 225 and 167, respectively, shall have the meanings given to such terms in these respective sections.

NOTICE TO OVERSEAS INVESTORS

The distribution of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer and CAFs and the issue of Rights Equity Shares, to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer or CAF may come are required to inform themselves about and observe such restrictions. We are making this Issue of Equity Shares on a rights basis to the Eligible Equity Shareholders and will dispatch the Letter of Offer/Abridged Letter of Offer and CAFs to such shareholders who have provided an Indian address. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Letter of Offer/Abridged Letter of Offer and CAFs, shall not be sent the Letter of Offer/Abridged Letter of Offer and CAFs.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Draft Letter of Offer has been filed with SEBI for observations. Accordingly, the Rights Entitlement or Rights Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer and CAFs may not be distributed in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer and CAFs will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under those circumstances, this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer and CAFs must be treated as sent for information only and should not be copied, redistributed or acted upon. Accordingly, persons receiving a copy of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer and CAFs should not, in connection with the issue of the Rights Entitlements or Rights Equity Shares, distribute or send such document in, into the United States or any other jurisdiction where to do so would, or might contravene local securities laws or regulations. If this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer and CAFs is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Entitlement or Rights Equity Shares referred to in this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer and CAFs. Envelopes containing a CAF should not be dispatched from any jurisdiction where it would be illegal to make an offer, and all persons subscribing to the Rights Equity Shares in this Issue must provide an Indian address.

Any person who makes an application to acquire Rights Entitlement and the Rights Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that he is authorised to acquire the Rights Entitlement and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. We, the Registrar, the Lead Manager or any other person acting on behalf of us, reserve the right to treat any CAF as invalid where we believe that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such CAF. Neither the delivery of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer and CAFs nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer.

The contents of this Draft Letter of Offer, the Letter of Offer and Abridged Letter of Offer should not be construed as legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Rights Equity Shares. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of Rights Equity Shares. In addition, neither our Company nor the Lead Manager are making any representation to any offeree or purchaser of the Rights Equity Shares regarding the legality of an investment in the Rights Equity Shares by such offeree or purchaser under any applicable laws or regulations.

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the United States Securities Act, 1933, as amended (“**Securities Act**”), or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof (“**United States**” or “**U.S.**”) or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S under the Securities Act (“**Regulation S**”), except in a transaction exempt from the registration requirements of the Securities Act. The Rights Entitlements referred to in this Draft Letter of Offer are being offered in India, but not in the United States. The offering to which Draft Letter of Offer, the Letter of Offer and Abridged Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any securities or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said securities or rights. Accordingly, the Draft Letter of Offer / Letter of Offer / Abridged Letter of Offer and the enclosed CAF should not be forwarded to or transmitted in or into the United States at any time.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe, is in the United States when the buy order is made. Envelopes containing CAF should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under the Draft Letter of Offer, no payments for subscribing for the Rights Equity Shares shall be made from US bank accounts and all persons subscribing for the Rights Equity Shares and wishing to hold such Equity Shares in registered form must provide an address for registration of the Equity Shares in India. Our Company is making this issue of Equity Shares on a rights basis to the Eligible Equity Shareholders of our Company and this Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer and CAF will be dispatched to Eligible Equity Shareholders who have an Indian address. Any person who acquires Rights Entitlement and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed, (i) that it is not and that, at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made, (ii) does not have a registered address (and is not otherwise located) in the United States, and (iii) is authorised to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws, rules and regulations.

Our Company reserves the right to treat as invalid any CAF which: (i) does not include the certification set out in the CAF to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States and is authorised to acquire the Rights Entitlement and the Rights Equity Shares in compliance with all applicable laws and regulations; (ii) appears to our Company or its agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such CAF.

Rights Entitlement may not be transferred or sold to any person in the United States.

PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA

Certain Conventions

All references herein to 'India' are to the Republic of India and its territories and possessions and the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, Central or State, as applicable. Unless otherwise specified or the context otherwise requires, all references in this Draft Letter of Offer to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions.

In this Draft Letter of Offer, references to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable.

Financial Data

Unless the context otherwise requires, our financial data in this Draft Letter of Offer is derived from the restated financial information of our Company, which have been prepared in accordance with Indian GAAP, applicable standards and guidance notes specified by the Institute of Chartered Accountants of India, applicable accounting standards prescribed by the Institute of Chartered Accountants of India, Companies Act, as applicable and other applicable statutory and / or regulatory requirements and restated in accordance with the SEBI ICDR Regulations.

Our financial year commences on April 1 of each calendar year and ends on March 31 of the following calendar year, so all references to a particular "fiscal year" or "Fiscal" are to the 12 months period ended on March 31 of that year.

Indian GAAP differs in certain significant respects from IFRS. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures based on the Indian GAAP financials presented in this Draft Letter of Offer should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Certain figures contained in this Draft Letter of Offer, including financial information, have been subject to rounding adjustments. All decimals have been rounded off to two decimal places. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Unless stated otherwise, throughout the Draft Letter of Offer, all figures have been expressed in Rupees in lakhs.

Market and Industry Data

Unless stated otherwise, industry and market data used in this Draft Letter of Offer have been obtained or derived from publicly available information as well as industry publications and sources. Industry 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 are not guaranteed and their reliability cannot be assured. Accordingly, no investment decision should be made on the basis of such information. Although we believe that industry data used in this Draft Letter of Offer is reliable, it has not been independently verified and neither we, nor the Lead Manager nor any of their affiliates, jointly or severally, make any representation as to its accuracy or completeness. The extent to which the market and industry data used in this Draft Letter of Offer 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. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in the section "*Risk Factors*" on page 15.

For further details, see “Risk Factors – *We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and manufacturing and engineering industry contained in this Draft Letter of Offer.*” on page 25

Currency of Presentation

All references to ‘INR’, ‘Indian Rupees’, ‘Rs.’ and ‘Rupees’ are to the legal currency of India; and any reference to ‘US\$’, ‘USD’ and ‘U.S. dollars’ are to the legal currency of the United States of America.

In this Draft Letter of Offer, our Company has presented certain numerical information in “million” and “crore” units. One million represents 10,00,000, one crore represents 1,00,00,000 and one billion represents 1,00,00,00,000.

FORWARD LOOKING STATEMENTS

Certain statements contained in this Draft Letter of Offer that are not statements of historical fact constitute 'forward-looking statements'. Investors can generally identify forward-looking statements by terminology such as 'anticipate', 'believe', 'continue', 'can', 'could', 'intend', 'may', 'shall', 'should', 'will', 'would', 'future', 'forecast', 'guideline' or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. Forward-looking statements are not guarantees of performance and are based on certain assumptions, future expectations, describe plans and strategies contain projections of results of operations or of financial condition or state other forward-looking information.

Forward-looking statements contained in this Draft Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. Important factors, that a prospective Investor should be aware, that could cause actual results to differ materially from our Company's expectations include, among others:

- Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various business plans;
- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Increasing competition in or other factors affecting the industry segments in which our Company operates;
- Changes in laws and regulations relating to the industries in which we operate;
- Fluctuations in opening costs and impact on the financial results;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India or in countries that we may enter, the monetary policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices; change in tax regime
- The performance of the Industry in which we belong in India and globally and the related impact on companies manufacturing Material Handling Equipment's and allied services that the Company provides.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in "Risk Factors" on page 15. Whilst we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure Investors that such expectations will prove to be correct. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Draft Letter of Offer or the respective dates indicated in this Draft Letter of Offer, and our Company undertakes no obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

SECTION II – RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all information in this Draft Letter of Offer, including the risks and uncertainties described below, before making an investment in the Equity Shares. Additionally, the risks set out in this section may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future. If any or a combination of the following risks or other risks that are not currently known or are now deemed immaterial actually occurs, our business, prospects, results of operations and financial condition could suffer, the trading price of the Equity Shares could decline and you may lose all or part of your investment. Unless specified in the relevant risk factor below, we are not in a position to quantify the financial implication of any of the risks mentioned below. Any potential investor in the Equity Shares should pay particular attention to the fact that we are subject to regulatory environment that may differ significantly from one jurisdiction to another. In making an investment decision, prospective investors must rely on their own examinations of us on a consolidated basis and the terms of the Issue, including the merits and the risks involved. Prospective investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Issue.

For further details, see “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 104 and 213, respectively, as well as the other financial and statistical information contained in this Draft Letter of Offer. If our business, results of operations or financial condition suffers, the price of the Equity Shares and the value of your investments therein could decline.

This Draft Letter of Offer also contains forward-looking statements which involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Letter of Offer. For further details, see “Forward-Looking Statements” on page 14.

Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our Restated Financial Information.

INTERNAL RISK FACTORS

- 1. There are outstanding litigations against our Company and Directors. An adverse outcome in any of these proceedings may affect our reputation and standing and impact our future business and could have a material adverse effect on our business, financial condition, results of operations and cash flows.**

As on the date of this Draft Letter of Offer, we are involved in certain civil, tax and criminal legal proceedings, which are pending at different levels of adjudication before various courts, tribunals, forums and appellate authorities. We cannot assure you that these legal proceedings will be decided in our favour. Decisions in proceedings adverse to our interests may have a significant adverse effect on our business, financial condition, results of operations and cash flows. In relation to tax proceedings, in the event of any adverse outcome, we may be required to pay the disputed amounts along with applicable interest and penalty and may also incur additional tax incidence going forward.

A summary of pending tax, criminal proceedings and material litigation involving our Company and Directors is provided below:

Litigations against our Company

| Category | Company | |
|----------|--------------------|---|
| | No. of Proceedings | Amount, to the extent quantifiable (Rs. In lakhs) |

| | | |
|--------------|----|---------|
| Direct Tax | 0 | 0 |
| Indirect Tax | 20 | 2713.15 |

Litigations against our Directors

| Category | Directors | |
|----------------------|--------------------|---|
| | No. of Proceedings | Amount, to the extent quantifiable (Rs. In lakhs) |
| Criminal proceedings | 1 | N.A |

The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally. If any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase our expenses and current or long term liabilities or reduce our cash and bank balance. For further details, see “Outstanding Litigation and Defaults” on page 225.

- 2. Our order book may not necessarily indicate our future income. Orders included in our order book may be delayed, modified, cancelled or not fully paid for by our customers, which may have an adverse effect on our business, financial condition and results of operations.**

Our future earnings related to the performance of orders in the order book may not be realized and although the orders in the order book represent business that is considered firm, cancellations or scope or schedule adjustments may occur. We may also encounter problems executing the orders as ordered, or executing it on a timely basis. Moreover, factors beyond our control or the control of our customers may postpone an order or cause to be cancelled. Due to the possibility of cancellations or changes in scope of an order, we cannot predict with certainty when, if or to what extent an order book will be performed. Additionally, delays in the completion of an order can lead to customers delaying or refusing to pay the amount, in part or full, that we expect to be paid in respect of such order. In addition, the contracting parties may default or otherwise fail to pay amounts owed. Any delay, cancellation, execution difficulty, payment postponement or payment default with regard to the order book or disputes with customers in respect of any of the foregoing, could materially harm our cash flow position and income.

- 3. We are involved in high volume-low margin business. Any disruption in our turnover or failure to regularly grow the same may have a material adverse effect on our business, results of operations and financial condition.**

Our inability to regularly grow our turnover and effectively execute our key business processes could lead to lower profitability and hence adversely affect our operating results, debt service capabilities and financial conditions. Due to the nature of the products we sell, we may not be able to charge higher margins on our products. Hence, our business model is heavily reliant on our ability to effectively grow our turnover and manage our key processes including but not limited to raw material procurement, timely sales / order execution and continuous cost control of non-core activities. The table below gives details of our operating margins and net profit margin based on restated financials.

(Rs. In lakhs)

| Particulars | Financial Year ended | | |
|--|----------------------|------------|------------|
| | FY 2014-15 | FY 2015-16 | FY 2016-17 |
| Total Income | 7,537.76 | 8,207.19 | 8,335.75 |
| Profit before Tax as a % of Total Income | 1.38% | (2.37)% | *(2.39)% |

| | | | |
|---|-------|---------|----------|
| Profit after Tax as a % of Total Income | 0.72% | (2.37)% | *(2.39)% |
|---|-------|---------|----------|

**For the purpose of calculating profit before tax, we have considered an exceptional item i.e. sales tax paid under amnesty scheme.*

Our growth strategy is subject to and involves risks and difficulties, many of which are beyond our control and, accordingly, there can be no assurance that we will be able to implement our strategy or growth plans, or complete them within the timelines. Further, we operate in a dynamic industry, and on account of changes in market conditions, industry dynamics, technological improvements or changes and any other relevant factors, our growth strategy and plans may undergo changes or modifications, and such changes or modifications may be substantial, and may even include limiting or foregoing growth opportunities if the situation so demands. For further details regarding the discussions and explanations for our past results, please refer “Management’s Discussions and Analysis of Financial Condition and Results of Operations” on page 213 of this Draft Letter of Offer.

4. It is difficult to compare our performance between periods, as our revenue fluctuates significantly from period to period.

We derive our income from manufacturing, marketing and sale of material handling, industrial finishing and engineered products. Our income from these activities may fluctuate significantly due to a variety of factors. For example, government does not give orders in first quarter and generally gives order only in the last quarter to use the budget allocated to them and they give orders quickly. Depending on our operating results in one or more periods, we may experience cash flow problems and difficulties in covering our operating costs, which may adversely affect our business, financial condition and results of operations. Such fluctuations may also adversely affect our ability to fund future projects. As a result of one or more of these factors, we may record significant turnover or profits during one accounting period and significantly lower turnover or profits during prior or subsequent accounting periods. Furthermore, the periods discussed in our financial statements included in this Draft Letter of Offer may not be comparable to each other or to other future periods, and our results of operations and cash flows may vary significantly from period to period, year to year, and over time. Therefore, period to period comparisons of our results of operations should not be relied upon as indicative of our future performance.

5. Our Company is dependent on external suppliers for key materials and components

Our Company is dependent on external suppliers for most of our machinery / components requirements. The failure of our suppliers to deliver these materials or components in the necessary quantities or to adhere to delivery schedules or specified quality standards / technical specifications, could adversely affect our business and our ability to deliver on time and at the desired level of quality giving rise to contractual penalties or liability, for failure to perform contracts, and a loss of customers and damage our Company’s reputation, any of which could materially adversely affect its results of operations.

Also, qualifying alternative suppliers that can meet our Company’s technical and quality standards, and who can supply these materials in necessary quantities, would entail substantial cost and could cause delays in deliveries of our Company’s products. Any of the foregoing could have a material adverse effect on the Company’s business, financial condition and results of operations.

Further, if the costs of these materials were to rise due to factors such as rises in input and commodity prices or shortages in supply, and our Company is not able to recover these costs through cost saving measures elsewhere or by increasing the prices of its products, our results of operations could be adversely affected. As such, should cost of materials rise, our Company can provide no assurance that it will be able to pass on any additional costs to our customers, and accordingly our results of operations could suffer. Finally, as our Company often purchases in

advance, materials based on our estimate of customer demand for an upcoming period, in the event prices for these materials subsequently decline there can be no assurance that our Company will be able to price our solutions based on the material costs it actually incurred, which would make its solutions uncompetitive compared to those of competitors who have not locked in their material supplies.

6. Our revenues are dependent on a limited number of our customers. The loss of any of our major Customers or a decrease in the volume of orders may adversely affect our revenues and profitability

At present, we derive most of our revenues from the orders received from the limited or few customers. In the Financial Year ended March 31, 2017, our top ten customers were contributing 21.77% of our Sales. Our business and results of operations will be adversely affected if we are unable to develop and maintain a continuing relationship with our key customer or develop and maintain relationships with other new customers. The loss of a significant customer or a number of significant customers due to any reason whether internal or external related to their business may have a material adverse effect on our business prospects and results of operations.

7. Work stoppages, shortage of labor and other labor related problems could adversely affect our business, and our operations are dependent on a large pool of contract labor and an inability to access adequate contract labor at reasonable costs at our factory may adversely affect our business prospects and results of operations.

We operate in a labor - intensive industry and hire contract labor at our factory. If we are unable to negotiate with the labor contractors or if there is any shortage or disruption in the availability of labor, it could result in work stops or increased operating costs as a result of higher than anticipated wages or benefits. We also require adequate supply of labor for the timely execution of our orders. Our supply of labor may be adversely affected by, among other things, work stoppages and labor disputes. Such events may also increase the price of labor. India has stringent labor legislation that protects the interests of workers, including legislation that sets forth detailed procedures for establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon their retrenchment. Further, there can be no assurance that we will have adequate access to skilled workmen at reasonable rates and in the area in which we operate. As a result, we may be required to incur additional costs to ensure timely execution of our projects. This may in turn affect our results of operations.

8. Some of our historical, legal and secretarial records are not traceable. Non-availability of these records exposes us to the risk of penalties that may be imposed by the competent regulatory authority in future.

Since our Company was incorporated more than 100 years ago, we do not have access to records and data pertaining to certain historical, legal and secretarial records and we have not been able to locate many of our important historical corporate records. While our Company believes that these records were duly filed with the MCA/RoC on a timely basis, we have been unable to obtain copies of these documents, including from the MCA/RoC. Our Company cannot assure you that these form filings will be available in the future or that it will not be subject to any penalty imposed by the competent regulatory authority in this respect.

9. You will not be able to immediately sell any of the Rights Equity Shares you purchase in this Issue on the Stock Exchange.

Under the SEBI ICDR Regulations, our Company is permitted to allot Rights Equity Shares within fifteen days of the Issue Closing Date. Consequently, the Rights Equity Shares you purchase in the Issue may not be credited to your dematerialized account with Depository Participants until fifteen days of the Issue Closing Date

10. There is no guarantee that the Rights Equity Shares issued pursuant to the Issue will be listed on the BSE in a timely manner or at all.

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

11. The proposed new taxation system could adversely affect the Company's and its Group Companies business.

The Government has proposed three major reforms in Indian tax laws, namely the goods and services tax, the direct taxes code and provisions relating to general anti-avoidance rules ("GAAR"). Goods and services tax has been implemented from July 1, 2017. The goods and services tax has replaced the indirect taxes on goods and services such as central excise duty, service tax, customs duty, central sales tax, state value-added tax, surcharge and excise currently being collected by the central and state governments. The direct taxes code aims to reduce distortions in tax structure, introduce moderate levels of taxation, expand the tax base and facilitate voluntary compliance. It also aims to provide greater tax clarity and stability to investors who invest in Indian projects and companies, as well as clarify the taxation provisions for international transactions. It aims to consolidate and amend laws relating to all direct taxes such as income tax, dividend distribution tax, fringe benefit tax and wealth tax in order to facilitate voluntary compliance. With regard to the implementation of the direct tax code, the Government has not specified any timeline for its implementation.

With regard to GAAR, the provisions have been introduced by the Finance Act, 2012, and were scheduled to come into effect from April 1, 2013. However, in the Union Budget 2016, it was announced that modified provisions of GAAR will come into effect from the beginning of Financial Year 2017

The GAAR provisions are intended to catch arrangements declared as "impermissible avoidance arrangements", which is defined in the Income Tax Act as any arrangement, the main purpose or one of the main purposes of which is to obtain a tax benefit. If GAAR provisions are invoked, then the tax authorities will have wide powers, including the denial of tax benefit or the denial of a benefit under a tax treaty. As the taxation system is intended to undergo a significant overhaul, the consequential effects on the Company cannot be determined as at the date of this Draft Letter of Offer and there can be no assurance that such effects would not adversely affect the Company's or its Group Entities' business(es), financial condition(s), results of operations and the trading price of the Rights Equity Shares.

12. The Companies Act and SEBI Listing Regulations has effected significant changes to the existing Indian Company law framework, which may subject us to higher compliance requirements and increase our compliance costs.

The Companies Act has been recently notified, except for certain provisions. The Companies Act has brought into effect significant changes to the Indian company law framework, and in certain cases, introduced certain requirements which did not have corresponding provisions under the Companies Act, 1956, such as provisions related to private placement of securities, disclosures in prospectus, corporate governance norms, accounting policies and audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by Shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted

exceptions), prohibitions on loans to directors and insider trading and restrictions on directors and Key Management Personnel from engaging in forward dealing. Accordingly, we may face challenges in interpreting and complying with such provisions due to the limited jurisprudence on them. In the event our interpretation of such provisions of the Companies Act differs from, or contradicts with, any judicial pronouncements or clarifications issued by the Government in the future, we may face regulatory actions or we may be required to undertake remedial steps.

To ensure compliance with the requirements of the Companies Act and SEBI Listing Regulations, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention.

13. Significant differences exist between Indian GAAP and other accounting principles, such as IFRS, which investors may be more familiar with and may consider material to their assessment of the Company's financial condition.

As stated in the reports of the independent auditors included in this Draft Letter of Offer, the Company's financial statements are prepared and presented in conformity with Indian GAAP, which has been consistently applied during the periods stated, except as provided in such report. No attempt has been made to reconcile any of the information given in this Draft Letter of Offer to any other principles or to base it on any other standards. Indian GAAP differs in certain significant respects from IFRS and other accounting principles and auditing standards with which prospective investors may be familiar in other countries. If the financial statements of the Company were to be prepared in accordance with such other accounting principles, its results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of the Company's financial statements and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar.

14. We are a listed company and are required to comply with rules and regulations imposed by the Stock Exchange and SEBI with respect to continuous listing and the Companies Act. Any failure to comply with such rules and regulations or any wrong disclosure made to the Stock Exchange or any statutory authority could result in penalties being imposed on us, which may adversely affect our business and operations.

As a listed company, we are required to comply with certain conditions for continuous listing under the SEBI Listing Regulations and other rules and regulations imposed by SEBI, which require us to make certain periodic disclosures, including disclosures about any material events or occurrences with respect to our Company, disclosure of our financial statements and disclosure of our updated shareholding pattern. Any failure to comply with these continuous disclosure requirements or any wrongful disclosure made by us to the Stock Exchange or any other statutory authority may lead to penalties being imposed on us.

There have been, on number of occasions, inadvertent late filings done by our Company to BSE but so far, as on the date of filing of this draft letter of offer, we have not received any show cause notice from BSE and we have not been penalized on any occasion either by the BSE or any regulatory authority. While we believe, we are in compliance with rules and regulations imposed by the BSE and SEBI with respect to continuous listing, any failure to comply with such rules and regulations or any wrong disclosure made to the BSE or any statutory authority could result in penalties being imposed on us, which may adversely affect our business and operations.

15. We rely on third-party transportation providers for all of our product distribution and failure by any of our transportation providers to deliver our products on time or at all could result in loss in sales.

We depend on third-party transportation to receive input materials required for our products and to deliver our finished products to our customers. However, we do not own any trucks or commercial vehicles and typically use third-party logistics providers for all of our product distribution and input materials procurement. This makes us dependent on such third-party logistics providers. Weather-related problems, strikes, or other events which affects third-party transportation could impair our ability to deliver the requisite quantities of products in time to our customers, which may result in cancellation or non-renewal of purchase orders, and could adversely affect the performance of our business, results of operations and cash flows.

Disruptions of transportation services because of weather-related problems, strikes, inadequacies in the road infrastructure, or other events could impair the ability of our suppliers to deliver input materials to us and our ability to deliver completed products to our customers in a timely manner. Further, since we do not have warehousing capabilities at any of our manufacturing facilities, we maintain an inventory stock which may only facilitate our operations for one to three days. As a result, in the event there is any disruption in the supply of our raw materials, performance of our business, results of operations and cash flows may be adversely affected.

Additionally, if we lose one or more of our transportation providers, we may not be able to obtain terms as favorable as those we receive from the third party transportation providers that we currently use, which in turn would increase our costs and thereby adversely affect our operating results. Further, our transportation providers do not carry any insurance coverage. There can be no assurance that we will receive compensation for any such claims in a timely manner or at all, and consequently, any such loss may adversely affect our business, financial condition, results of operations and cash flows

16. We are dependent on a number of key personnel and services of the members of senior management and the loss of such persons, or our inability to attract and retain key personnel and senior management in the future, could adversely affect our business, growth prospects, results of operations and cash flows

Our ability to meet future business challenges depends on our ability to attract, recruit and retain talented and skilled personnel. We are highly dependent on our Promoters, our Directors, senior management and other key personnel, including skilled project management personnel. Our management and technical personnel are supported by other skilled workers who benefit from regular in-house training initiatives. The loss of any of our Promoters, our Directors, senior management, external consultants or other key personnel, or an inability to manage the attrition levels in different employee categories may materially and adversely impact our business, growth prospects, results of operations and cash flows.

We face competition to recruit and retain skilled staff. Due to the limited availability of skilled personnel, competition for senior management in our industry is intense. We may experience difficulties in attracting, recruiting and retaining an appropriate number of skilled staff for our business needs. We may also need to increase our pay structures to attract and retain such personnel. Our future performance will depend upon the continued services of these persons.

As of March 31, 2017, we had 240 full time employees. Our future success substantially depends on our ability to recruit, hire, motivate, develop, and retain talented and skilled personnel and our senior management. We believe that the inputs and experience of our senior management are valuable for the development of business and operations and the strategic directions taken by our Company. For details in relation to the experience of our key management personnel, see “Our Management” on page 142. There is no assurance, however, that these individuals or any other member of our senior management team will not leave us or join a competitor, in the future. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all.

17. Our Company's management was changed in the Financial Year 2014-2015 and hence our Promoters have limited knowledge and records of litigations, disputes etc. of our Company.

In the Financial Year 2014-2015, the Promoters of our Company namely Jai Prakash Agarwal and Vishal Jain along with their PACs (Person Acting in Concert) namely Krishna Agarwal, Abhishek Agarwal, J. P. Agarwal & Sons (HUF), Rajendra Kumar Agarwal, Anita Agarwal and Shikha Jain purchased 3,69,910 Equity Shares of our Company vide share purchase agreement dated August 30, 2014. There may be certain old cases or disputes between our Company and other parties, which were initiated by or against the previous management. While the summary of pending litigations have been disclosed in the chapter titled "Outstanding Litigation and Defaults" beginning on page 225 of this Draft Letter of Offer, we are not fully aware if there are any additional unknown legal proceedings to which our Company may be a party. The disclosures in this Draft Letter of Offer pertaining to our Company's litigations and legal matters are on the basis of information readily available from public domains and with our Company. There cannot be any assurance that our Company will not become liable in respect of the outcome of such unknown legal proceedings which may have adverse impact on the operations and financial conditions of our Company.

18. Our Promoters do not have the experience of operating in the material handling equipment sector. Some of our promoters do not have adequate experience in, and have not actively participated in, business activities of our Companies.

Our Promoters do not have prior experience in the sector in which our Company operates. Our Promoters have not acquired any technical expertise which is required in our field. Our Company relies on the technical expertise of its employees. There can be no assurance that we will be successful in our business plans due to the lack of such direct experience of our Promoters.

Moreover, some of our Promoters, Krishna Agarwal (wife of promoter Jai Prakash Agarwal), Rajendra Kumar Agarwal (brother of promoter Jai Prakash Agarwal) and Anita Agarwal (wife of promoter Rajendra Kumar Agarwal), do not have experience in, and have not actively participated in, business activities undertaken by us. For further details of our Promoters, please see the chapter titled "Our Promoter and Promoter Group" beginning on page 154 of this Draft Letter of Offer.

19. Profit after tax of our company have decreased in the past years

As per our restated audited standalone financial statements, the profits after tax of our Company have decreased from Rs. 268.99 lakhs in Financial Year 2014 to 54.26 lakhs in Financial Year 2015, from Rs. 54.26 lakhs in Financial Year 2015 to Rs. (194.59) lakhs in Financial Year 2016 and from Rs. (194.59) lakhs in Financial Year 2016 to Rs. (199.43) lakhs in Financial Year 2017. Our financial condition will be adversely affected if this downtrend continues in future.

20. Our Company does not have any similar and comparable listed peer which is involved in same line of business for comparison of performance and therefore, investors must rely on their own examination of accounting ratios of our Company for the purposes of investment in the Issue.

As on the date of this Draft Letter of Offer, there are no comparable listed companies that are similar in size and nature and are involved in the same line of business, which are listed on the Indian stock exchanges and accordingly, we are not in a position to provide comparative analysis of our performance with any listed company. Therefore, investors must rely on their own examination of accounting ratios of our Company for the purposes of investment in the Issue

21. The deployment of funds raised through this Issue shall not be subject to any Monitoring Agency and shall be purely dependent on the discretion of the management of our Company

Since the Issue size is less than Rs. 10,000 lakhs, there is no mandatory requirement of appointing an independent monitoring agency for overseeing the deployment of utilization of funds raised through this Issue. Therefore, the deployment of these funds raised through this Issue is at the discretion of the management and the Board of Directors of our Company and will not be subject to monitoring by any independent agency. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financial results.

22. We have not entered into any agreement in respect of long term supply for raw materials required by us and as such we are susceptible to fluctuations in the cost of raw materials.

We are dependent on our suppliers for uninterrupted supply of raw-materials, such as battery, charger, steel, tyres, controller, hydraulic power pack and motor etc. We procure our supply of raw materials from various suppliers depending upon the price and quality of raw materials. While we are not dependent on any one particular supplier for supply of raw materials, any disruption of such supply of raw materials from our suppliers may adversely affect our operations and ability to deliver our products on a timely basis. Further, our profitability is partly dependent on our ability to anticipate and adapt to changes in the cost of raw materials. The prices of these raw materials are subject to price fluctuation due to various factors beyond our control, including but not limited to severe climatic conditions, governmental regulations, which may reduce supply and lead to increase in supply costs. In the event that we are unable to anticipate and adapt to changing supply costs by adjusting our purchasing practices or we are unable to negotiate favourable pricing terms with our suppliers for such raw materials, then our business, profitability and financial performance may be materially and adversely affected. Further, any disruption in the adequate and timely supply of raw materials or unavailability of raw materials may adversely affect our business and results of operations.

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

24. We are subject to risk of fraud, theft, embezzlement by our employees, contractors and customers, employee negligence or similar incidents may adversely affect our results of operations and financial condition

As of March 31, 2016, and March 31, 2017 we had total inventory consisting of raw materials, stock in process and finished goods to the value of Rs. 1,086.77 lakhs and Rs. 941.66 lakhs respectively as per our Restated Financial Statements. Our operations may be subject to incidents of theft or damage to inventory in transit, prior to or during stocking. We may also encounter some inventory loss on account of employee / contractor, theft, embezzlement and general administrative error. Although we have set up various security measures, including tagging our products, deployment of security guards and follow stringent operational processes such as periodic stock taking there can be no assurance that we will not experience any fraud, theft, employee negligence, security lapse, loss in transit or similar incidents in the future, which could adversely affect our results of operations and financial condition.

25. Increased competition for skilled employees and salary increases for our employees may reduce our profit margin

Due to sustained economic growth in India and increased competition for skilled employees in India over the last few years, wages of skilled employees are increasing at a fast rate. Accordingly, we may need to increase our levels of employee compensation rapidly to remain competitive in attracting the quality of employees that our business requires. Increases in the compensation payable to our employees may reduce our profit margins and have a material and adverse effect on our results of operations.

26. Information relating to the estimated manufacturing capacity of our production facility included in this Draft Letter of Offer is based on various assumptions and estimates. Actual production rate may vary from such estimated manufacturing capacity information and historical capacity utilization rates

The information relating to the estimated manufacturing capacity of our manufacturing facility included in this Draft Letter of Offer are based on various assumptions and estimates of our management, including proposed operations, assumptions relating to availability and quality of raw materials and potential operational efficiencies. Actual production levels and future capacity utilization rates may vary significantly from the estimated manufacturing capacity of our manufacturing facility and historical capacity utilization rates. Undue reliance should therefore not be placed on the manufacturing capacity information for our existing manufacturing facility proposed or the historical capacity utilization rate information included in this Draft Letter of Offer. For more details, see “Our Business” on page 104.

27. A significant number of our offices, including our registered office and corporate office, are not registered in our name and are located on leased / rented premises. There can be no assurance that these lease / rent agreements will be renewed upon termination or that we will be able to obtain other premises on lease / rent on same or similar commercial terms

A significant number of our offices, including our registered office and corporate office, are located on leased / rent premises, and we do not own any of these premises. In the event such leases / rent agreements are not renewed or are terminated, it could adversely affect our operation unless we arrange for similar premises. If we are unable to continue or renew such leases / rent agreement on same or similar terms, or find alternate premises on lease / rent on similar terms or at all, it may affect our business operations.

28. We have contingent liabilities not provided for Financial Year 2013, 2014, 2015, 2016 and 2017 and our profitability could be adversely affected if any of these contingent liabilities materialize.

We had the following contingent liabilities not provided for in our Restated Standalone Financial Statements for Financial Year 2013, 2014, 2015, 2016 and 2017:

| Rs in lakhs | | | | | |
|--------------------------------------|---------|----------|----------|----------|----------|
| Particulars | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 |
| Disputed Sales Tax Matters | 647.24 | 669.67 | 548.94 | 1,391.75 | 1,263.04 |
| Disputed Service Tax matters | 5.52 | 12.11 | 12.11 | 10.53 | 10.53 |
| Disputed Income Tax Matters | -- | 54.70 | 54.70 | 21.11 | -- |
| Claim under Central Excise Act, 1944 | 164.60 | 1,287.50 | 1,413.83 | 1,602.22 | 1,602.22 |
| Other Disputed Sales Tax Matter | - | - | - | - | - |
| Other disputed matters | 8.50 | 8.50 | 8.50 | 8.50 | 8.50 |

| | | | | | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Bank Guarantees for performance contracts | 546.99 | 479.22 | 420.31 | 573.45 | 683.11 |
| Total | 1,372.85 | 2,511.70 | 2,458.39 | 3,607.56 | 3,567.40 |

If these contingent liabilities materialize, fully or partly, this could have an adverse effect on our business, financial condition, results of operations and prospects. For further information on contingent liabilities, see “Financial Statements - Annexure XXII” on page 202.

29. We cannot assure you that the deployment of the Net Proceeds in the manner intended by us will result in increase in the value of your investment

We intend to primarily use the Net Proceeds as described under “Objects of the Issue” on page 70. Our funding requirements and the deployment of the Net Proceeds are based on management estimates and have not been appraised by any bank, financial institution or other independent agency. In response to the dynamic nature of our business, our management will have broad discretion to revise our business plans, estimates and budgets from time to time. Consequently, our funding requirements and deployment of funds may change, which may result in rescheduling of the proposed utilization of the Net Proceeds and increasing or decreasing expenditure for a particular activity, subject to compliance with applicable law and the investment policies approved by our management.

Further, pursuant to Section 27 of the Companies Act any variation in the objects for which an offer document has been issued would require a special resolution of the shareholders and the promoter or controlling shareholders will be required to provide an exit opportunity to the shareholders who do not agree to such proposal to vary the Objects in accordance with Chapter VI-A of the SEBI ICDR Regulations. Additionally, the requirement on the Promoters or controlling shareholders to provide an exit opportunity to such dissenting shareholders may discourage the Promoters or our controlling shareholders from undertaking steps for the variation of the proposed utilization of our Net Proceeds, even if such variation is in our interest. Further, we cannot assure you that our Promoter or the controlling shareholders will have adequate resources at their disposal at all times to enable them to provide an exit opportunity to the dissenting shareholders at the price specified in the SEBI ICDR Regulations. These factors may restrict our ability to undertake any variation in Objects of Issue, even if such variation is in our interest, and may adversely affect our business and results of operations.

Further, pending utilization of the Net Proceeds, we are required to invest the Net Proceeds for any interim period only in scheduled commercial banks listed under Schedule II of the Banking Regulation Act, 1949. We cannot assure you that we will earn significant interest income on, or that we will not suffer unanticipated diminution in the value of, such interim investments.

30. We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and manufacturing and engineering industry contained in this Draft Letter of Offer.

While facts and other statistics in the Draft Letter of Offer relating to India, the Indian economy and the manufacturing and engineering industry have been based on various government and private publications and reports from government and private agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials/information. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and therefore we make no representation as to their accuracy or completeness. These facts and other statistics are included in the chapter titled “Industry Overview” beginning on page 90 of this Draft Letter of Offer. Due to possible flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may

be inaccurate or may not be comparable to statistics produced elsewhere and should not be duly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

31. The success of the products 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 customer's 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 the business growth and capex plan of our customers. The production and sales volumes of our customers as per the investment plan 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 customer's 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 customer's products, which may be attributable to us, directly or indirectly, may also adversely affect our financial condition and prospects.

32. If we are unable to accurately forecast demand for our products, our business, cash flows, financial condition and prospects may be adversely affected

Our inability to forecast the level of customer demand for our products, as well as our inability to accurately schedule our raw material purchases and production and manage our inventory may adversely affect our business and cash flows from operations. We presently manufacture and supply products on a purchase order basis and order raw materials from suppliers based on customer forecasts and orders. In the event of any significant reduction or increase in demand for products by the customers with little or no advance notice, for any reason including our inability to meet customer requirements, product obsolescence, revision of products, etc., we may be unable to undertake corresponding production and inventory management, which may have an adverse effect on our inventory management costs and margins, thereby affecting our liquidity and operational costs.

33. 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

As per restated audited standalone financials, our aggregate secured borrowings from banks were Rs. 1,337.28 lakhs as on March 31, 2017. The agreements in respect of some of the debt contain certain covenants such as maintenance of financial ratios, compliance with reporting requirements and other restrictions which may significantly limit our ability to borrow additional money, make capital expenditure and investments etc. While there have not been any instances of non-compliances in relation to any of our debt facilities or any covenant therein, there can be no assurance that we will be able to comply with these covenants in the future or that we will be able to obtain the consents necessary to take the actions that may be necessary.

Our existing debt or additional debt that we may incur has, or may have, among others, the following consequences:

- limiting our ability to fund future working capital, capital expenditures and other general corporate requirements;
- requiring us to dedicate a substantial portion of our cash flow from operations to service our debt;

- limiting our flexibility to react to changes in our business and in the industry in which we operate;
- placing us at a competitive disadvantage with respect to any of our competitors who have less debt;
- requiring us to meet additional financial covenants; and
- Leading to circumstances that result in an event of default, if not waived or cured.

Any failure to service our indebtedness, perform any condition or covenant or comply with the restrictive covenants could lead to a termination of one or more of our credit facilities, acceleration of amounts due under such facilities, affect our ability to raise additional funds or renew maturing borrowings to finance our existing working capital requirements and pursue our growth initiatives. We cannot provide any assurance that our business will generate cash in an amount sufficient to enable us to service our debt or to fund our other liquidity needs as they become due. The termination of, or declaration or enforcement of default under, any financing agreement may have an adverse effect on our business, financial condition, results of operations and prospects. For details of our indebtedness, see “Financial Indebtedness” on page 221

34. Any disruption in labor industry or strikes by our workforce may affect the production capability of our Company

Our manufacturing activities are labor intensive, and expose us to the risk of various labor related issues. We cannot assure you that we will not be subject to work stoppages, strikes, lockouts or other types of conflicts with our employees or contract workers in the future. 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.

35. Activities involving our manufacturing process can be dangerous and can cause injury to people or property in certain circumstances. A significant disruption at our manufacturing facility 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. We have faced past instances of accidents suffered by our employees in our manufacturing facility, while discharging their duties. 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 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, which may consequently have a negative effect on 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.

36. The trademark used by us are not owned by us. Our ability to use our intellectual property including our logo may be impaired.

The brand names “Josts”, “Jowalk,” “Jotruck” and “Jumbodiesel,” that are used by our Company are not presently registered with the trademark registry. The trademark “Jumbo” though registered with trademark registry on our Company’s name has also been registered subsequently by the trademark registry in the name of one more company. For details, see Government and Other Statutory Approvals” on page 233. We cannot assure you that these brands and trademark names

will not be adversely affected in the future by events such as actions that are beyond our control, including customer complaints and dissatisfaction or adverse publicity from any other source. Further, we cannot assure you that we will continue to have the uninterrupted use and enjoyment of all brands and trademark names in the event that we are unable to register the said brands and trademarks with the trademark registry. Any damage to these brands and trademark names, can have an adverse effect on our business and results of operations.

37. We are subject to counterparty credit risk and any delay in receiving payments or non-receipt of payments may adversely impact our results of operations

We are subject to credit risk through our trade receivables and other receivables due from our customers. By their nature, trade receivables involve risks, including the risk of non-performance by counterparties. Further, the failure of any of our customers to make timely payments could affect our profitability and liquidity and decrease capital resources available to us for other uses. We may also be required to write off trade receivables or increase provisions made against our trade receivable. Any changes in the financial position of our customers that adversely affects their ability to pay us may in turn materially and adversely affect our cash flows, business prospects, financial condition and results of operations.

38. We outsource a portion of our manufacturing processes to certain sub-contractors, which presents numerous risks

We outsource some of our intermediate manufacturing and processing to various sub-contractors. We depend on the expertise of our sub-contractors to provide high quality components. There can be no assurance that we will be successful in continuing to receive uninterrupted and quality intermediate processes from our sub-contractors. Any disruption or inefficiencies in our supply chain network due to various reasons may adversely affect our delivery schedules and consequently our business and results of operations.

39. Our business operations may be disrupted by an interruption in power supply, which may impact our business operations

Our manufacturing facility requires constant power supply and any disruption in the supply of power may disrupt our operations, which may interfere with manufacturing process requiring us to either stop our operations or repeat activities which may involve additional time and increase our costs. While we believe, we have adequate stand by power supply, this may not be adequate if the disruption in the supply of the power is for a longer period.

40. We face competition from competitors that may have greater financial and marketing resources. Failure to compete effectively may have an adverse impact on our business and results of operations.

We compete directly and indirectly with other manufacturers and suppliers of material handling equipment's on performance, customer service and support, price and brand recognition. Increased competition may force us to improve our service capabilities or lower our prices or result in loss of customers, which may adversely affect our profitability and market share.

Some of our competitors may have greater capital, marketing, technological and other resources, which may enable them to commit larger amounts of capital in response to changing market conditions, or to achieve substantially more market penetration in certain segments of those markets in which we operate or to anticipate the course of market developments and trends more effectively than we do and develop capabilities that may render our processes obsolete or put us at a disadvantage. We may also face competition from new entrants in the market as well as aggressive pricing and marketing strategies by other manufacturers trying to gain market share.

Any exclusive arrangements between suppliers of raw materials and our competitors may also increase our operating costs.

We believe that it is difficult to predict how the competitive landscape of our industry will develop over the long term. General competitive factors in the market, which may affect the level of competition over the short and medium term, include time to market, quality, price, timely delivery, warranty and general customer experience.

41. Our insurance coverage may not adequately protect us from all material risks and liabilities

We maintain insurance which we believe is typical in our industry in India and in amounts which we believe to be commercially appropriate for risks, including group insurance and personal accident insurance. However, such insurance may not be adequate to cover all our losses or liabilities that may arise from our operations. Our insurance policies contain exclusions and or all limitations on coverage, as a result of which, we may not be able to successfully assert our claims for any liability or loss under the said insurance policies. Additionally, there may be various other risks and losses, specially arising out of our business agreements, for which we are not insured because such risks are either uninsurable or not insurable on commercially acceptable terms. Furthermore, there can be no assurance that in the future we will be able maintain insurance of the types or at levels which we deem necessary or adequate or at premiums which we deem to be commercially acceptable.

The occurrence of an event for which we are not insured, where the loss is in excess of insured limits or where we are unable to successfully assert insurance claims from losses, could result in uninsured liabilities and losses. Further, despite such uninsured losses we may remain obligated for any future financial indebtedness or other obligations related to our business. Any such uninsured losses or liabilities could result in an adverse effect on our business operations, financial conditions and results of operations.

42. 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 unable to repair the machines or replace it within relevant timelines. Any such delays may have an adverse effect on the business of the Company.

43. Some of our Directors who are Promoters including one Independent Director have interests other than reimbursement of expenses incurred and normal remuneration or benefits in our Company.

Our Directors who are Promoters namely, Jai Prakash Agarwal, Vishal Jain and Shikha Jain and one Independent Director namely Marco Wadia are interested in our Company to the extent of Equity Shares held by them in the Company, and any dividends, bonuses or other distributions on such Equity Shares. For details, see “Our Management”, “Our Promoter and Promoter Group” and “Financial Statements” on pages 142, 154 and 167, respectively.

44. We have entered and will continue to enter into related party transactions

We have entered into and may in the course of our business continue to enter into transactions specified in the restated financials contained in the Draft Letter of Offer with related parties. For further details in relation to our related party transactions, see “Related Party Transactions” on page 165. While we believe that all such transactions have been conducted on an arm’s length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. The Companies Act has brought into effect significant

changes to the Indian company law framework, including specific compliance requirements such as obtaining prior approval from audit committee, the board of directors and shareholders for certain related party transactions. There can be no assurance that such transactions, individually or in the aggregate, will not have a material adverse effect on our financial condition and results of operations.

45. Our ability to pay dividends in the future will depend inter alia upon available financial resources, investment requirements and taking into account optimal shareholder return

Our ability to pay dividends to our shareholders in the future will depend, inter alia, upon available financial resources, investment requirements and taking into account optimal shareholder return. For details of the dividends paid by our Company, in the last five Financial Years see “Dividend Policy” on page 166. The amounts paid as dividends in the past are not necessarily indicative of the dividend policy of our Company or dividend amounts, if any, in the future. There is no guarantee that any dividend will be declared or paid or that the amount thereof will not be decreased in the future.

46. We have experienced negative cash flows in prior periods and may continue to do so in the future, which could have a material adverse effect on our business prospects, financial condition, cash flows and results of operations

We have experienced negative net cash flows in the recent periods, the details of which, as per our Restated Audited Standalone Financial Information, are provided below:

| Rs in lakhs | | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Particulars | March 31, 2013 | March 31, 2014 | March 31, 2015 | March 31, 2016 | March 31, 2017 |
| Net Cash (used in) / from operating activities | 156.31 | 220.98 | 20.98 | (317.34) | (370.98) |
| Net Cash from / (used in) investing activities | (88.59) | 0.90 | (24.55) | (98.50) | (138.08) |
| Net Cash from / (used in) financing activities | (55.10) | (268.10) | (3.21) | 387.55 | 509.59 |
| Net increase / (decrease) in cash and cash equivalents | 12.63 | (46.22) | (6.78) | (28.29) | 0.53 |

Our inability to generate and sustain adequate cash flows in the future could adversely affect our results of operations and financial condition. For more information, please see the sections titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Information” on pages 213 and 167, respectively.

47. The Promoter Group of our Company does not include certain relatives of our Promoters and / or entities in which these persons may have any interest.

The Promoter Group of our Company does not include certain relatives of our Promoters and / or any entities in which they jointly or severally may have an interest. The aforesaid relatives fall under the definition of “immediate relatives” as per the SEBI ICDR Regulations but, as such, do not form part of the “Promoter Group” and nor do they hold any equity shares in our Company. Our Promoters vide letter dated June 29, 2017 has submitted that information related to business / financial interest held by the said relatives is not accessible for the purpose of disclosure in the Draft Letter of Offer / Letter of Offer. Thus, these immediate relatives are treated as disassociated from the promoter group though there are no formal disassociation agreements with them. Therefore, the disclosures made in this Draft Letter of Offer are limited to the extent of information that has been made available in relation to Promoter Group and Group companies. For further

details, please refer to chapters titled “Our Promoter and Promoter Group” and “Our Group Companies” beginning on pages 154 and 162 respectively of this Draft Letter of Offer.

48. Certain agreements may be inadequately stamped or may not have been registered as a result of which our operations may be impaired

Few of our agreements may not be stamped adequately or registered. The effect of inadequate stamping is that the document is not admissible as evidence in legal proceedings and parties to that agreement may not be able to legally enforce the same, except after paying a penalty for inadequate stamping. The effect of non-registration, in certain cases, will make the document inadmissible in legal proceedings. Any potential dispute vis-à-vis non-compliance of local laws relating to stamp duty and registration may adversely impact the continuity of our business activity.

49. Our Company has not made any provision for decline or revalued in value of investment of the Company

As on March 31, 2017, our Company has made an investment in equity shares of The Zoroastrian Co-operative Bank Ltd. for a consideration of Rs. 1.00 lakh. Further, our Company has also made investment in Mutual Funds and the market value of it is Rs. 11.03 lakhs as on March 31, 2017. We have not made any provision for this increase or decrease in the value of investments, if provision is made in future on account of permanent decrease in value of these investments, our profits would reduce to the extent of such provision. This may have an adverse impact on our results of operations and financial conditions.

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

We require several statutory and regulatory permits, licenses and approvals to operate our business. Many of these approvals are granted for fixed periods of time and need renewal from time to time. While we believe that we will be able to obtain the required permits and approvals as and when required, there can be no assurance that the relevant authorities will issue any or all requisite permits or approvals in the time frame anticipated by us, or at all. Non-renewal of the said permits and licenses would adversely affect our Company’s operations, thereby having a material adverse effect on our business, results of operations and financial condition. Further, some of our permits, licenses and approvals are subject to several conditions and we cannot provide any assurance that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, which may lead to the cancellation, revocation or suspension of relevant permits, licenses or approvals. Any failure by us to apply in time, to renew, maintain or obtain the required permits, licenses or approvals, or the cancellation, suspension or revocation of any of the permits, licenses or approvals may result in the interruption of our operations and may have a material adverse effect on the business. For further details, please refer to the section titled "Government and Other Statutory Approvals" on page 233.

51. Our Promoters and Promoter Group may continue to hold majority shareholding after the completion of the Issue.

As on March 31, 2017, our Promoters and Promoter Group held 48.50% of our issued, paid-up and subscribed Equity Share capital as on the date of this Draft Letter of Offer. Accordingly, our Promoters and Promoter Group will continue to exercise control over us, including being able to influence the composition of our Board and influence matters requiring shareholder approval. Our Promoters and Promoter Group may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders. Through their influence, our Promoter and Promoter Group may be in a position to delay, defer or cause a change of our control or a change in our capital structure, delay, defer or cause a merger, consolidation, takeover or other business combination involving us, discourage or encourage a potential acquirer from

making a tender offer or otherwise attempting to obtain control of us. For further details, please see the section titled “Capital Structure” on page 56

52. Our Promoters may take actions that are not in the best interests of the investors and the value of the Rights Equity Shares may be adversely affected.

Our Promoters have had, and will continue to have, the ability to exercise a controlling influence over the business. This significant control by our Promoter could delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Company, even if such corporate event is in the Company’s best interest. As a result, the value of the Rights Equity Shares may be adversely affected.

EXTERNAL RISK FACTORS

53. General economic conditions in India and globally could adversely affect the business and results of operation of our Company

Our results of operations and financial condition depend significantly on worldwide economic conditions and the health of the Indian economy. Various factors may lead to a slowdown in the Indian or world economy which in turn may adversely impact our business, financial performance and operations

We mainly derive revenue from our operations in India and the performance and growth of our business is significantly dependent on the performance of the Indian economy. In the past, the Indian economy has been affected by global economic uncertainties, liquidity crisis, domestic policies, global political environment, volatility in interest rates, currency exchange rates, commodity and electricity prices, volatility in inflation rates and various other factors. Accordingly, high rates of inflation in India could increase our employee costs and decrease our operating margins, which could have an adverse effect on our results of operations. Accordingly, high rates of inflation in India could increase our employee costs and decrease our operating margins, which could have an adverse effect on our results of operations.

Further the Indian economy is undergoing many changes and it is difficult to predict the impact of certain fundamental economic changes on our business. Conditions outside India, such as a slowdown or recession in the economic growth of other major countries, especially the United States, also have an impact on the growth of the Indian economy. Additionally, an increase in trade deficit, a downgrading in India’s sovereign debt rating or a decline in India’s foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. A slowdown in the Indian economy could adversely affect the policy of the GoI towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business and results of operations and the market price of the Equity Shares.

54. Companies operating in India are subject to a variety of taxes and surcharges.

Tax and other levies imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, value added tax, turnover tax, service tax, stamp duty, tax on dividends and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. The central or state government may in the future increase the corporate income tax it imposes. Any such future

increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect our business, cash flows and results of operations.

55. There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect an Equity Shareholder's ability to sell, or the price at which an equity shareholder can sell the Equity Shares at a particular point in time.

Our Company is subject to a daily circuit breaker imposed on listed companies by BSE which does not allow transactions beyond certain volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breaker is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges are not required to inform us of the percentage limit of the circuit breaker from time to time, and may change it without our knowledge. This circuit breaker would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, the ability of shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares may be adversely affected.

56. Any future issuance of the Equity Shares may dilute your future shareholding and sale of the Equity Shares by the Promoters or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.

Any future equity issuances by our Company may lead to dilution of your future shareholding in our Company. Any future equity issuances by our Company or sale of the Equity Shares by the Promoters or other major shareholders of our Company may adversely affect the trading price of the Equity Share. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Share.

Except as otherwise stated in this Draft Letter of Offer, there is no restriction on our Company's ability to issue the Securities or the relevant shareholders' ability to dispose of their Equity Share, and there can be no assurance that our Company will not issue Equity Share or that any such shareholder (including Promoters and Promoter Group) will not dispose of, encumber, or pledge its Securities.

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of Equity Shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than twelve (12) months will not be subject to capital gains tax in India if Securities Transaction Tax ("STT") has been paid on the transaction and also at the time of purchase in certain cases. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realized on the sale of equity shares held for more than twelve (12) months, which are sold other than on a recognized stock exchange and on which no STT has been paid to an Indian resident, will be subject to long term capital gains tax in India.

Further, any gain realized on the sale of listed equity shares held for a period of twelve (12) months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

58. Political instability or significant changes in the economic liberalization and deregulation policies of the Government or in the government of the states where the Company operates could disrupt its business.

The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. The Company's businesses, and the market price and liquidity of its securities may be affected by changes in exchange rates and controls, interest rates, government policies, taxation, social and ethnic instability and other political and economic developments in or affecting India. In recent years, India has been following a course of economic liberalization and the Company's business could be significantly influenced by socio-economic policies followed by the Government.

However, there can be no assurance that such policies will continue in the future. The rate of economic liberalization could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well.

59. Natural disasters could have a negative impact on the Indian economy and damage the Company's facilities.

The Company's manufacturing facilities are vulnerable to natural disasters. In addition, natural disasters such as floods, earthquakes, epidemics or famines have in the past had a negative impact on the Indian economy. If any such event were to occur, the Company's business could be affected due to the event itself or due to its inability to effectively manage the effects of the particular event. Potential effects include the damage to infrastructure and the loss of business continuity, business information or inventories of raw materials or finished goods. Thus, any disruption in operations at our facility possessing equipment could have a material adverse effect on the Company's ability to provide products to its customers, and thus materially and adversely affect the Company. The recent currency demonetization measures imposed by the Government of India may adversely affect our business and the Indian economy.

Any anticipated measures undertaken by the Government of India or any regulatory authority such as the recent demonetization measures may adversely affect our business, financial condition and results of operations.

On November 8, 2016, the Indian government announced phasing out of large-denomination currency notes (Rs. 500 and Rs. 1,000, representing 86% of the total currency in circulation) as legal tender. They were immediately replaced with new Rs. 500 and Rs. 2,000 currency notes. This measure was undertaken to curb corruption, tax evasion, and counterfeiting. The withdrawal from circulation started immediately and ended on December 30, 2016. Unexpected demonetization weighed on growth in the third quarter of financial year 2016 - 17. Any such anticipated measures undertaken by the Government of India or any regulatory authority may adversely affect our business, financial condition and results of operations.

60. 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 Rights 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 or in the alternate, the pricing is in compliance with the extant provisions of the SEBI ICDR Regulations. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or falls 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 or a tax clearance certificate from the income tax authority. We cannot assure investors that any required

approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

61. Financial instability in Indian financial markets could adversely affect our results of operations and financial condition.

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in Asian emerging market countries. Financial turmoil in global economy in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition.

62. The price of the Rights Equity Shares may be volatile.

The trading price of our Rights Equity Shares may fluctuate after the Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's financial regime, volatility in the Indian and global securities market, performance of our competitors, the Indian material handling equipment industry and the perception in the market about investments in the material handling equipment industry, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets in general experience a loss of investor confidence, the trading price of our equity shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our equity shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could adversely affect the price of our equity shares.

PROMINENT NOTES:

1. As of March 31, 2017, our net worth was Rs. 1,115.13 lakhs as per our Company's Restated Audited Standalone Financial Information.
2. Issue of [●] Rights Equity Shares for cash at a premium of Rs. [●] per Equity Share for an amount not exceeding Rs. 1,000.00 lakhs on a rights basis to the existing Equity Shareholders of our Company in the ratio of [●] Equity Share(s) for every [●] fully paid-up Equity Share(s) held by the existing Equity Shareholders on the record date that is on [●]. The Issue Price is [●] times the face value of the Equity Shares.
3. As of March 31, 2017, the net asset value per Equity Share was Rs. 145.84 as per our Company's Restated Audited Standalone Financial Information
4. There has been no financing arrangement whereby our Promoter, Promoter Group, the Directors or their relatives have financed the purchase by any other person of securities of our Company other than in normal course of the business during the period of six months immediately preceding the date of this Draft Letter of Offer.
5. For information on changes in our Company's name, Registered Office and changes in the object clause of the MoA of our Company, please see the chapter entitled "History and Certain Other Corporate Matters" on page 133 of this Draft Letter of Offer.

6. Any clarification or information relating to the Issue shall be made available by the Lead Manager and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever. Investors may contact the Lead Manager who has submitted the due diligence certificate to SEBI for any complaints pertaining to the Issue.
7. For information regarding the business or other interests of our Group Companies in our Company, see “Our Group Companies” and “Financial Statements” on pages 162 and 167, respectively.
8. For details of transactions between our Company and our Group Companies during the last Financial Year, including the nature and cumulative value of the transactions, see “Financial Statements” on page 167.

SECTION III – INTRODUCTION

SUMMARY OF INDUSTRY

GLOBAL VIEW

Introduction

For India, three external developments are of significant consequence:

In the short run, the change in the outlook for global interest rates as a result of the US elections and the implied change in expectations of US fiscal and monetary policy will impact on India's capital flows and exchange rates. Markets are factoring in a regime change in advanced countries, especially US macroeconomic policy, with high expectations of fiscal stimulus and unwavering exit from unconventional monetary policies. The end of the 20-year bond rally and end to the corset of deflation and deflationary expectations are within sight.

Second, the medium-term political outlook for globalisation and in particular for the world's "political carrying capacity for globalisation" may have changed in the wake of recent developments. In the short run a strong dollar and declining competitiveness might exacerbate the lure of protectionist policies. These follow on ongoing trends documented widely about stagnant or declining trade at the global level. This changed outlook will affect India's export and growth prospects.

Third, developments in the US, especially the rise of the dollar, will have implications for China's currency and currency policy. If China is able to successfully re-balance its economy, the spillover effects on India and the rest of the world will be positive. On the other hand, further declines in the yuan, even if dollar-induced, could interact with underlying vulnerabilities to create disruptions in China that could have negative spill over for India. For China, there are at least two difficult balancing acts with respect to the currency.

Domestically, a declining currency (and credit expansion) prop up the economy in the short run but delay rebalancing while also adding to the medium-term challenges. Internationally, allowing the currency to weaken in response to capital flight risks creating trade frictions but imposing capital controls discourages FDI and undermines China's ambitions to establish the yuan as a reserve currency. China with its underlying vulnerabilities remains the country to watch for its potential to unsettle the global economy.

(Source- Economic Survey 2016-17; www.indiabudget.nic.in)

INDIAN ECONOMY AT A GLANCE

Overview of the Indian Economy

With demonetisation, a radical governance-cum-social engineering measure was enacted on November 8, 2016. The two largest denomination notes, Rs 500 and Rs 1,000 together comprising 86 percent of all the cash in circulation were "demonetised" with immediate effect, ceasing to be legal tender except for a few specified purposes. These notes were to be deposited in the banks by December 31, while restrictions were placed on cash withdrawals. In other words, restrictions were placed on the convertibility of domestic money and bank deposits.

The aim of the action was fourfold:

- to curb corruption,
- counterfeiting,
- the use of high denomination notes for terrorist activities, and
- especially the accumulation of "black money", generated by income that has not been declared to the tax authorities

(Source-Economic Survey 2016-17; www.indiabudget.nic.in)

Review of Developments in 2016 -17

The Indian economy has continued to consolidate the gains achieved in restoring macroeconomic stability. Real GDP growth in the first half of the year was 7.2 percent, on the weaker side of the 7.0-7.75 per cent projection in the Economic Survey 2015-16 and somewhat lower than the 7.6 percent rate recorded in the second half of 2015-16 (Figure 1a). The main problem was fixed investment, which declined sharply as stressed balance sheets in the corporate sector continued to take a toll on firms' spending plans. On the positive side, the economy was buoyed by government consumption, as the 7th Pay Commission salary recommendations were implemented, and by the long-awaited start of an export recovery as demand in advanced countries began to accelerate. Nominal GDP growth recovered to respectable levels, reversing the sharp and worrisome dip that had occurred in the first half of 2015-16 (Figure 1b).

The major highlights of the sectoral growth outcome of the first half of 2016-17 were:

- (i) moderation in industrial and non-government service sectors;
- (ii) the modest pick-up in agricultural growth on the back of improved monsoon; and
- (iii) strong growth in public administration and defence services dampeners on and catalysts to growth almost balancing each other and producing a real Gross Value Addition (GVA) growth (7.2 per cent), quite similar to the one (7.1 per cent) in H2 2015-16 (Figure 1a).

Inflation this year has been characterized by two distinctive features as shown in Figure 2.

- (i) The Consumer Price Index (CPI) - New Series inflation, which averaged 4.9 per cent during April-December 2016, has displayed a downward trend since July when it became apparent that kharif agricultural production in general, and pulses in particular would be bountiful.
- (ii) The decline in pulses prices has contributed substantially to the decline in CPI inflation which reached 3.4 percent at the end of December. The second distinctive feature has been the reversal of WPI inflation, from a trough of (-) 5.1 percent in August 2015 to 3.4 percent at the end of December 2016 as shown in Figure 2, on the back of rising international oil prices.

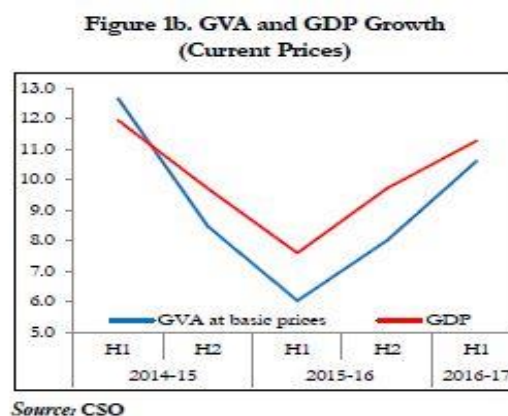
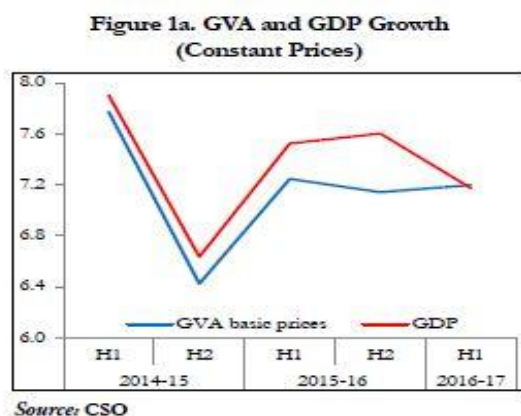
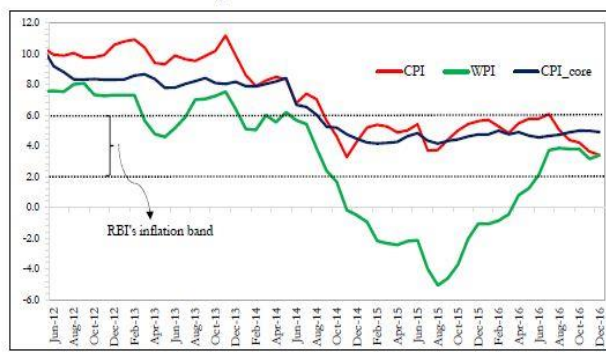


Figure 2. WPI and CPI Inflation



Source: CSO

(Source-Economic Survey 2016-17; www.indiabudget.nic.in)

The wedge between CPI and WPI inflation, which had serious implications for the measurement of GDP has narrowed considerably. Core inflation has, however, been more stable, hovering around 4.5 percent to 5 percent for the year so far. The outlook for the year as a whole is for CPI inflation to be below the RBI's target of 5 percent, a trend likely to be assisted by demonetisation

INDIAN MANUFACTURING SECTOR

Introduction

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

Market Size

India's manufacturing sector has the potential to touch US\$ 1 trillion by 2025. There is potential for the sector to account for 25-30 per cent of the country's GDP and create up to 90 million domestic jobs by 2025. Business conditions in the Indian manufacturing sector continue to remain positive.

Investments

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

Foreign Direct Investment (FDI) inflows in India's manufacturing sector grew by 82 per cent year-on-year to US\$ 16.13 billion during April-November 2016. India has become one of the most attractive destinations for investments in the manufacturing sector.

INDIAN ENGINEERING SECTOR

Introduction

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.

India on its quest to become a global superpower has made significant strides towards the development of its engineering sector. 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. 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 & engineering turnover in India is expected to reach US\$ 125.4 billion by FY 2017. India exports its engineering goods mostly to the US and Europe, which accounts for over 60 per cent of the total exports. Recently, India's engineering exports to Japan and South Korea have also increased with shipments to these two countries rising by 16 and 60 per cent respectively. Sri Lanka, Nepal and Bangladesh have also emerged as the major destinations for India's engineering exports. Engineering exports from India increased for the sixth straight month at 12.4 per cent year-on-year to US\$ 5.3 billion in January 2017, outperforming that of the overall merchandise export.

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 December 2016 stood at around US\$ 3,296.07 million, 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:

SUMMARY OF BUSINESS

Our Company is engaged in business of manufacturing, marketing and sale of material handling, industrial finishing and engineered products. We have been partnering with a range of business verticals across India for growth, for more than hundred years now. Our manufacturing facility is located at Thane. Further we have Sales offices (branches) which are located at Bengaluru, Vadodara, Chennai, Chandigarh, Kolkata, New Delhi, Pune and Secunderabad

We manufacture a comprehensive range of material handling equipments in our ISO 9001:2008 certified plant, comprising of fully equipped fabrication, machining and assembly shop at Thane near Mumbai. Our products are sold under the brand name “JUMBO, PYGMY and JOTRUK. Our fundamental focus is to innovate, collaborate and enhance the process of serving products to the market and our customers. Our belief is providing solutions that help customers improve their processes and/or performance of their products.

The manufacturing process is supported by a fully integrated ERP System. Lean manufacturing systems and other Total Quality Management (TQM) techniques are adopted to assure the quality in all aspects. Our all India sales and service network enables us to respond to customer needs with quality and value added solutions. Our Product Range Consists of Industrial Platform Trucks, Tow Trucks, Hand Pallet Trucks, Electric Pallet Trucks, Electric Pallet Stackers, Reach Trucks, Forklifts, Racking Systems, Scissor Lifts, Dock Levellers, Pneumatic Sample Transport Systems, Battery Operated Passenger Carriers, Various other customised products.

Our Company’s total revenue as restated in Financial Year 2017, 2016 and 2015 was Rs.8335.75 lakhs, Rs. 8207.19 lakhs and Rs. 7537.76 lakhs, respectively. Our Company’s profit after tax as restated in Financial Year 2017, 2016 and 2015 was Rs. (199.43) lakhs, Rs. (194.59) lakhs and Rs. 54.26 lakhs, respectively.

Our manufacturing facility is located at:

C-7, Wagle Industrial Estate, Road No. 12, Thane – 400604, Maharashtra

OUR COMPETITIVE STRENGTHS

Experience garnered over more than 100 years

Our Company has been serving its customers for more than 100 years and our management has contributed equally towards the success of the Company. This experience enables us to acquire knowledge of critical processes by understanding the customer’s needs which in turn helps us to spot the market trends and to achieve & improve on the benchmark standards.

Established Manufacturing Facilities

Our Company’s manufacturing facility is located at Thane in Mumbai. The manufacturing facility is equipped with all the requisite plant, equipment, machinery and infrastructure to enable our Company to produce quality products which satisfies the standards of our customers.

Production and Technical Personnel team

Our production operations at our manufacturing facilities are managed by a team of skilled technical engineers with the requisite technical know-how and science graduates with specialization to carry out our production processes. With the expertise of these technical persons, we have developed efficient production processes aimed to maximize yield and minimize costs.

Our technical team includes several persons who have an experience and knowledge in our Industry. Our management and executive team have been instrumental in setting the business direction of our Company and they will continue to guide our Company in the expansion of our business with their experience and technical expertise.

Technology Upgradation and Innovation

Our Company endeavours to maintain state of the art infrastructure which consists of machineries used in manufacturing. There is a continuous transition in technology that takes place; our Company through participation in the conferences and exhibition strives to keep itself updated with technological developments. Technology upgradation is an important aspect which a company like ours need to consider for its survival in the competitive market.

Marketing Team

Our Company's marketing department personnel are fairly experienced in the field of marketing. Our Company trains its employees for improving the communication skills and to provide a better quality output. Our Company marketing team develops and maintains cordial relations with our customers by continuous follow up.

Geared to serve all major markets in India

The Registered office of our Company is located at Mumbai and the sales offices (branches) are spread across multiple locations i.e. Bengaluru, Vadodara, Chennai, Chandigarh, Kolkata, New Delhi, Pune and Secunderabad which caters to strategic market and that enables us to easily reach out to customers in any part of the country in the shortest possible time. We provide solutions to the Power, Oil and Gas, Defence, Aerospace & Space, Automobile and many other critical sectors.

Association with global leading manufacturers

Our Company in association with global leading manufacturers provide advanced engineering solutions for very demanding industrial applications.

OUR BUSINESS STRATEGY AND PLANNING

1. Focus on Increase in Volume of Sales

We intend to focus on increasing the volume of sales in the markets we operate. As a manufacturing and trading Company we want to focus on larger volume of sales by extending our market segments and by further addition of new products in our current portfolio to achieve our targeted sales.

2. Augment our working capital base in order to better utilize our installed capacities

Our business of manufacturing of material handling equipments is working capital intensive. We need to maintain sufficient inventory for the production process and also maintain a balance between debtors & creditors cycle. Since, we are not fully utilizing our installed capacities, our growth depends on our ability to increase our utilization over the next few years and also adding new capacity subsequently. This expansion needs access to a larger amount of liquid funds and sufficient working capital. For further details of the proposed working capital requirements of our company, kindly refer to the chapter titled "Objects of the Issue" on page 70 of this Draft Letter of Offer. We believe that being well funded in the working capital domain will help us in the following strategic initiatives:

- Accelerate development of new products to suit different needs of customers.

- Respond to market dynamics and provide custom based designs with focus on customer satisfaction.
- Focus on producing / marketing high value priced products.

3. Customer Satisfaction

Our Company is customer satisfaction oriented company and always tries to maintain good relationship with the customers. Our Company's marketing team approaches existing customer for their feedback and based on that feedback any changes in the products if required are carried out. Our Company provides quality products and effective follow-ups with customers which ensures that customers are satisfied with the products. Our Company in return is rewarded by customers with continue orders.

4. Optimal Utilization of Resources

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

SUMMARY OF FINANCIAL INFORMATION

ANNEXURE- I - SUMMARY OF STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

Rs. In lakhs

| | Particulars | An nex ure | As at | | | | |
|-----------|--|------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | | | 31st March 2013 | 31st March 2014 | 31st March 2015 | 31st March 2016 | 31st March 2017 |
| 1) | Equity & Liabilities | | | | | | |
| | Shareholders' Funds | | | | | | |
| | (a) Share Capital | V | 76.5 | 76.5 | 76.5 | 76.5 | 76.5 |
| | (b) Reserves & surplus | VI | 1288.7 | 1446.6 | 1441.9 | 1238.1 | 1038.7 |
| 2) | Non-Current Liabilities | | | | | | |
| | (a) Long term Borrowings | VII | 18.46 | 3.68 | 0.00 | 0.00 | 20.29 |
| | (b) Other Long-Term Liabilities | VIII | 23.61 | 21.46 | 20.96 | 21.96 | 29.56 |
| | (c) Long term Provisions | IX | 363.33 | 347.47 | 335.19 | 362.39 | 352.05 |
| 3) | Current Liabilities | | | | | | |
| | (a) Short Term Borrowings | X | 196.05 | 99.76 | 236.55 | 715.42 | 1316.99 |
| | (b) Trade Payables | | | | | | |
| | (i) Due to MSME | | | | | | |
| | (ii) Due to others | | 1388.36 | 1662.18 | 1790.06 | 1917.53 | 1660.90 |
| | (c) Other Current Liabilities | XI | 550.94 | 411.13 | 422.66 | 542.43 | 519.64 |
| | (d) Short term provisions | XII | 296.73 | 188.58 | 145.43 | 69.91 | 49.19 |
| | Total Liabilities (1+2+3) | | 4202.62 | 4257.32 | 4469.20 | 4944.19 | 5063.76 |
| | ASSETS | | | | | | |
| 4) | Non-Current Assets | | | | | | |
| | (a) Fixed Assets | XIII | | | | | |
| | i. Tangible Assets | | 273.13 | 237.34 | 205.15 | 249.22 | 299.12 |
| | ii. Intangible Assets | | 6.42 | 4.65 | 0.00 | 6.29 | 20.26 |
| | iii. Intangible Assets under Development | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | iv. Capital Work in Progress | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | Net Block | | 279.55 | 241.99 | 205.15 | 255.52 | 319.38 |
| | (b) Non-Current Investments | XIV | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| | (c) Long-term Loans and Advances | XV | 14.16 | 18.01 | 19.04 | 44.44 | 55.64 |
| 5) | Current Assets | | | | | | |
| | (a) Current Investment | XVI | 12.56 | 8.92 | 9.87 | 10.42 | 10.97 |

| | Particulars | Annexure | As at | | | | |
|--|-----------------------------------|----------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | | | 31st March 2013 | 31st March 2014 | 31st March 2015 | 31st March 2016 | 31st March 2017 |
| | (b) Inventories | XVI I | 866.14 | 1053.60 | 1046.67 | 1086.77 | 941.66 |
| | (c) Trade Receivables | XVI II | 2413.28 | 2363.05 | 2556.80 | 2767.64 | 3040.48 |
| | (d) Cash and bank balances | XIX | 293.29 | 247.07 | 240.29 | 212.00 | 212.53 |
| | (e) short term Loans and Advances | XX | 316.97 | 318.49 | 386.64 | 560.47 | 475.59 |
| | (f) Other Current Assets | XXI | 5.67 | 5.19 | 3.74 | 5.93 | 6.50 |
| | Total assets (4+5) | | 4202.62 | 4257.32 | 4469.20 | 4944.19 | 5063.76 |

Note: - The above statement should be read with the Statement of Significant Accounting Policies appearing in Annexure IV, Notes to the Restated Financial Information appearing in Annexure IV as per our attached report of even date.

ANNEXURE-II - SUMMARY OF STATEMENT OF PROFITS AND LOSS, AS RESTATED

Rs. In lakhs

| Particulars | Annexure | For the year ended | | | | |
|--|----------|--------------------|-----------------|-----------------|-----------------|-----------------|
| | | 31st March 2013 | 31st March 2014 | 31st March 2015 | 31st March 2016 | 31st March 2017 |
| Income | | | | | | |
| Revenue from operations | XXIII | 7620.59 | 7230.08 | 7526.94 | 8168.52 | 8324.33 |
| (a) Sales of goods | | | | | | |
| (i) Sale of manufactured goods (net of excise) | | 3919.09 | 4538.22 | 4605.26 | 4957.31 | 5802.49 |
| (ii) Sale of traded goods | | 2510.91 | 1708.31 | 2031.53 | 2379.80 | 1491.54 |
| (b) Sale of services | | 413.59 | 392.59 | 354.48 | 402.94 | 478.18 |
| (c) Other Operating Revenue | | 776.99 | 590.96 | 535.68 | 428.47 | 552.12 |
| Total Revenue from operations | | 7620.58 | 7230.08 | 7526.93 | 8168.51 | 8324.33 |
| Other Income | XXIV | 11.68 | 13.73 | 10.83 | 38.67 | 11.41 |
| Total Revenue | | 7632.27 | 7243.81 | 7537.76 | 8207.19 | 8335.75 |
| Expenses | | | | | | |
| Cost of Raw Material Consumed | XXV | 2855.63 | 3157.23 | 3248.59 | 3470.38 | 3990.19 |
| Purchase of traded goods | XXVI | 2076.33 | 1334.27 | 1538.63 | 1850.21 | 1081.80 |
| (Increase)/decrease in inventories of finished goods, work-in-progress | XXVII | (234.43) | 31.80 | 72.76 | (4.86) | 53.23 |

| | | | | | | |
|---|---------|----------------|----------------|----------------|----------------|----------------|
| and traded goods | | | | | | |
| Employee benefits expense | XXVII I | 1297.42 | 1203.99 | 1271.62 | 1496.46 | 1607.87 |
| Finance cost | XXIX | 26.90 | 23.74 | 25.24 | 91.31 | 123.32 |
| Depreciation and amortization expenses | | 67.69 | 52.57 | 58.54 | 67.59 | 85.08 |
| Other expenses | XXX | 1030.27 | 1051.21 | 1218.13 | 1430.68 | 1376.96 |
| Total Expenses | | 7119.81 | 6854.82 | 7433.50 | 8401.78 | 8318.45 |
| Profit before tax, as restated | | 512.45 | 388.99 | 104.26 | (194.59) | 17.30 |
| Exceptional items (Sales tax paid under Amnesty Scheme) | | 0.00 | 0.00 | 0.00 | 0.00 | 216.72 |
| Extraordinary items | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Tax expense | | | | | | |
| Current tax | | 180.00 | 120.00 | 50.00 | 0.00 | 0.00 |
| Deferred tax charge/(credit) | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| MAT credit entitlement | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Restated profit / (loss) for the period / year carried forward to summary statement of assets and liabilities | | 332.45 | 268.99 | 54.26 | (194.59) | (199.43) |
| Earnings Per Share | | 43.48 | 35.18 | 7.10 | (25.45) | (26.08) |

Note: - The above statement should be read with the Statement of Significant Accounting Policies appearing in Annexure IV, Notes to the Restated Financial Information appearing in Annexure IV. As per our attached report of even date

**ANNEXURE III - STATEMENT OF CASH FLOWS, AS RESTATED FOR THE PERIOD /
YEAR ENDED**

Rs. In lakhs

| Particulars | For the year ended on 31 st March | | | | | |
|--|--|----------|--------------------|--------------------|--------------------|--------------------|
| | 31st 2013 | March | 31st March 2014 | 31st March 2015 | 31st March 2016 | 31st March 2017 |
| A. Cash Flow From Operating Activities | | | | | | |
| Net profit before tax | | 512.45 | 388.99 | 104.26 | (194.59) | (199.42) |
| Adjustments for: | | | | | | |
| Depreciation & Amortisation Exp. | | 67.69 | 52.57 | 58.53 | 67.59 | 85.08 |
| Loss (Profit) on Sale of Assets | | 3.92 | (0.05) | (0.39) | (8.39) | (1.09) |
| Dividend Income | | (2.26) | (1.52) | (1.09) | (0.70) | (0.70) |
| Interest expenses | | 26.90 | 23.74 | 25.24 | 91.31 | 112.28 |
| Interest Income | | (9.42) | (10.71) | (9.35) | (10.92) | (9.63) |
| Finance Cost | | | | | | |
| Operating profit before working capital changes (as restated) | | 599.29 | 453.01 | 177.20 | (55.69) | (13.48) |
| Changes in Working Capital | | | | | | |
| Trade and other receivable | | 212.55 | 45.34 | (261.47) | (412.26) | (199.74) |
| Inventories | | (253.92) | (187.45) | 6.93 | (40.10) | 145.11 |
| Trade and other Payables | | (181.59) | 119.10 | 167.10 | 190.72 | (302.87) |
| Net Cash flow from operations | | 376.33 | 430.01 | 89.76 | (317.34) | (370.98) |
| Less: Income Tax Paid | | (220.02) | (209.03) | (68.78) | - | - |
| Net cash generated from operating activities (A) | | 156.31 | 220.98 | 20.98 | (317.34) | (370.98) |
| B. Cash Flow From Investing Activities | | | | | | |
| Purchase of Fixed Assets (Net) | | (92.26) | (16.31) | (36.50) | (118.39) | (150.18) |
| Sale of Fixed Assets | | 2.11 | 1.35 | 2.46 | 8.82 | 2.32 |
| Purchase of Investment | | (10.11) | 3.63 | 0.00 | (0.55) | (0.55) |
| Sale / Redemption of Investment | | 0.00 | 0.00 | (0.94) | 0.00 | 0.00 |
| Interest Income | | 9.42 | 10.71 | 9.35 | 10.92 | 9.63 |
| Dividend Income | | 2.26 | 1.52 | 1.09 | 0.70 | 0.70 |
| Net cash from investing activities (B) | | (88.59) | 0.90 | (24.55) | (98.50) | (138.08) |
| C. Cash Flow From Financing Activities | | | | | | |
| Receipt of partly paid up shares | | 0.00 | 0.00 | 0.00 | 0.00 | 0.01 |
| Proceeds from Borrowings | | 193.97 | (111.07) | 133.11 | 478.87 | 621.86 |
| Interest Paid | | (26.90) | (23.74) | (25.24) | (91.31) | (112.28) |

| Particulars | For the year ended on 31 st March | | | | | |
|---|--|---------------|--------------------|--------------------|--------------------|--------------------|
| | 31st 2013 | March | 31st March 2014 | 31st March 2015 | 31st March 2016 | 31st March 2017 |
| Dividend paid (Including DDT) | | (222.17) | (133.30) | (111.08) | 0.00 | 0.00 |
| Net cash generated from financing activities (C) | | (55.10) | (268.10) | (3.21) | 387.55 | 509.59 |
| Net increase/(decrease) in cash and cash equivalents (A + B + C) | | 12.63 | (46.22) | (6.78) | (28.29) | 0.53 |
| Cash and cash equivalents at the beginning of the year | | 280.66 | 293.29 | 247.07 | 240.29 | 212.00 |
| Cash and cash equivalents at the end of the year | | 293.29 | 247.07 | 240.29 | 212.00 | 212.53 |
| Cash & Cash Equivalent Comprises | | | | | | |
| Cash | | 3.50 | 1.17 | 1.33 | 2.47 | 1.36 |
| Bank Balance: | | | | | | |
| Current Account | | 152.86 | 100.44 | 129.50 | 80.05 | 63.15 |
| Balances held for unpaid dividend | | 13.49 | 14.99 | 15.60 | 15.62 | 14.46 |
| Deposit Account | | 123.44 | 130.47 | 93.87 | 113.86 | 133.56 |
| Total | | 293.29 | 247.07 | 240.29 | 212.00 | 212.53 |

Note: - As per our attached report of even date

THE ISSUE

The Issue has been authorised by way of a resolution passed by our Board on 13th February 2017 pursuant to section 62 of the Companies Act.

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in “Terms of the Issue” on page 252

| | |
|--|--|
| Rights Equity Shares being offered by our Company | Up to [•] Rights Equity Shares upto Rs. 1,000 Lakhs |
| Rights Entitlement | [•] Rights Equity Shares for every [•] fully paid-up Equity Shares held on the Record Date |
| Record Date | [•] |
| Face Value per Equity Shares | Rs. 10 Each |
| Issue Price | Rs. [•] per Rights Equity Share |
| Issue Size | Issue of [•] Rights Equity Shares of face value of Rs 10 Each for cash at a price of Rs. [•] (Including a premium of Rs.[•] per Rights Equity Share not exceeding an amount Rs 1,000 Lakhs |
| Equity Shares issued and outstanding prior to the Issue | 7,64,650 Equity Shares |
| Equity Shares subscribed and paid up outstanding prior to the Issue | 7,64,650 Equity Shares |
| Equity Shares issued and outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement) | Up to [•] Equity Shares |
| Equity Shares subscribed and paid-up and outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement) | Up to [•] Equity Shares |
| Terms of the Issue | For details please see “Terms of the Issue” on page 252 |
| Use of Issue Proceeds | For details please see “Objects of the Issue” on page 70 |
| Scrip details | ISIN: INE636D01017 BSE: 505750 |

Terms of Payment

The full amount is payable on application.

| Due Date | Amount |
|--|--|
| On Application of the Rights Equity Shares | Rs. [•] per Rights Equity Shares which constitutes 100% of the Issue Price |

GENERAL INFORMATION

Registered and Corporate Office of the Company

Jost's Engineering Company Limited

Great Social Building,

60, Sir Phirozeshah Mehta Road, Mumbai 400001

Tel No: 022 -62378200

Fax No: 022 62378201

Email Id: jostsho@josts.in

Website: www.josts.com

Corporate Identification Number: L28100MH1907PLC000252

Registration Number: 000252

Address of the Registrar of Companies

Our Company is registered with the Registrar of Companies, Mumbai, situated at the following address:

Registrar of Companies, Mumbai

100, Everest, Marine Drive

Mumbai 400002, Maharashtra, India

Our Board of Directors

The details regarding our Board as on the date of the filing of this Draft Letter of Offer are set forth below: -

| S. No. | Name and Designation | Designation | DIN | Address |
|--------|----------------------|-------------------------------------|----------|--|
| 1. | Jai Prakash Agarwal | Chairman and Non-Executive Director | 00242232 | 2601, A-wing, 26 th Floor, Raheja Atlantis, Near Shreeram Mill, G.K. Marg, Lower Parel, Mumbai - 400013, Maharashtra, India |
| 2. | Vishal Jain | Non-Executive Director | 00709250 | A-802, Mantri Pride Appts, Near Madavan Park, 1 st Block Jayanagar, Bangalore South, Jayanagar III, Bengaluru- 560011, Karnataka, India |
| 3. | Shailesh Sheth | Independent Director | 00041713 | C-1713, Maple Leaf CHS, Raheja Vihar, Off Chandivali Farm Road, Powai, Mumbai - 400076, Maharashtra, India |
| 4. | Marco Wadia | Independent Director | 00244357 | Thakur Nivas, 173, Jamshedji Tata Road, Mumbai - 400020 Maharashtra, India |
| 5. | Farokh Banatwalla | Independent Director | 02670802 | 603, Neel Sagar, TPS III, 28 th Road, Bandra (West), Mumbai - 400050, Maharashtra, India |
| 6. | Shikha Jain | Additional Director | 06778623 | Mantri Pride, Appts No A-802, Madhavan Park, Jayanagar Bangalore 560082 Karnataka India |

For further details of our Directors, please see "Our Management" on page 142

Company Secretary and Compliance Officer

Chandrakant Bhalchandra Sagvekar is the Vice President, Company Secretary and Compliance Officer of our Company. His contact details are as follows:

Chandrakant Bhalchandra Sagvekar

Jost's Engineering Company Limited,
Great Social Building,
60, Sir Phirozeshah Mehta Road, Mumbai 400001
Tel No: 022 -62378200
Fax No: 022 62378201
E-mail: cbsagvekar@josts.in

Chief Financial Officer

Maruti Govind Naik is the Chief Financial Officer of our Company. His contact details are as follows:

Maruti Govind Naik

Jost's Engineering Company Limited,
Great Social Building
60, Sir Phirozeshah Mehta Road, Mumbai 400 001
Tel No: 022 -62378200
Fax No: 022 62378201
E-mail: [mgnaik@josts.in](mailto:mгнаик@josts.in)

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue/post-Issue related matters such as non-receipt of letter of Allotment, credit of Rights Equity Shares or Refund Orders and such other matters. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the applicant, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSB where the CAF, or the plain paper application, as the case may be, was submitted by the ASBA Investors.

Lead Manager to the Issue

Fedex Securities Limited

305, Enterprise Centre, Nehru Road,
Vile Parle (East), Mumbai – 400099,
Maharashtra, India
Tel No: 022-26136460/ 07977023417
Fax No: 022-26186966
Contact Person: Rinkesh Saraiya
Email:- mb@fedsec.in
Website: www.fedsec.in
Investor Grievance Id:- mb@fedsec.in
SEBI Registration Number: INM000010163

Legal Advisor to the Issue

Crawford Bayley & Co.

Advocates & Solicitors,
4th Floor, Gate No. 4, State Bank Buildings,
N.G.N. Vaidya Marg, Fort,
Mumbai-400023
Tel No: 022-22663713
Fax No: 022-22660986
Contact Person: Sanjay R. Buch
Email:- sanjay_buch@crawfordbayley.com

Statutory and Peer Reviewed Auditors of our Company

Sorab S Engineer & Co., Chartered Accountants

902, Raheja Centre,
Free Press Journal Marg, Nariman Point,
Mumbai- 400021, Maharashtra, India

Tel No: +91 22 22040861

Fax No: *Not Available*

E-mail: sorabsengineer@yahoo.com

Contact Person: N.D. Anklesaria

Membership No: -10250

Firm Registration No: 110417W

Peer Reviewed Certificate No: - 001982

Registrar to the Issue

Bigshare Services Private Limited

1st Floor, Bharat Tin Works Building,
Opp Vasant Oasis, Makwana Road, Marol,
Andheri East, Mumbai - 400059

Tel No: +91 22- 62628200

Fax No: +91 22 – 62638299

E-mail: rightissue@bigshareonline.com

Website: www. bigshareonline.com

Contact Person: Jibu John

SEBI Registration No: INR000001385

Investor Grievance Email: investor@bigshareonline.com

Bankers to our Company

The Zoroastrian Co-operative Bank Limited

Yusuf Building, Veer Nariman Road,
Fort, Mumbai

Tel No: 022 22049074

Fax No: 022 22876737

E-mail: vlandge@zcbli.in

Website: www.zoroastrianbank.com

Contact Person: Varsha Landge

HDFC Bank Limited

Manekji Wadia Bldg, Ground Floor, Nanik
Motwani Marg, Fort, Mumbai - 400001

Tel No: 022 66573583

Fax No: 022 22705520

E-mail: rohit.sareen@hdfcbank.com

Website: www.hdfcbank.com

Contact Person: Rohit Sareen

Bankers to the Issue

The Bankers to the Issue will be appointed prior to filing of Letter of Offer with the Stock Exchange.

Refund Banker to the Issue

The Refund Banker will be appointed prior to filing of Letter of Offer with the Stock Exchange.

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, for the ASBA process in accordance with the SEBI ICDR Regulations is provided on the website of SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time. Further, details relating to designated branches of SCSBs collecting the ASBA application forms are available at the above-mentioned link.

ASBA

For details on the ASBA process, refer to the details given in the CAF and please see “Terms of the Issue” on page 252

Experts

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

Our Company has received written consent from the Statutory and Peer Reviewed Auditors to include its name in this Draft Letter of Offer as an “expert” defined under section 2(38) of the Companies Act in respect of the reports of the Statutory and Peer Reviewed Auditors on the restated financial information dated July 17, 2017 and statement of tax benefits dated July 17, 2017 and such consent has not been withdrawn as on the date of this Draft Letter of Offer. However, the term “expert” shall not be construed to mean an “expert” as defined under the Securities Act.

Statement of responsibility of the Lead Manager

Fedex Securities Limited is the sole Lead Manager to the Issue. The details of responsibilities of the Lead Manager, are as follows:

| Sr. No. | Activity |
|---------|--|
| 1. | Capital structuring with the relative components and formalities, type of instruments of the Issue in conformity with the SEBI ICDR Regulations, liaising with SEBI and BSE (including obtaining in-principle listing approval), as may be required under the prevailing framework of regulations/ rules/ guidelines issued by the SEBI and BSE. |
| 2. | Undertaking due diligence and drafting of the Draft Letter of Offer, Letter of Offer and of advertisement/publicity material including newspaper advertisements and brochure/ memorandum containing salient features of the Draft Letter of Offer and Letter of Offer with assistance from legal advisor. Compliance with the SEBI Regulations and other stipulated requirements and completion of prescribed formalities with BSE and SEBI, in consultation with legal advisor. |
| 3. | Selection of various agencies connected with the Issue, namely Registrars to the Issue, printers, Bankers to the Issue and advertisement agencies. |
| 4. | Assisting, together with other advisors and legal advisor in securing all necessary regulatory approvals for the Issue and filing of the Issue related documents with SEBI, BSE or any other regulatory authorities. |
| 5. | Marketing of the issue, which shall cover, inter alia, formulating marketing strategies, preparation of publicity budget, arrangements for selection of (i) ad-media, (ii) bankers to the issue, (iii) collection centres, and (iv) Distribution of publicity and issue material including application form, letter of offer and brochure and deciding upon the quantum of issue material. |
| 6. | Post-issue activities, which shall involve essential follow-up steps including follow-up with bankers to the issue and Self-Certified Syndicate Banks to get quick estimates of collection and advising the Issuer about the closure of the issue, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as registrars to the issue, bankers to the issue, Self- Certified Syndicate Banks, etc. |

Issue Schedule

| Particulars | Date |
|---|------|
| Issue Opening Date: | [•] |
| Last date for receiving requests for split forms: | [•] |
| Issue Closing Date: | [•] |

The Board may however decide to extend the Issue period, as it may determine from time to time, but not exceeding thirty days from the Issue Opening Date or such other period as may be specified by the SEBI.

Underwriting

This Issue is not underwritten and our Company has not entered into any underwriting arrangement

Minimum Subscription

If our Company does not receive minimum subscription of 90% of the Issue including subscription of any undersubscribed portion by our Promoters, or the subscription level falls below 90%, after the Issue Closing Date on account of cheques being returned unpaid or withdrawal of applications, our Company shall refund the entire subscription amount received within the prescribed time. In the event that there is a delay of making refunds beyond such period as prescribed by applicable laws, our Company shall pay interest for the delayed period at rates prescribed under applicable laws. The above is subject to the terms mentioned under “Terms of the Issue” on page 252

Credit Rating

As this is an issue of Rights Equity Shares, there is no credit rating required for the Issue.

Debenture Trustee

As the Issue is of Rights Equity Shares, the appointment of a debenture trustee is not required.

Book Building Process

As the Issue is a Rights Issue, the Issue will not be made through the book building process.

Monitoring Agency

In terms of Regulation 16(1) of the SEBI ICDR Regulations, since the size of the present Issue is less than Rs. 1,000 million, our Company is not required to appoint a monitoring agency for the purposes of this Issue.

Appraising Entity

None of the purposes for which the Net Proceeds are proposed to be utilised have been financially appraised by any banks or financial institution or any other independent agency

Issue Grading

As the Issue is a Rights Issue, grading of the Issue is not required.

Principal Terms of Loans and Assets charged as security

For details of principal terms of loans and assets charged as security please see “Financial Indebtedness” on page 221.

CAPITAL STRUCTURE

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

(Amount in Rs, except the share data)

| | Particulars | Aggregate value at face value | Aggregate value at Issue Price |
|-----------|---|-------------------------------|--------------------------------|
| 1. | AUTHORIZED SHARE CAPITAL | | |
| | 10,00,000 Equity Shares of Rs. 10 each | 1,00,00,000 | |
| 2. | ISSUED CAPITAL BEFORE THE ISSUE | | |
| | 7,64,650 Equity Shares of Rs. 10 each | 76,46,500 | |
| 3. | SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE | | |
| | 7,64,650 Equity Shares of Rs. 10 each | 76,46,500 | |
| 4. | PRESENT ISSUE IN TERMS OF THIS DRAFT LETTER OF OFFER* | | |
| | Issue of [●] Equity Shares upto Rs. 1,000 Lakhs | [●] | [●] |
| 5. | ISSUED, SUBSCRIBED AND PAID UP CAPITAL AFTER THE ISSUE | | |
| | [●] Equity Shares at an Issue Price of Rs. [●] per Equity Share | [●] | [●] |
| 6. | SECURITIES PREMIUM ACCOUNT | | |
| | Before the Issue | 1,15,79,500 | |
| | After the Issue | [●] | |

* This issue is being made pursuant to resolution passed by the Board at its meeting held on February 13, 2017 pursuant to section 62 of the Companies Act, 2013

Details of increase in Authorized Share Capital of our Company since incorporation

| Date of Shareholder's Resolution | Details of Change |
|------------------------------------|--|
| May 09, 1907 (On Incorporation) | Initially the capital of the Company was divided into 3,000 shares of Rs.100 each |
| November 19, 1914 | <i>Pursuant to a court confirmation on Reduction of Capital:</i> (a) 1,000 fully paid shares of Rs. 100 each sub-divided into 2,000 fully paid up shares of Rs. 50 each; (b) the uncalled capital of Rs. 50 each per share has been cancelled on the remaining 2000 shares and the nominal amount of such shares reduced from Rs. 100 each to Rs. 50 each. |
| October 13, 1947 | The authorised share capital of our Company increased from Rs. 2,00,000 divided into 4,000 Equity Shares of Rs. 50 each to Rs. 7,00,000 divided into 14,000 Equity Shares of Rs. 50 each. |

| | |
|-----------------------|--|
| September 27, 1962 | The authorised share capital of our Company increased from Rs. 7,00,000 divided into 14,000 Equity Shares of Rs. 50 each to Rs. 25,00,000 divided into 50,000 Equity Shares of Rs. 50 each. |
| September 28, 1987 | The authorised share capital of our Company increased from Rs. 25,00,000 divided into 2,50,000 Equity Shares of Rs.10 each to Rs. 1,00,00,000 divided into 10,00,000 Equity Shares of Rs. 10 each. |

NOTES TO THE CAPITAL STRUCTURE

1. Share Capital history of our Company

a. The history of the equity share capital of our Company is detailed in the following table:

| Date of Allotment | No. of Equity Shares | Face Value (In Rs.) | Issue Price (In Rs.) | Consideration | Reason / Nature of Allotment | Cumulative No. of Equity Shares |
|--------------------------------|---|---------------------|----------------------|---|------------------------------|---------------------------------|
| May 24, 1907 | 1,231 (including 33 shares allotted to subscribers of MOA) | 100 | 100 | Cash | Public Issue | 1,231 |
| May 27, 1907 | 104 | 100 | 100 | Cash | Public Issue | 1,335 |
| May 30, 1907 | 100 | 100 | 100 | Cash | Public Issue | 1,435 |
| May 30, 1907 | 1,000 | 100 | 100 | Part of purchase consideration payable to Mr. Carl Jost | -- | 2,435 |
| June 25, 1907 | 234 | 100 | 100 | Cash (including 1 share taken on signing of MoA) | Public Issue | 2,669 |
| August 3, 1907 | 201 | 100 | 100 | Cash | Public Issue | 2,870 |
| August 3, 1907 | 5 | 100 | 100 | -- | -- | 2,875 |
| September 17, 1907 | 125 | 100 | 100 | Cash | Public Issue | 3,000* |
| 19 th November 1914 | <i>Pursuant to a court confirmation on Reduction of Capital:</i> (a) 1,000 fully paid shares of Rs. 100 each sub-divided into 2,000 fully paid up shares of Rs. 50 each; (b) the uncalled capital of Rs. 50 each per share has been cancelled on the remaining 2,000 shares and the nominal amount of such shares reduced from Rs. 100 each to Rs. 50 each. | | | | | |
| October 13, 1947 | 4,000 | 50 | -- | -- | Bonus (1:1) | 8,000 |
| 27 th May 1949 | 4,000 | 50 | 60 | Cash | Rights Issue (1:2)** | 12,000 |
| January 16, 1963 | 17,456 | 50 | 50 | Cash | Rights Issue | 29,456 |
| May 10, 1963 | 544 | 50 | 50 | Cash | Rights Issue | 30,000 |
| April 01, 1964 | 7,874 | 50 | 50 | Cash | Rights Issue | 37,874 |
| July 29, 1964 | 126 | 50 | 50 | Cash | Rights Issue | 38,000*** |
| November 14, 1987 | 1,90,000 | 10 | -- | -- | Bonus (1:1) | 3,80,000 |
| May 24, 1993 | 3,84,650 | 10 | 40 | Cash | Rights Issue (1:1)**** | 7,64,650 |

**Subsequently the face value of the Shares was reduced to Rs. 50 each and the number of cumulative Equity Shares were accounted to 4000 Equity Shares of Rs. 50 each*

***As per Board resolution dated May 27, 1949 Company issued 4,000 Equity Shares of face value of Rs. 50 each at a premium of Rs. 10 each, issue price being Rs.60 each in the ratio of every 1 Equity Share for every 2 existing equity shares held)*

****Subsequently the face value of the Shares was reduced to Rs.10 each and the number of cumulative Equity Shares were accounted to 190,000 Equity Shares of Rs. 10 each*

*****As per Board resolution dated May 24, 1993 company issued 4,00,000 Equity Shares of face value of Rs. 10 each at a premium of Rs. 30 each, issue price being Rs.40 each in the ratio of every 1 Equity Share for every 1 existing equity shares held)*

b. Issue of Equity Shares allotted for consideration other than cash:

Our Company has not issued any Equity Shares out of revaluation of reserves.

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

Further, no benefits have accrued to our Company on account of allotment of Equity Shares for consideration other than cash:

| Date of allotment | No. of Equity Shares* | Face Value (In Rs.) | Issue Price (In Rs.) | Reason / Nature of allotment | Benefit accrued to our Company | Cumulative Number of Equity Shares |
|--------------------|-----------------------|---------------------|-------------------------------|---|--------------------------------|------------------------------------|
| May 30, 1907 | 1,000* | 100.00 | Consideration other than cash | Shares issued as consideration for purchase of business from Mr. C. Jost. | Nil | 10,000 |
| October 13, 1947 | 4,000** | 50.00 | Consideration other than cash | Bonus (1:1) | Nil | 20,000 |
| September 28, 1987 | 1,90,000 | 10.00 | Consideration other than cash | Bonus Issue. Other than cash. | Nil | 2,20,000 |

**As on November 14, 1914, the face value of the share was reduced to Rs 50 per equity share from Rs. 100 per equity share and subsequently on July 29, 1964, the face value of the share was reduced to Rs. 10 per equity share from Rs. 50 per equity share. Consequently, the equity shares other than cash increased from 1000 equity shares to 10,000 equity shares.*

***As on July 29, 1964, the face value of the share was reduced to Rs. 10 per equity share from Rs. 50 per equity share. Consequently, the equity shares other than cash increased from 4000 equity shares to 20,000 equity shares*

c. Equity Shares issued at a price which may be lower than the Issue Price during the preceding one year

No Equity shares have been issued by our Company at a price which may be lower than the Issue Price during the preceding one year from the date of filing this Draft Letter of Offer with SEBI.

Note: - With respect to details on the due diligence of certain form filings with the MCA/ROC, see "Risk Factors- 8. Some of our historical, legal and secretarial records are not traceable. Non-availability of these records exposes us to the risk of penalties that may be imposed by the competent regulatory authority in future." on page 18.

2. History of the Equity Share capital held by our Promoters

As on the date of this Draft Letter of Offer, our Promoters hold 3,70,890 Equity Shares, equivalent to 48.50% of the issued, subscribed and paid-up Equity Share capital of our Company.

a. Details of the build-up of shareholding of the Promoters in our Company:

| Date of allotment / Transfer | No. of Equity Shares | Face Value (In Rs.) | Issue Price / Average Acquisition Price per Equity Share (In Rs.) | Percentage of the pre-issue capital (in %) | Percentage of the post-issued capital (in %) |
|--|----------------------|---------------------|---|--|--|
| Jai Prakash Agarwal | | | | | |
| January 21, 2015 | 80,000 | 10.00 | 305.75 | 10.46 | [●] |
| February 02, 2015 | 550 | 10.00 | 410.00 | 0.07 | [●] |
| March 16, 2016 | 25,000 | 10.00 | 581.09 | 3.27 | [●] |
| Total | 1,05,550 | 10.00 | | 13.80 | [●] |
| Vishal Jain | | | | | |
| January 21, 2015 | 60,028 | 10.00 | 305.75 | 07.85 | [●] |
| January 22, 2015 | 430 | 10.00 | 410.00 | 0.06 | [●] |
| January 24, 2015 | 32,450 | 10.00 | 305.75 | 4.24 | |
| Total | 92,908 | 10.00 | | 12.15 | [●] |
| Shikha Jain | | | | | |
| January 21, 2015 | 92,477 | 10.00 | 305.75 | 12.09 | [●] |
| Total | 92,477 | 10.00 | | 12.09 | [●] |
| Rajendra Kumar Agarwal | | | | | |
| January 21, 2015 | 17,000 | 10.00 | 305.75 | 2.22 | [●] |
| Total | 17,000 | 10.00 | | 2.22 | [●] |
| Krishna Agarwal | | | | | |
| January 21, 2015 | 40,000 | 10.00 | 305.75 | 5.23 | [●] |
| Total | 40,000 | 10.00 | | 5.23 | [●] |
| Anita Agarwal | | | | | |
| January 21, 2015 | 17,000 | 10.00 | 305.75 | 2.22 | [●] |
| Total | 17,000 | 10.00 | | 2.22 | [●] |
| Jai Prakash Agarwal on behalf of J. P. Agarwal & Sons (HUF) | | | | | |
| January 21, 2015 | 5,955 | 10.00 | 305.75 | 0.78 | [●] |
| Total | 5,955 | 10.00 | | 0.78 | [●] |

Note 1- On January 21, 2015, the present Promoters of our Company namely Jai Prakash Agarwal and Vishal Jain along with their PACs (Person Acting in Concert) namely Krishna Agarwal, Abhishek Agarwal, J. P. Agarwal & Sons (HUF), Rajendra Kumar Agarwal, Anita Agarwal and Shikha Jain

acquired control of our Company pursuant to and in accordance with SEBI Takeover Regulations by way of open offer from the erstwhile promoters of our Company pursuant to the terms of the share purchase agreement dated August 30, 2014 and from the open market.

Note 2 - As on date, the above Equity Shares are not pledged and there are no locked-in Equity Shares.

- b. The Issue is exempted from the requirements of minimum promoters' contribution and lock -in in accordance with Regulation 34(c) of the ICDR Regulations
- c. None of the shares held by our Promoters or Promoter Group are under lock-in, pledged or encumbered.
- d. The following Promoters of our Company through their letters dated June 29, 2017 (the "Subscription Letters") have confirmed that they intend to subscribe to their Rights Entitlement in full in the Issue and further intend to subscribe to Rights Equity Shares renounced by any person, whether or not belonging to the Promoter Group (including any unsubscribed portion of the Issue)
 - a. Jai Prakash Agarwal
 - b. Vishal Jain
 - c. Shikha Jain
 - d. Rajendra Kumar Agarwal
 - e. Krishna Agarwal
 - f. Anita Agarwal
 - g. Jai Prakash Agarwal on behalf of J. P. Agarwal & Sons (HUF)

Further, the Promoter and Promoter Group may also apply for Additional Rights Shares along with their Rights Entitlement and / or renunciation.

Such subscriptions of Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such acquisition of Additional Rights Shares (including any unsubscribed portion of the Issue) shall not result in change of control of the management of the Company in accordance with provisions of the SEBI Takeover Regulations and shall be exempt subject to fulfillment of the conditions of Regulation 10(4)(a) and (b) of the SEBI Takeover Regulations. The Promoters acknowledge and undertake that their investment would be restricted to ensure that the public shareholding in the Company after the Issue does not fall below the permissible minimum level as specified in the Regulation 38 of SEBI Listing Regulations.

As such, other than meeting the requirements indicated in the chapter entitled "Objects of the Issue" at page 70 of this Draft Letter of Offer, there is no other intention / purpose for the Issue, including any intention to delist our Equity Shares, even if, as a result of any allotment in the Issue to our Promoter and / or the members of our Promoter Group, the shareholding of our Promoters and / or Promoter Group in our Company exceeds their current shareholding.

3. Shareholding Pattern of our Company

The table below represents the Shareholding Pattern of our Company as on March 31, 2017

Summary statement holdings of specified securities

| Category Code and Category of shareholder | No. of shareholders | No. of fully paid up equity shares held | No. of partly paid-up equity shares held | Total no. of shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) | No. of Equity Shares held in dematerialized form |
|---|---------------------|---|--|--------------------------|--|--|
| (A) Promoter & Promoter Group | 7 | 3,70,890 | | 3,70,890 | 48.50 | 3,70,890 |
| (B) Public | 1,658 | 3,93,760 | | 3,93,760 | 51.50 | 3,54,441 |
| (C1) Shares underlying DRs | -- | -- | -- | -- | 0.00 | -- |
| (C2) Shares held by Employee Trust | -- | -- | -- | -- | 0.00 | -- |
| (C) Non – Promoter Non Public | -- | -- | -- | -- | 0.00 | -- |
| Total | 1,665 | 7,64,650 | | 7,64,650 | 100.00 | 7,25,331 |

Statement showing shareholding pattern of the Promoter and Promoter Group

| Category of shareholder | No. of shareholders | No. of fully paid up equity shares held | No. of partly paid-up equity shares held | Total no. of shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) | No. of Equity Shares held in dematerialized form |
|---|---------------------|---|--|--------------------------|--|--|
| (A1) Indian | | | | | 0.00 | |
| Individuals / Hindu Undivided Family | 7 | 3,70,890 | | 3,70,890 | 48.50 | 3,70,890 |

| Category of shareholder | No. of shareholders | No. of fully paid up equity shares held | No. of partly paid-up equity shares held | Total no. of shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) | No. of Equity Shares held in dematerialized form |
|----------------------------|---------------------|---|--|--------------------------|--|--|
| Jai Prakash Agarwal | 1 | 1,05,550 | | 1,05,550 | 13.80 | 1,05,550 |
| Vishal Jain | 1 | 92,908 | | 92,908 | 12.15 | 92,908 |
| Shikha Jain | 1 | 92,477 | | 92,477 | 12.09 | 92,477 |
| Rajendra Kumar Agarwal | 1 | 17,000 | | 17,000 | 2.22 | 17,000 |
| Krishna Agarwal | 1 | 40,000 | | 40,000 | 5.23 | 40,000 |
| Anita Agarwal | 1 | 17,000 | | 17,000 | 2.22 | 17,000 |
| J. P. Agarwal & Sons (HUF) | 1 | 5,955 | | 5,955 | 0.78 | 5,955 |
| Sub – Total (A1) | 7 | 3,70,890 | | 3,70,890 | 48.50 | 3,70,890 |
| (A2) Foreign | -- | -- | -- | -- | 0.00 | -- |
| A = A1 + A2 | 7 | 3,70,890 | | 3,70,890 | 48.50 | 3,70,890 |

Statement showing shareholding pattern of the Public Shareholders

| Category & Name of the Shareholders | No. of shareholder | No. of fully paid up equity shares held | Partly paid up equity shares held | Total no. of shares held | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) | No. of Voting Rights | Total as a % of Total Voting Rights | No. of equity shares held in dematerialized form (Not Applicable) |
|--|--------------------|---|-----------------------------------|--------------------------|--|----------------------|-------------------------------------|---|
| B1) Institutions | | | | | | | | |
| Financial Institutions / Banks | 2 | 595 | -- | 595 | 0.08 | 595 | 0.08 | 5 |
| Sub Total B1 | 2 | 595 | | 595 | 0.08 | 595 | 0.08 | 5 |
| B2) Central Government / State Government | 0 | 0 | -- | -- | 0.00 | | 0.00 | -- |

| Category & Name of the Shareholders | No. of shareholder | No. of fully paid up equity shares held | Partly paid up equity shares held | Total no. of shares held | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) | No. of Voting Rights | Total as a % of Total Voting Rights | No. of equity shares held in dematerialized form (Not Applicable) |
|---|--------------------|---|-----------------------------------|--------------------------|--|----------------------|-------------------------------------|---|
| (s) / President of India | | | | | | | | |
| B3) Non-Institutions | | | | | | | | |
| Individual shareholders holding nominal share capital Up to Rs. 2 Lakhs | 1,618 | 2,31,832 | -- | 2,31,832 | 30.32 | 2,31,832 | 30.32 | 1,93,533 |
| Shareholder holding shares more than 1% | | | | | | | | |
| Hardik Indramal Jain | 1 | 9,111 | -- | 9,111 | 1.19 | 9,111 | 1.19 | 9,111 |
| Saraiya Bhavin Ramakant | 1 | 10,677 | -- | 10,677 | 1.40 | 10,677 | 1.40 | 10,677 |
| Jigna Kanayalal Shah | 1 | 9,119 | -- | 9,119 | 1.19 | 9,119 | 1.19 | 9,119 |
| Individual shareholders holding nominal share capital in excess of Rs. 2 Lakhs | 4 | 1,54,420 | -- | 1,54,420 | 20.19 | 1,54,420 | 20.19 | 1,54,420 |
| Shareholder holding shares more than 1% | | | | | | | | |
| Sharad Kanayalal Shah | 1 | 56,425 | -- | 56,425 | 7.38 | 56,425 | 7.38 | 56,425 |
| Varsha Sharad Shah | 1 | 21,595 | -- | 21,595 | 2.82 | 21,595 | 2.82 | 21,595 |

| Category & Name of the Shareholders | No. of shareholder | No. of fully paid up equity shares held | Partly paid up equity shares held | Total no. of shares held | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) | No. of Voting Rights | Total as a % of Total Voting Rights | No. of equity shares held in dematerialized form (Not Applicable) |
|-------------------------------------|--------------------|---|-----------------------------------|--------------------------|--|----------------------|-------------------------------------|---|
| Viren Rajan Raheja | 1 | 38,200 | -- | 38,200 | 5.00 | 38,200 | 5.00 | 38,200 |
| Akshay Rajan Raheja | 1 | 38,200 | -- | 38,200 | 5.00 | 38,200 | 5.00 | 38,200 |
| Any Other (Bodies Corporate) | 34 | 6,913 | -- | 6,913 | 0.90 | 6,913 | 0.90 | 6,483 |
| Sub Total B3 | 1,656 | 3,93,165 | -- | 3,93,165 | 51.42 | 3,93,165 | 51.42 | 3,54,436 |
| B=B1+B2+B3 | 1,658 | 3,93,760 | -- | 3,93,760 | 51.50 | 3,93,760 | 51.50 | 3,54,441 |

Statement showing shareholding pattern of the Non-Promoter Non-Public shareholder

| Category & Name of the Shareholders (I) | No. of shareholders (III) | No. of fully paid up equity shares held (IV) | Partly paid-up equity shares held (V) | Total no. of shares held (VII = IV + V + VI) | Shareholding % calculated as per SCRR, 1957 As a % of (A + B + C2) (VIII) | No. of equity shares held in dematerialized form (XIV) (Not Applicable) |
|---|---------------------------|--|---------------------------------------|--|---|---|
| C1) Custodian / DR Holder | 0 | 0 | -- | -- | 0.00 | -- |
| C2) Employee Benefit Trust | 0 | 0 | -- | -- | 0.00 | -- |

4. Shareholding of our Promoters and Promoter group Pre and Post Issue:

Provided below are details of Equity Shares held by our Promoters and Promoter Group as of the date of this Draft Letter of Offer:

| Sr. No. | Name of the Shareholder | Pre - Issue | | Post – Issue* | |
|---------|---|-----------------|--------------|---------------|------------|
| | | No. of shares | % | No. of shares | % |
| | PROMOTER AND PROMOTER GROUP | | | | |
| 1. | Jai Prakash Agarwal | 1,05,550 | 13.80 | [●] | [●] |
| 2. | Vishal Jain | 92,908 | 12.15 | [●] | [●] |
| 3. | Krishna Agarwal | 40,000 | 5.23 | [●] | [●] |
| 4. | Shikha Jain | 92,477 | 12.09 | [●] | [●] |
| 5. | Rajendra Kumar Agarwal | 17,000 | 2.22 | [●] | [●] |
| 6. | Anita Agarwal | 17,000 | 2.22 | [●] | [●] |
| 7. | Jai Prakash Agarwal on behalf of J. P. Agarwal & Sons (HUF) | 5,955 | 0.78 | [●] | [●] |
| | Total | 3,70,890 | 48.50 | [●] | [●] |

**assuming full subscription for and allotment of only the Rights Entitlement.*

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

a. Particulars of the top ten shareholders as on the date of this Draft Letter of Offer

| Sr. No. | Name of the Shareholder | No. of Equity Shares | % of total paid-up capital |
|---------|-------------------------|----------------------|----------------------------|
| 1. | Vishal Jain | 92,908 | 12.15% |
| 2. | Shikha Jain | 92,477 | 12.09% |
| 3. | Jai Prakash Agarwal | 80,550 | 10.53% |
| 4. | Sharad Shah | 56,425 | 7.38% |
| 5. | Krishna Agarwal | 40,000 | 5.23% |
| 6. | Akshay Raheja | 38,200 | 5.00% |
| 7. | Viren Raheja | 38,200 | 5.00% |
| 8. | Jai Prakash Agarwal | 25,000 | 3.27% |
| 9. | Varsha Shah | 21,595 | 2.82% |
| 10. | Anita Agarwal | 17,000 | 2.22% |

b. Particulars of top ten shareholders ten days prior to the date of filing this Draft Letter of Offer:

| Sr. No. | Name of the Shareholder | No. of Equity Shares | % of total paid-up capital |
|---------|-------------------------|----------------------|----------------------------|
| 1. | Vishal Jain | 92,908 | 12.15% |
| 2. | Shikha Jain | 92,477 | 12.09% |
| 3. | Jai Prakash Agarwal | 80,550 | 10.53% |
| 4. | Sharad Shah | 56,425 | 7.38% |
| 5. | Krishna Agarwal | 40,000 | 5.23% |
| 6. | Akshay Raheja | 38,200 | 5.00% |
| 7. | Viren Raheja | 38,200 | 5.00% |

| Sr. No. | Name of the Shareholder | No. of Equity Shares | % of total paid-up capital |
|---------|-------------------------|----------------------|----------------------------|
| 8. | Jai Prakash Agarwal | 25,000 | 3.27% |
| 9. | Varsha Shah | 21,595 | 2.82% |
| 10. | Anita Agarwal | 17,000 | 2.22% |

c. Particulars of the top ten shareholders two years prior to the date of filling this Draft Letter of Offer:

| Sr. No. | Name of the Shareholder | No. of Equity Shares | % of total paid-up capital |
|---------|-------------------------|----------------------|----------------------------|
| 1 | Vishal Jain | 92,908 | 12.15% |
| 2 | Shikha Jain | 92,477 | 12.09% |
| 3 | Jai Prakash Agarwal | 80,550 | 10.53% |
| 4 | Sharad Shah | 56,425 | 7.38% |
| 5 | Krishna Agarwal | 40,000 | 5.23% |
| 6 | Akshay Raheja | 38,200 | 5.00% |
| 7 | Viren Raheja | 38,200 | 5.00% |
| 8 | Abhishek Agarwal | 25,000 | 3.27% |
| 9 | Varsha Shah | 21,595 | 2.82% |
| 10 | Anita Agarwal | 17,000 | 2.22% |
| 10 | Rajendra Kumar Agarwal* | 17,000 | 2.22% |

**Since Rajendra Kumar Agarwal and Anita Agarwal both holds 2.22% of equity shares each respectively, shareholding of both the shareholders are mentioned in top ten shareholder's list.*

Note: Above data are provided by registrar of the Company as on July 07, 2017 and July 10, 2015

6. Our Company, our Directors and the Lead Manager have not entered into any buy-back arrangement and / or safety net facility for purchase of Equity Shares from any person.
7. Our Company has not issued Equity Shares in the last two years preceding the date of this Draft Letter of Offer.
8. None of our Promoters, Promoter Group, our Directors and their immediate relatives have purchased or sold any Equity Shares during a period of six months preceding the date on which this Draft Letter of Offer is filed with SEBI.
9. Except as stated in the chapter entitled "Our Management" at page 142 of this Draft Letter of Offer, none of our Directors and their immediate relatives or Key Managerial Personnel, our Promoter Group holds any Equity Shares
10. Our Company has not issued any Equity Shares out of revaluation reserves or reserves without accrual of cash resources.
11. As on 31st March 2017 the total number of members of our Company were 1665.
12. Our Company has not issued any Equity Shares pursuant to any scheme approved under the Sections 391-394 of the Companies Act, 1956/230-233 of Companies Act 2013
13. Neither the Lead Manager nor any associates of the Lead Manager hold any Equity Shares in our Company.

14. The ex-rights price, arrived in accordance with the formula prescribed under Clause 4 (b) of Regulation 10 of the SEBI Takeover Regulations in connection with the Issue is [•].
15. If our Company does not receive the minimum subscription of 90% of the Issue of the Equity Shares being offered under the Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within fifteen days from the Issue Closing Date. If there is any delay in the refund of the subscription amount of more than eight days after our Company becomes liable to pay the subscription amount (i.e. fifteen days after the Issue Closing Date), our Company shall pay interest for the delayed period, at such rates as prescribed under the Companies Act.
16. All Equity Shares are fully paid up and there are no partly paid up Equity Shares as on the date of this Draft Letter of Offer. Further all Equity Shares offered through this Issue shall be made fully paid up or may be forfeited for non-payment of calls within twelve months from the date of allotment of Rights Equity Shares.
17. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares
18. There have been no financial or buyback arrangements whereby our Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity during a period of 6 (six) months preceding the date of filing of this Draft Letter of Offer.
19. Our Company presently does not intend or propose to alter the capital structure for a period of six months from the Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or issue of bonus or rights or further public issue of specified securities or otherwise. However, if business needs of the Company so require, the Company may alter the capital structure by way of split / consolidation of the denomination of the Equity Shares / issue of Equity Shares on a preferential basis or issue of bonus or rights or public or preferential issue of Equity Shares or any other securities during the period of six (6) months from the date of opening of the Issue or from the date the application moneys are refunded on account of failure of the Issue, after seeking and obtaining all the approvals which may be required. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisitions or participation in such joint ventures.
20. Our Company does not have any employee stock option scheme or employee stock purchase scheme as on the date of this Draft Letter of Offer.
21. At any given time, there shall be only one denomination of the Equity Shares. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
22. Our Company, Directors, Promoters or Promoter Group shall not make any payments direct or indirect, discounts, commissions, allowances or otherwise under this Issue.
23. Our Company has not availed any bridge loan from any bank or financial institution against the proceeds of this Issue as on the date of the Draft Letter of Offer. However, depending on Company's business requirements, the Company may consider raising bridge financing facilities, pending receipt of the Net Proceeds of the Issue.

24. The Issue will remain open for a minimum period of fifteen days. The Board of Directors or duly authorized committee thereof shall have the right to extend the Issue period as it may determine from time to time, provided that the issue will not be kept open in excess of thirty days from the Issue Opening Date.
25. Our Company shall ensure that any transaction in the Equity Shares by our Promoters and Promoter Group during the period between the date of filing the Letter of Offer with BSE Limited and the date of closure of the Issue shall be reported to the Stock Exchange within twenty-four hours of such transaction.
26. Our company has made below mentioned issues, after it is being listed and we confirm that relevant provisions of the regulations have been complied with.

| Sr. No. | Nature of Issue | Year |
|----------------|------------------------|-------------------------|
| 1. | Bonus Issues | 1947 and 1987 |
| 2. | Rights Issues | 1947,1963,1964 and 1993 |

SECTION IV – PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

Net Proceeds

The details of the Net Proceeds are set forth below:

| Particulars | Rs. in lakhs |
|---------------------------------|--------------|
| Gross Proceeds of the Issue | 1000.00 |
| Less – Issue related expenses * | [●] |
| Net Proceeds | [●] |

* to be determined upon finalization of the issue price

Utilization of Net Proceeds

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

| Particulars | Rs. in lakhs |
|--|--------------|
| Investment in our subsidiary, MHE Rentals India Private Limited (“MHE”), for the purpose of carrying on equipment’s rental business. The proceeds from the issue would be used to purchase assets. | 180.00 |
| Funding of enhanced Working Capital requirements and temporary repayment of credit facility | 550.00 |
| General Corporate Expenses | [●] |
| Net Proceeds | [●] |

(collectively, the “Objects”)

The main objects and objects incidental and ancillary to the main objects set out in our Memorandum of Association enable us to undertake our existing business activities and the activities for which funds are being raised by us through the Issue.

Schedule of Implementation and Deployment of Net Proceeds

The Net Proceeds are currently expected to be deployed in accordance with the schedule set forth below:

| Particulars | Total Estimated Costs | Amount to be funded from the Net Proceeds | Rs in lakhs |
|--|-----------------------|---|--|
| | | | Estimated Utilization in Financial Year 2018 |
| Investment in our subsidiary, MHE Rentals India Private Limited (“MHE”), for the purpose of carrying on equipment rental business. | 500.00 | 180.00 | 180.00 |
| Funding of enhanced Working Capital requirements and temporary repayment of credit facility | 550.00 | 550.00 | 450.00 |
| General Corporate Purposes | [●] | [●] | [●] |

Means of Finance

The fund requirement described below is based on the management estimates considering the current market conditions and is not appraised by any bank or financial institution or any independent agency. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan and estimates from time to time and consequently our funding requirements and deployment of funds may also change. This may also include rescheduling the

proposed utilization of net proceeds and, subject to compliance with applicable law, increasing or decreasing expenditure for a particular object vis-à-vis the utilization of net proceeds.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable or in case of cost overruns, we expect that the shortfall will be met from internal accruals and/or entering into debt arrangements as required. Further, in case of a shortfall in the Issue Proceeds, we may explore a range of options including utilizing our internal accruals and / or seeking additional debt from existing and future lenders. In the event that the estimated utilization out of the Net Proceeds in a financial year is not completely met, the same shall be utilized in the next financial year. Any such change in our plans may require rescheduling of our expenditure programs and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Net Proceeds. We confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue under Regulation 4(2)(g) of the ICDR Regulations.

Variation in the objects of the Issue, if any, shall be undertaken in accordance with the Companies Act and the rules framed thereunder.

Details of the Objects

1. Investment in our subsidiary, MHE

We propose to utilize Rs. 180 lakhs from the Net Proceeds towards part-financing of purchase of material handling equipment's for the purpose of carrying on equipment's rental business. We propose to part-finance this purchasing of equipment's through equity investment in MHE, a subsidiary of our Company. Board of Directors of our Company has acquired MHE vide board resolution dated March 21, 2017. The rationale behind acquiring MHE is that it would be advantageous for our Company to acquire controlling interest in MHE by acquiring 60.00% equity shares of MHE so that our Company can expand its operations in rental business of material handling equipment. The acquisition and the business is a logical next level expansion of the Company into an area where the Company have been in operation for last 100 years. The balance 40% of the equity capital and further infusion towards the equity capital of MHE would be made by Mr. Jai Prakash Agarwal and Mr. Vishal Jain, promoters of the Company in equal proportion. To this effect, the Committee of the Directors constituted by the Board of Directors on July 20, 2017 have accepted the proposal of the Company to further capitalize MHE equity infusion of Rs. 180 lakhs. The Company have already contributed an amount of Rs. 120 lakhs out of its total committed capital infusion of Rs. 300 lakhs.

Conducting business of providing equipment's on rental basis requires considerable amount of time and effort including purchase of equipment's, hiring manpower and getting various regulatory approvals from government authorities and developing the infrastructure to enable our subsidiary company to carry on the rental business.

The estimated fund requirement for the purpose of conducting rental business being undertaken by our subsidiary is Rs. 500.00 lakhs and it shall be financed by the following means:

| Sr. No. | Source | Amount (Rs. In Lakhs) |
|---------|---|-----------------------|
| 1. | Capital infused out of internal resource | 120.00 |
| 2. | Capital contribution of Mr. Vishal Jain | 40.00 |
| 3. | Capital contribution of Mr. Jai Prakash Agarwal | 40.00 |
| 4. | Out of proceeds from the rights issue | 180.00 |
| 5. | Proposed investment by Mr. Jai Prakash Agarwal | 60.00 |
| 6. | Proposed investment by Mr. Vishal Jain | 60.00 |
| | Total | 500.00 |

The net proceeds will be utilized to augment the capital base of MHE Rentals to meet its capital requirements arising out of the growth in the material handling rental business. The investment

is proposed to be undertaken by way of subscription to the equity shares of MHE Rentals for an aggregate equity amount of Rs. 500 lakhs proportionately by our Company, Jai Prakash Agarwal and Vishal Jain in the ratio of 60:20:20 respectively.

No dividends have been assured to our Company by MHE Rentals for the purposes of the investment. The investment will result in the increase in the value of the investment made by our Company in MHE Rentals. We believe, our Company will benefit by appreciation in the value of the investment bases on the performance of MHE Rentals.

The Board of Directors at its meeting held on July 20, 2017 has approved a borrowing proposal of Rs. 2.78 crores from M/s. SREI Equipments Finance Limited. The balance debt funding arrangement with lenders are under process.

Means of finance

The funds requirement set above are proposed to be funded from internal accruals, the net proceeds of the issue, capital contribution by the promoters of the Company Mr. Jai Prakash Agarwal and Mr. Vishal Jain. Our Company confirms that MHE Rentals has received a written proposal from Jai Prakash Agarwal and Vishal Jain to invest in equity shares of MHE Rentals.

2. Working Capital requirements and temporary repayment of credit facility

Working Capital Cycle

The Company have diversified business interest, with the major business being manufacturing of material handling equipment's. During the last two financial years, the Company have incurred losses due to various external and internal reasons. To meet the finance, gap the Company availed banking facilities. These have further added to the loss of the Company.

The Company caters to the capital goods market which largely depend on the overall economic scenario and growth of industry. This peculiar nature in which the Company operates makes it a working capital intensive as well as capital intensive.

Presently we have sanctioned working capital limits of Rs. 1,316.99 Lakhs. The additional working capital requirements as per the proposed expansion plans amounts to Rs. 550.00 Lakhs. We have estimated our working capital requirements till 2017-2018.

Further our revenues and working capital requirements have been growing at a fast pace. It is hence our strategy to raise funds from this issue and augment our fund based working capital capabilities.

Further, we expect increase in the working capital requirements; since our focus is on expansion of our production capacity and business operations. With expansion of business, we expect levels of inventory to rise to meet the demands of our customer. Further, in order to improve our profitability, we shall be reducing credit period demanded from suppliers.

Basis of estimation of working capital requirements and estimated working capital requirements

| Rs in lakhs | | |
|-----------------------------|-------------------|-------------------|
| Particulars | March 2017 | March 2018 |
| Current Assets | | |
| Inventories | 941.66 | 1327.38 |
| Sundry Debtors | 3040.48 | 3145.38 |
| Cash & Bank Balances | 212.53 | 841.28 |
| Loans & Advances | 475.59 | 457.59 |
| Other Current Assets | 6.50 | 6.50 |
| Total Current Assets | 4,676.76 | 5,796.12 |

| | | |
|--|-----------------|-----------------|
| | | |
| Current Liabilities and Provisions | | |
| Sundry Creditors | 1,820.98 | 1866.82 |
| Provisions and other current liabilities | 49.19 | 49.19 |
| Other Current Liability | 359.56 | 400.00 |
| Total Current Liabilities | 2,229.73 | 2316.01 |
| | | |
| Total Working Capital Gap | 2,447.03 | 3,480.11 |
| Working Capital facilities from Banks | 1,316.99 | 1,300.00 |
| Internal Accruals | 1,130.04 | 1,630.11 |
| Requirement of Additional Working Capital | - | 550.00 |
| Proceeds from the Issue | | 550.00 |

The Working capital assessment is made on the basis of the following assumptions:

| Particulars | Existing Period (in Months) | Estimate (in Months) |
|-------------------------------------|--|---------------------------------|
| Creditors Turnover Period | 3.40 | 2.48 |
| Raw Material and WIP Holding Period | 2.20 | 2.49 |
| Debtors Turnover Period | 3.83 | 3.00 |

Notes:

Our Company has a sanctioned Cash Credit limit from The Zoroastrain Co-operative Bank Limited and The HDFC Bank Limited. For further details of the above-mentioned sanction Cash Credit, please refer to "Financial Indebtedness" on page 221 of this Draft Letter of Offer

Till such time the Company requires enhanced working capital, we intend to reduce our working capital borrowings.

Hence, our Company proposes to utilize Rs. 550.00 lakhs of the Net Proceeds towards working capital requirements for meeting our future business requirements.

Justification for "Holding Period" levels:

| | |
|--------------------|--|
| Inventories | We believe that maintaining a strong inventory level gives a competitive edge, as the Company is able to supply its products within efficient timeline. Considering the growth in sales, our production cycle and required level of inventory, we are assuming that Inventory holding period would be increase marginally from 2.2 months to 2.49 months in FY 2017-18 |
| Debtors | Company provides credit to its customers based on trade relations and vintage of their association with the Company. The Company strives to continue having disciplined debtor management and strong control policies in place. The Company would endeavour to rationalize the debtors turnover period from 3.83 months for FY 2016-17 to 3.00 months for FY 2017-18 |
| Creditors | The Company plans to avail optimal level of credit from its suppliers. But to ensure on time supply of materials and services at competitive price, we have estimated |

| | |
|--|--|
| | average credit period for FY 2017-18 of 2.48 months as compared to 3.40 months in FY 2016-17 |
|--|--|

3. General Corporate Purposes

Our Company proposes to deploy the balance Net Proceeds aggregating to Rs. [●] lakhs towards general corporate purposes, subject to such utilization not exceeding 25% of the Gross Proceeds of the Issue, in compliance with the SEBI ICDR Regulations. In accordance with policies adopted by our Board from time to time, we will have the flexibility in utilizing the balance Net Proceeds if any, for general corporate purposes, subject to such utilization not exceeding 25% of the Gross Proceeds from the Issue, in accordance with Regulation 4(4) of the SEBI ICDR Regulations. Such general corporate purposes may include working capital requirements, purchase of plant, machinery and equipments, advance towards acquisition of land for expansion of the facility of the Company, investments into our subsidiaries, part or full debt repayment / prepayment of our Company or any of our Subsidiaries, and further strengthening our marketing capabilities. Our Company's management, in accordance with policies adopted by the Board, will have the flexibility in utilizing surplus amounts, if any. In case of variation in the actual utilization of funds designated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, which are not applied to the other purposes, set out above.

Funds deployed

As on the date of this Draft Letter of Offer, our Company has incurred Rs. 4.00 lakhs towards the Issue Expenses as per the certificate dated July 01, 2017 issued by Sorab S Engineer & Co, Chartered Accounts. The above expenses were financed from internal accruals.

Estimated offer related expenses

The Issue related expenses consist of listing fees, selling commission, fees payable to the Managers, legal counsel, Bankers to the Issue including processing fee to the SCSBs for processing Bid-cum-Application Forms submitted by the ASBA Bidders procured by the Managers and submitted to the SCSBs, Escrow Bankers and Registrars to the Issue, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges:

The estimated Issue related expenses are as follows:

| Activity | Issue Expense * # | As a % of total issue expenses | As a % of Issue |
|---|-------------------|--------------------------------|-----------------|
| Lead management, broking and selling commissions | [●] | [●] | [●] |
| Advertising and marketing expenses | [●] | [●] | [●] |
| Printing and stationery | [●] | [●] | [●] |
| Other (legal fees, Registrar's fees, auditor's fees, fee for bankers to the issue, SEBI fees, Stock Exchanges fees, grading expenses, fees to monitoring agency, listing fees etc.) | [●] | [●] | [●] |
| Total Issue Expenses | [●] | [●] | [●] |

* to be completed upon finalization of the issue price

Inclusive of applicable taxes

Interim use of proceeds

Our Company, in accordance with the policies established by the Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization for the purposes described above, our Company will have significant flexibility to temporarily invest the Net Proceeds in high quality interest bearing liquid instruments including investments in debt mutual funds and other financial products,

such as principal protected funds, listed debt instruments, rated debentures or deposits with banks / other entities. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for any investment in the equity markets.

Bridge financing facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this draft letter of offer, which are proposed to be repaid from the Net Proceeds.

Monitoring of utilization of funds

In terms of Regulation 16 of the SEBI ICDR Regulations, there is no requirement for appointment of a monitoring agency as the size of the Issue does not exceed Rs. 1,000.00 million. Our Board and Audit Committee shall monitor the utilization of the Net Proceeds. We will disclose the utilization of the Net Proceeds, including any interim use, under a separate head specifying the purpose for which such proceeds have been utilized along with details, if any in relation to all the Net Proceeds that have not been utilized thereby also indicating investments, if any, of such unutilized Net Proceeds in our balance sheet for the relevant financial years subsequent to the successful completion of the Issue.

Pursuant to Regulation 18 of the SEBI Listing Regulations, our Company shall on a quarterly basis, disclose to the audit committee of the Board ("Audit Committee") the uses and applications of the Net Proceeds. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than those stated in this Draft Letter of Offer and place it before the Audit Committee. Such disclosure shall be made only until such time that Net Proceeds have been utilized in full. The statement shall be certified by the Statutory Auditors of our Company. Furthermore, in accordance with Regulation 32(1)(a) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement including material deviations, if any, in the utilization of the proceeds of the Offer from the objects of the Offer as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee and the Board.

Appraising entity

None of the objects of the Issue for which the Net Proceeds will be utilized have been appraised

Other confirmations

No part of the Net Proceeds will be paid by our Company as consideration to our Promoter, our Board, our KMPs or our Associate or Group Companies.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the Lead Manager on the basis of an assessment of market demand for the issued Equity Shares and on the basis of the following qualitative and quantitative factors. The face value of the Equity Shares of our Company is Rs. 10 each and the Issue Price is [●]. Investors should also refer to “Our Business”, “Risk Factors” and “Financial Statements” on pages 104, 15 and 167 respectively, to have an informed view before making an investment decision. The Issue Price is [●] times of the face value of Equity Shares.

Qualitative Factors

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

1. Manufacturing infrastructure to cater specialty products;
2. Capability to serve domestic and emerging markets;
3. Entrenched sales and distribution network;
4. Quality products;
5. Marketing team; and
6. Technology upgradation

For a detailed discussion on the qualitative factors, which form the basis for computing the Issue Price, see “Our Business”, “Financial Statements” and “Risk Factors” on pages 104, 167 and 15 respectively.

Quantitative Factors

Some of the information presented below relating to our Company is derived from the restated financial information for Financial Year 2017, 2016 and 2015 prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations. For details, see “Financial Statements” on page 167.

Some of the quantitative factors which may form the basis for computing the Issue Price are as follows:

1. Basic and Diluted Earnings per Equity Share (“EPS”) of our Company (in Rs.) as adjusted for change in capital:

As per our Standalone restated financials:

| For the year / period ended | Basic EPS | Diluted EPS | Weight |
|-----------------------------|----------------|-------------|--------|
| March 31, 2017 | (26.08) | (26.08) | 3.00 |
| March 31, 2016 | (25.45) | (25.45) | 2.00 |
| March 31, 2015 | 7.10 | 7.10 | 1.00 |
| Weighted Average * | (20.34) | | |

Notes:

**Weighted average is aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. $\{(EPS \times Weight) \text{ for each year}\} / \{Total \text{ of weights}\}$.*

- a) Earnings per share is calculated in accordance with Accounting Standard 20 ‘Earnings Per Share’, notified under section 133 of the Companies Act 2013, read together along with paragraph 7 of the Companies (Accounts) Rules, 2014*

b) The above statement should be read with significant accounting policies and notes on restated financial information as appearing in the Financial Statements on page 167

2. Price / Earning (P/E) ratio in relation to Issue Price of Rs. [●] per Equity Share of Rs. 10 each:

| Particulars | P/E at the issue price (Standalone) |
|---|-------------------------------------|
| P/E ratio based on basic EPS for the financial year ended March 31, 2017 | [●] |
| P/E ratio based on diluted EPS for the financial year ended March 31, 2017 | [●] |
| P/E ratio based on weighted average basic EPS for the fiscal ended March 31, 2017 | [●] |
| P/E ratio based on weighted average diluted EPS for the fiscal ended March 31, 2017 | [●] |

Industry peer group P/E ratio:

Not applicable, as there are no listed entities similar to our line of business and comparable to our scale of operations.

3. Return on Net Worth (“RONW”):

As per our Standalone financial information:

| For the year ended | RONW (Standalone) | Weight |
|----------------------------|-------------------|--------|
| March 31, 2017 | (17.88) | 3.00 |
| March 31, 2016 | (14.80) | 2.00 |
| March 31, 2015 | 3.57 | 1.00 |
| Weightage Average * | (13.28) | |

Notes:

The RONW has been computed by dividing net profit after tax as restated by net worth as restated as at year end

* *Weighted average = Aggregate of year-wise weighted Return on Net Worth divided by the aggregate of weights i.e. {(Return on Net Worth X Weight) for each year} / {Total of weights}*

4. Minimum Return on Increased Net Worth required to maintain pre-Issue EPS for the year ended March 31, 2017:

| Particulars | Standalone (%) |
|--|----------------|
| To maintain pre-issue basic EPS | |
| At the issue price | [●] |
| To maintain pre-issue diluted EPS | |
| At the issue price | [●] |

5. Net Asset Value (“NAV”) per Equity Share of our Company (In Rs.):

| As of the year ended | NAV (Standalone) |
|----------------------|------------------|
| March 31, 2017 | 145.84 |
| March 31, 2016 | 171.91 |
| March 31, 2015 | 198.57 |

| | |
|-----------------|-----|
| After the issue | [●] |
|-----------------|-----|

Issue Price: Rs. [●] per Equity Share

Note: Net Asset Value per Equity Share represents net worth, as restated, divided by the number of Equity Shares outstanding at the end of the period. Number of Equity Shares outstanding at the end of period.

6. Comparison with listed peers:

Not applicable, as there are no listed entities similar to our line of business and comparable to our scale of operations.

The Issue Price of Rs. [●] has been determined by our Company, in consultation with the Lead Manager on the basis of assessment of market demand from investors for the Equity Shares and is justified in view of the above qualitative and quantitative parameters. Investors should read the above-mentioned information along with “Risk Factors”, “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 15, 167 and 213, respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in “Risk Factors” or any other factors that may arise in the future and you may lose all or part of your investments.

STATEMENT OF TAX BENEFITS

The Board of Directors,
Jost's Engineering Company Limited
Great Social Building,
60, Sir Phirozshah Mehta Road,
Mumbai 400001

Dear Sirs,

Subject: Statement of possible Direct Tax Benefits available in connection with proposed Rights Issue of Equity of Jost's Engineering Company Limited

We report that the enclosed statement states the possible direct tax (viz. under the Indian Income Tax Act, 1961) benefits available to the Company or its shareholders under the current direct tax law referred to above, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of Company or its shareholders to derive these direct tax benefits is dependent upon their fulfilling such conditions.

The possible direct tax benefits discussed in the enclosed annexure are not exhaustive. This statement is only intended to provide general information to investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. Neither are we 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:

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

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

This statement is intended solely for information and for inclusion in offer documents in relation to the issue and is not to be used, circulated or referred to for any other purpose without our prior written consent.

Our views are based on the existing provisions of law referred to earlier and its interpretation, which are subject to change from time to time. No assurance is given that the revenue authorities / courts will concur with the views expressed in this Tax Benefit Statement. We do not assume responsibility to update the views consequent to such changes.

The views are exclusively for the use of the Company and shall not, without our prior written consent, be disclosed to any other person, except to the extent disclosure is otherwise permitted by the terms of our engagement.

Thanking you,

For Sorab S. Engineer and Co.

Chartered Accountants
Firm Registration No. 110417W

CA N.D. Anklesaria
Partner
Membership No.: 10250
Place: Mumbai
Date: July 17, 2017

STATEMENT OF POSSIBLE DIRECT TAX BENEFITS AVAILABLE TO JOST'S ENGINEERING COMPANY LIMITED

1. Under the Income Tax Act, 1961 ("the Act / IT Act")

I. Special tax benefits available to the Company

There are no special tax benefits available under the Act to the Company.

II. General tax benefits available to Companies

- i. As per section 10(34) of the Act, any income by way of dividends referred to in section 115O received on the shares of any Indian company is exempt from tax. Such dividend is to be excluded while computing Minimum Alternate Tax ("MAT") liability
- ii. As per section 10(34A) of the Act, any income arising to the company in the capacity of shareholder on account of buy back of shares (not being listed on recognized stock exchange by the other company as referred to in section 115QA) is exempt from tax. Such income is to be excluded while computing Minimum Alternate Tax ("MAT") liability
- iii. As per section 10(35) of the Act, the following income will be exempt in the hands of the Company: a) Income received in respect of the units of a Mutual Fund specified under clause (23D); or b) Income received in respect of units from the Administrator of the specified undertaking; or c) Income received in respect of units from the specified company: However, this exemption does not apply to any income arising from transfer of units of the Administrator of the specified undertaking or of the specified Company or of a mutual fund, as the case may be.
- iv. As per section 32(jia) of the Act the company is entitled to additional depreciation at the rate of 20% on actual cost of new plant or machinery subject to conditions as prescribed over and above normal depreciation available under Act.
- v. Capital assets may be categorized into short term capital assets or long-term capital assets based on the period of holding. Capital asset being share or any other security listed on a recognized Stock Exchange in India or unit of Unit Trust of India or unit of a Mutual Fund (Equity Oriented) specified under section 10(23D) or a zero-coupon bond held by the assessee for a period of more than 12 months are considered as long-term capital assets. Consequently, capital gains arising on sale of these assets held for more than 12 months are considered as long-term capital gains ("LTCG"). Capital gains arising on sale of these assets held for 12 months or less are considered as short-term capital gains ("STCG"). In respect of any other capital asset, the holding period should exceed 36 months to be considered as long-term capital asset except in case of share of a company (not being share listed on recognized stock exchange in India) or an immovable property, being land or building or both, wherein the holding period should exceed 24 months to be considered as long-term capital asset.
- vi. As per provisions of Section 48 of the Act, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.
- vii. As per section 10(38) of the Act, LTCG arising to the Company from the transfer of long-term capital asset being an equity share in a company or a unit of an equity oriented fund or unit of a business trust where such transaction has been entered into on a recognized stock exchange of India and is chargeable to securities transaction tax ("STT") will be exempt in the hands of the Company. Provided also that nothing

contained in this clause shall apply to any income arising from the transfer of a long-term capital asset, being an equity share in a company, if the transaction of acquisition, other than the acquisition notified by the Central Government in this behalf, of such equity share is entered into on or after the 1st day of October, 2004 and such transaction is not chargeable to securities transaction tax under Chapter VII of the Finance (No. 2) Act, 2004. However, income by way of LTCG shall not be reduced in computing the book profits for the purposes of computation of minimum alternate tax ("MAT") under Section 115JB of the Act.

- viii. In accordance with section 112 of the Act, LTCG to the extent not exempt under Section 10(38) of the Act would be subject to tax at the rate of 20% (plus applicable surcharge and education cess) with indexation benefits. However, as per the proviso to Section 112 of the Act, if the tax on LTCG is resulting from transfer of listed securities (other than unit) or zero-coupon bonds, then LTCG will be chargeable to tax at the rate lower of the following: - a. 20% (plus applicable surcharge and education cess) of the capital gains as computed after indexation of the cost; or b. 10% (plus applicable surcharge and education cess) of the capital gains as computed without indexation.
- ix. Under section 54EC of the Act and subject to the conditions and to the extent specified therein, LTCG (in case not covered under section 10(38) of the Act) arising on the transfer of a Long-Term Capital Asset would be exempt from tax if such capital gain is invested within 6 months from the date of such transfer in a "long term specified asset". A "long term specified asset" means any bond, redeemable after three years and issued on or after 1st day of April 2007 by the: a. National Highways Authority of India constituted under Section 3 of The National Highways Authority of India Act, 1988; or (b.) Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956; (c) Bonds issued by Power Finance Corporation Limited on or after 15th June 2017; or any other bond notified by the Central Government in this behalf. The total deduction with respect to investment in the long term specified assets is restricted to Rs. 50 lakhs whether invested during the financial year in which the capital asset is transferred or in subsequent year. Where the "long term specified asset" are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.
- x. As per section 111A of the Act, STCG arising to the Company from the sale of equity share or a unit of an equity oriented fund or a unit of business trust, where such transaction is chargeable to STT will be taxable at the rate of 15% (plus applicable surcharge and education cess). Further, STCG as computed above that are not liable to STT would be subject to tax as calculated under the normal provisions of the IT Act.
- xi. As per Section 70 read with section 74 of the IT Act, Short Term Capital Loss ("STCL") computed for the given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off against subsequent years' STCG as well as LTCG. However, the long-term capital loss ("LTCL") not covered under section 10(38) computed for a given year is allowed to be set off only against the LTCG. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off only against subsequent years' LTCG.
- xii. Business losses, if any, for an assessment year can be carried forward and set off against business profits for eight subsequent years.

- xiii. Unabsorbed depreciation, if any, for an assessment year can be carried forward indefinitely and set off against any sources of income in the same year or any subsequent assessment years as per section 32(2) of the Act subject to the provisions of section 72(2) and section 73(3) of the Act.
- xiv. As per section 115JAA of the Act, credit is allowed in respect of any MAT paid under section 115JB of the Act for any assessment year commencing on or after 1st day of April 2006. Tax credit to be allowed shall be the difference between MAT paid and the tax computed as per the normal provisions of the Act for that assessment year. The MAT credit is allowed to be set-off in the subsequent years to the extent of difference between MAT payable and the tax payable as per the normal provisions of the Act for that assessment year. The MAT credit shall not be allowed to be carried forward beyond fifteenth assessment year immediately succeeding the assessment year in which tax credit become allowable.
- xv. As per section 80JJAA, an assessee to whom section 44AB applies, shall be eligible for a deduction of an amount equal to 30% of additional employee cost incurred in the course of such business in the previous year, for 3 assessment years subject to conditions stipulated in the new section 80 JJAA. The law stated below is as per the Income-tax Act, 1961 as amended by the Finance - Act, 2017 and on the assumption that the Equity Shares would not be held by the shareholders as stock-in-trade.

III. General tax benefits available to Resident Shareholders

- i. As per section 10(34) of the Act, any income by way of dividends referred to in section 115O received on the shares of any Indian company is exempt from tax. As per the Finance Act 2016, income by way of dividend in excess of Rs. 10 lakhs shall be chargeable to tax in the case of an individual, Hindu undivided family (HUF) or a firm who is resident in India, at the rate of 10% plus applicable surcharge and cess.
- ii. As per provisions of section 48 of the Act, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.
- iii. As per section 10(38) of the Act, LTCG arising to the shareholder from the transfer of long-term capital asset being an equity share in a company or a unit of an equity oriented fund or unit of a business trust where such transaction has been entered into on a recognized stock exchange of India and is chargeable to securities transaction tax ("STT") will be exempt in the hands of the shareholder. Provided also that nothing contained in this clause shall apply to any income arising from the transfer of a long-term capital asset, being an equity share in a company, if the transaction of acquisition, other than the acquisition notified by the Central Government in this behalf, of such equity share is entered into on or after the 1st day of October, 2004 and such transaction is not chargeable to securities transaction tax under Chapter VII of the Finance (No. 2) Act, 2004. However, income by way of LTCG shall not be reduced in computing the book profits for the purposes of computation of minimum alternate tax ("MAT") under Section 115JB of the Act.
- iv. In accordance with section 112 of the Act, LTCG to the extent not exempt under section 10(38) of the Act would be subject to tax at the rate of 20% (plus applicable surcharge and education cess) with indexation benefits. However, as per the proviso to section 112 of the Act, if the tax on LTCG is resulting from transfer of listed securities (other than unit) or zero-coupon bonds, then LTCG will be chargeable to tax at the rate lower of the following: - a. 20% (plus applicable surcharge and education cess) of the capital gains as computed after indexation of the cost; or b. 10% (plus applicable surcharge and education cess) of the capital gains as computed without indexation

- v. Under section 54EC of the Act, LTCG (in case not covered under section 10(38) of the Act) arising on the transfer of a Long-Term Capital Asset would be exempt from tax if such capital gain is invested within 6 months from the date of such transfer in a “long term specified asset”. A long term specified asset means any bond redeemable after three years and issued on or after 1st day of April 2007 by the: a. National Highways Authority of India constituted under section 3 of The National Highways Authority of India Act, 1988; or b. Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956; or (c) Bonds issued by Power Finance Corporation Limited on or after 15th June 2017; or any other bond notified by the Central Government in this behalf. The total deduction with respect to investment in the long term specified assets is restricted to Rs. 50 lakhs whether invested during the financial year in which the capital asset is transferred or in subsequent year. Where the “Long-term specified asset” are transferred or converted into money, within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.
- vi. As per section 54F of the Act, LTCG in cases not covered under section 10(38) arising on the transfer of the shares of the company held by an Individual or Hindu Undivided Family (HUF) subject to conditions specified therein will be exempt from capital gains tax if the net consideration is utilized to purchase or construct one residential house in India. The residential house is required to be purchased within a period of one year before or two years after the date of transfer or to be constructed within three years after the date of transfer.
- vii. As per section 111A of the Act, STCG arising to the shareholder from the sale of equity share or a unit of an equity oriented fund or a unit of business trust, where such transaction is chargeable to STT will be taxable at the rate of 15% (plus applicable surcharge and education cess). Further, STCG as computed above that are not liable to STT would be subject to tax as calculated under the normal provisions of the IT Act.
- viii. As per section 70 read with section 74 of the IT Act, STCL computed for the given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment year for being set off against subsequent years’ STCG as well as LTCG. However, the LTCL not covered under section 10(38) computed for a given year is allowed to be set off only against the LTCG. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off only against subsequent years’ LTCG.
- ix. No income tax is deductible at source from income by way of capital gains under the present provisions of the Act in case of residents.

IV. General tax benefits available to Non-Resident Shareholders (Other than Foreign Institutional Investors (“FII”) / Foreign Portfolio Investors (“FPIs”))

- i. As per section 10(34) of the Act, any income by way of dividends referred to in section 115-O received on the shares of any Indian company is exempt from tax.
- ii. As per first proviso to section 48 of the Act, in case of a non-resident shareholder, the capital gain/loss arising from transfer of shares of the company, acquired in convertible foreign exchange, is to be computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer, into the same foreign currency which was initially utilized in the purchase of shares. Cost Indexation benefit will not be available in such a case.
- iii. As per section 10(38) of the Act, LTCG arising from the transfer of long term capital asset being an equity share of the company, where such transaction has been entered

into on a recognized stock exchange of India and is chargeable to STT, will be exempt in the hands of the shareholder. Provided also that nothing contained in this clause shall apply to any income arising from the transfer of a long-term capital asset, being an equity share in a company, if the transaction of acquisition, other than the acquisition notified by the Central Government in this behalf, of such equity share is entered into on or after the 1st day of October, 2004 and such transaction is not chargeable to securities transaction tax under Chapter VII of the Finance (No. 2) Act, 2004. However, income by way of LTCG shall not be reduced in computing the book profits for the purposes of computation of minimum alternate tax ("MAT") under Section 115JB of the Act

- iv. As per section 112 of the Act, LTCG to the extent not exempt under section 10(38) of the Act, would be subject to tax at the rate of 20% (plus applicable surcharge and education cess) after giving effect to the first proviso to section 48 of the Act. If the tax payable on transfer of listed securities exceeds 10% of the LTCG, the excess tax shall be ignored for the purpose of computing tax payable by the assessee.
- v. Under section 54EC of the Act, LTCG (in case not covered under section 10(38) of the Act) arising on the transfer of a Long-Term Capital Asset would be exempt from tax if such capital gain is invested within 6 months from the date of such transfer in a "long term specified asset". A "long term specified asset" means any bond, redeemable after three years and issued on or after 1st day of April 2007 by the: (a) National Highways Authority of India constituted under section 3 of The National Highways Authority of India Act, 1988; or (b) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956; or (c) Bonds issued by Power Finance Corporation Limited on or after 15th June 2017; or any other bond notified by the Central Government in this behalf. The total deduction with respect to investment in the long term specified assets is restricted to Rs. 50 lakhs whether invested during the financial year in which the capital asset is transferred or in subsequent year. Where the "long term specified asset" are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.
- vi. As per section 54F of the Act, LTCG (in cases not covered under section 10(38) arising on the transfer of the shares of the Company held by an Individual or Hindu Undivided Family (HUF) subject to conditions specified therein will be exempt from capital gains tax if the net consideration is utilized to purchase or construct one residential house in India. The residential house is required to be purchased within a period of one year before or two years after the date of transfer or to be constructed within three years after the date of transfer.
- vii. As per section 111A of the Act, STCG arising to the shareholder from the sale of equity share or a unit of an equity oriented fund or a unit of business trust, where such transaction is chargeable to STT will be taxable at the rate of 15% (plus applicable surcharge and education cess). Further, STCG as computed above that are not liable to STT would be subject to tax as calculated under the normal provisions of the IT Act.
- viii. As per section 70 read with section 74 of the IT Act, STCL computed for the given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off against subsequent year's STCG as well as LTCG. However, the LTCL not covered under section 10 (38); computed for a given year is allowed to be set off only against the LTCG for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off only against subsequent year's LTCG.

- ix. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident is considered resident in terms of such Tax Treaty. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident. As per section 90(4) of the Act, an assessee being a non-resident, shall not be entitled to claim relief under section 90(2) of the Act, unless a certificate of his resident in any country outside India, is obtained by him from the government of that country or any specified territory. As per section 90(5) of the Act, the non-resident shall also be required to provide such other information, as has been notified.
- x. As per clause (fb) and (iid) of Explanation 1 to section 115JB of the Act, the income from transactions in securities (other than STCG arising on transactions on which STT is not chargeable), interest, royalty, or fees for technical services arising to a foreign company, shall be excluded from the computation of book profit liable to MAT and the book profit shall be increased by the amount of expenditure corresponding to such income if income tax payable thereon is less than 18.5%.

V. Special tax benefits available to Non-Resident Indians

- i. As per section 115c(e) of the act, the term “non-resident Indians” means an individual, being a citizen of India or a person of Indian origin who is not a “resident”. A person shall be deemed to be of Indian origin if he, or either of his parents or any of his grand-parents, was born in undivided India.
- ii. As per section 115E of the Act, in the case of a shareholder being a non-resident Indian, LTCG on transfer of the shares of the Company (in cases not covered under section 10(38) of the Act) will be subject to tax at the rate of 10% (plus applicable surcharge and education cess), without any indexation benefit.
- iii. As per section 115F of the Act and subject to the conditions specified therein, in the case of a shareholder being a non-resident Indian, gains arising on transfer of a long term capital asset being shares of the Company which were acquired, or purchased with or subscribed to in, convertible foreign exchange, will not be chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period of six months in any specified asset or savings certificates referred to in section 10(4B) of the Act. If part of such net consideration is invested within the prescribed period of six months in any specified asset or savings certificates referred to in section 10(4B) of the Act, then this exemption would be allowable on a proportionate basis. Further, if the specified asset or saving certificates in which the investment has been made is transferred within a period of three years from the date of investment, the amount of capital gains tax exempted earlier would become chargeable to tax as long-term capital gains in the year in which such specified asset or savings certificates are transferred.
- iv. As per section 115G of the Act, non-resident Indians are not obliged to file a return of income under section 139(1) of the Act, if their only source of income is income from specified investments or long-term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.
- v. As per section 115I of the Act, a Non-Resident Indian may elect not to be governed by the provisions of “Chapter XII-A – Special Provisions relating to certain incomes of Non-Residents” for any assessment year by furnishing a declaration along with his return of income for that assessment year under section 139 of the Act, that the provisions of Chapter XII-A shall not apply to him for that assessment year and

accordingly his total income for that assessment year will be computed in accordance with the other provisions of the Act.

- vi. In a situation where the shareholder transfers the shares of the Company, which are held as “long-term capital assets” and such transaction is not covered by the provisions of section 10(38) of the Act as referred to earlier, the shareholder can consider availing the benefit as provided in section 54F of the Act. Shareholders being individuals can consider the conditions so stated in section 54F of the Act and examine the availability of the benefit based on their individual tax position.
- vii. In respect of non-resident Indian, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident is considered resident in terms of such Tax Treaty. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident. As per section 90(4) of the Act, an assessee being a non-resident Indian, shall not be entitled to claim relief under section 90(2) of the Act, unless a certificate of his resident in any country outside India, is obtained by him from the government of that country or any specified territory. As per section 90(5) of the Act, the nonresident Indian shall also be required to provide such other information, as has been notified.

VI. Benefits available to FIIs / FPIs Special tax benefits

- i. Under section 115AD(1)(ii) of the IT Act, income by way of STCG arising to the FII on transfer of shares shall be chargeable at a rate of 30%, where such transactions are not subjected to STT, and at the rate of 15% if such transaction of sale is entered on a recognized stock exchange in India and is chargeable to STT. The above rates are to be increased by applicable surcharge and education cess. Under Section 115AD(1)(iii) of the IT Act income by way of LTCG arising from the transfer of shares (in cases not covered under Section 10(38) of the IT Act) held in the company will be taxable at the rate of 10% (plus applicable surcharge and education cess). The benefits of indexation of cost and of foreign currency fluctuations are not available to FIIs. Further, for the purposes of section 115AD, FPIs would get similar treatment as is available to FIIs.
- ii. As per section 196D(2) of the Act, no deduction of tax at source will be made in respect of income by way of capital gain arising from the transfer of securities referred to in section 115AD.
- iii. In respect of FIIs and FPIs, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the FIIs/FPIs is considered resident in terms of such Tax Treaty. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident. As per section 90(4) of the Act, an assessee being a non-resident, shall not be entitled to claim relief under section 90(2) of the Act, unless a certificate of his resident in any country outside India, is obtained by him from the government of that country or any specified territory. As per section 90(5) of the Act, the non- resident shall be required to provide such other information, as has been notified.
- iv. As per clause (fb) and (iid) of Explanation 1 to section 115JB of the Act, the income from transactions in securities (other than STCG arising on transactions on which STT is not chargeable), interest, royalty, or fees for technical services arising to a FII, shall be excluded from the computation of book profit liable to MAT and the book profit shall be increased by the amount of expenditure corresponding to such income

if income tax payable thereon is less than 18.5%. As per section 2(14) of the Act, any securities held by a FII / FPI which has invested in such securities in accordance with the regulations made under Securities & Exchange Board of India Act, 1992 would be treated as a capital asset only so that any income arising from transfer of such security by a FII / FPI would be treated in the nature of capital gains.

VII. Special tax benefits available to Mutual Funds

As per section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made thereunder, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorized by the Reserve Bank of India will be exempt from income tax, subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf.

VIII. Implications under section 56(2)(x)

If the fair market value of the shares issued as rights shares is more than the consideration at which such rights shares are issued to the shareholders, and where the difference between the fair market value and the consideration at which the rights shares are issued exceeds fifty thousand rupees, such difference shall be treated as income in the hands of the shareholder under section 56(2)(x) of the Act.

NOTES:

1. The statement of tax benefits enumerated above is as per the Income Tax Act 1961 including amendments as set out in the Finance Act 2017 (FA) and subsequent notifications issued till June, 2017.
2. As per the FA, surcharge is to be levied on individuals, HUF, AOP, Body of Individuals and artificial juridical person, at rate of 10% if their total income exceeds Rs. 50 lakhs but does not exceed Rs. 1 crore and at the rate of 15% if their total income exceeds Rs 1 Crore; and in case of Firm, Co-operative Society and Local Authority at the rate of 12% if their total income exceeds Rs. 1 Crore.
3. Surcharge is levied on domestic companies at the rate of 7% where the income exceeds Rs. 1 crore but does not exceed Rs 10 crores and at the rate of 12% where the income exceeds Rs. 10 crores.
4. Surcharge is levied on every company other than domestic company at the rate of 2% where the income exceeds Rs 1 crore but does not exceed Rs 10 crores and at the rate of 5% where the income exceeds Rs. 10 crores.
5. A 2% education cess and 1% secondary and higher education cess on the total income is payable by all categories of taxpayers.
6. The above statement of possible direct tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of Shares.
7. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the tax treaty, if any, between India and the country in which the non-resident has fiscal domicile.
8. This statement is intended only to provide general information to the investors and is neither designed nor intended to be substituted 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/her participation in the scheme.
9. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are

subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

10. This statement of possible direct tax benefits enumerated above is as per the Act as amended by the FA.

Above are the possible tax benefits available to the shareholders under the current tax laws in India. Several of these benefits are dependent on the shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the shareholders to derive the tax benefits is dependent upon fulfilling such conditions. The benefits discussed above are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

SECTION V – ABOUT THE COMPANY

INDUSTRY OVERVIEW

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.

GLOBAL VIEW

Introduction

For India, three external developments are of significant consequence:

In the short run, the change in the outlook for global interest rates as a result of the US elections and the implied change in expectations of US fiscal and monetary policy will impact on India's capital flows and exchange rates. Markets are factoring in a regime change in advanced countries, especially US macroeconomic policy, with high expectations of fiscal stimulus and unwavering exit from unconventional monetary policies. The end of the 20-year bond rally and end to the corset of deflation and deflationary expectations are within sight.

Second, the medium-term political outlook for globalisation and in particular for the world's "political carrying capacity for globalisation" may have changed in the wake of recent developments. In the short run a strong dollar and declining competitiveness might exacerbate the lure of protectionist policies. These follow on ongoing trends documented widely about stagnant or declining trade at the global level. This changed outlook will affect India's export and growth prospects.

Third, developments in the US, especially the rise of the dollar, will have implications for China's currency and currency policy. If China is able to successfully re-balance its economy, the spillover effects on India and the rest of the world will be positive. On the other hand, further declines in the yuan, even if dollar-induced, could interact with underlying vulnerabilities to create disruptions in China that could have negative spill over for India. For China, there are at least two difficult balancing acts with respect to the currency.

Domestically, a declining currency (and credit expansion) prop up the economy in the short run but delay rebalancing while also adding to the medium term challenges. Internationally, allowing the currency to weaken in response to capital flight risks creating trade frictions but imposing capital controls discourages FDI and undermines China's ambitions to establish the yuan as a reserve currency. China with its underlying vulnerabilities remains the country to watch for its potential to unsettle the global economy.

(Source- Economic Survey 2016-17; www.indiabudget.nic.in)

Global Economic Overview

The external position appears robust having successfully weathered the sizeable redemption of Foreign Currency Non-Resident (FCNR) deposits in late 2016, and the volatility associated with the US election

and demonetisation. The current account deficit has declined to reach about 0.3 percent of GDP in the first half of FY2017. Foreign exchange reserves are at comfortable levels, having risen from around US\$350 billion at the end of January 2016 to US\$ 360 billion at the end of December 2016 and are well above standard norms for reserve adequacy. In part, surging net FDI inflows, which grew from 1.7 percent of GDP in FY2016 to 3.2 percent of GDP in the second quarter of FY2017, helped the balance-of-payments.

The trade deficit declined by 23.5 per cent in April-December 2016 over corresponding period of previous year. During the first half of the fiscal year, the main factor was the contraction in imports, which was far steeper than the fall in exports. But during October- December, both exports and imports started a long-awaited recovery, growing at an average rate of more than 5 per cent. The improvement in exports appears to be linked to improvements in the world economy, led by better growth in the US and Germany. On the import side, the advantage on account of benign international oil prices has receded and is likely to exercise upward pressure on the import bill in the short to medium term.

Meanwhile, the net services surplus declined in the first half, as software service exports slowed and financial service exports declined. Net private remittances declined by \$4.5 bn in the first half of 2016-17 compared to the same period of 2015-16, weighed down by the lagged effects of the oil price decline, which affected inflows from the Gulf region

(Source-Economic Survey 2016-17; www.indiabudget.nic.in)

Global View for Growth

Central Statistics Office (CSO) in its first Advance Estimation (AE) estimated the economy to grow by 7.1 per cent in the current year. However, it has stated that these numbers have been projected taking into account the information for first seven to eight months. It is therefore unlikely to have captured the impact of withdrawal of the high denomination currency. Although it is difficult to precisely pinpoint the impact on GDP, in all likelihood, the growth numbers of GDP, GVA, etc. could be revised downwards in the subsequent revisions to be carried out by the CSO. Inflation could also be lower than what comes out from the implicit GDP deflator underlying the CSO's first AE for 2016-17.

For 2017-18, it is expected that the growth would return to normal as the new currency notes in required quantities come back into circulation and as follow up actions to demonetisation are taken. Helping to maintain the momentum of such growth will be factors like possible normal monsoon, an increase in the level of exports following the projected increase in global growth and above all various reform measures taken by the Government to strengthen the economy. Some possible challenges to growth exist. For example, the prices of crude oil have started rising and are projected to increase further in the next year. Estimates suggest that oil prices could rise by as much as one sixth over the 2016-17 level, which could have some dampening impact on the growth. Fixed investment rate in the economy has consistently declined in the past few years, more so the private investment. Raising the growth rate of the economy will to a great extent depend on quickly reversing this downward trend in the investment. The last few years have also witnessed a slowdown in global trade and investment flows.

Although, India has not been particularly affected by this slowdown, lower growth in foreign portfolio investment cannot be ruled out, partly on account of the fact that the interest rates in the United States have begun to increase. On balance, there is a strong likelihood that Indian economy may recover back to a growth of 6¾ per cent to 7½ per cent in 2017-18.

(Source-Economic Survey 2016-17; www.indiabudget.nic.in)

INDIAN ECONOMY AT A GLANCE

Overview of the Indian Economy

With demonetisation, a radical governance-cum-social engineering measure was enacted on November 8, 2016. The two largest denomination notes, Rs 500 and Rs 1000 together comprising 86 percent of all the cash in circulation were “demonetised” with immediate effect, ceasing to be legal tender except for a few specified purposes. These notes were to be deposited in the banks by December 30, while restrictions were placed on cash withdrawals. In other words, restrictions were placed on the convertibility of domestic money and bank deposits.

The aim of the action was fourfold:-

- to curb corruption,
- counterfeiting,
- the use of high denomination notes for terrorist activities, and
- especially the accumulation of “black money”, generated by income that has not been declared to the tax authorities

(Source-Economic Survey 2016-17; www.indiabudget.nic.in)

Review of Developments in 2016 -17

The Indian economy has continued to consolidate the gains achieved in restoring macroeconomic stability. Real GDP growth in the first half of the year was 7.2 percent, on the weaker side of the 7.0-7.75 per cent projection in the Economic Survey 2015-16 and somewhat lower than the 7.6 percent rate recorded in the second half of 2015-16 (Figure 1a). The main problem was fixed investment, which declined sharply as stressed balance sheets in the corporate sector continued to take a toll on firms’ spending plans. On the positive side, the economy was buoyed by government consumption, as the 7th Pay Commission salary recommendations were implemented, and by the long-awaited start of an export recovery as demand in advanced countries began to accelerate. Nominal GDP growth recovered to respectable levels, reversing the sharp and worrisome dip that had occurred in the first half of 2015-16 (Figure 1b).

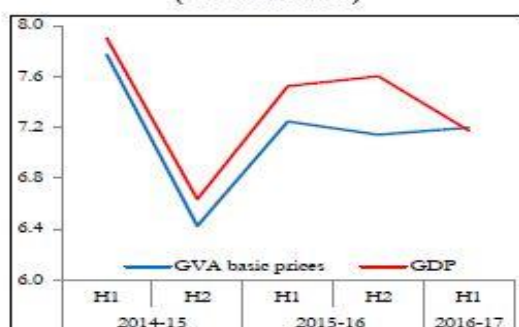
The major highlights of the sectoral growth outcome of the first half of 2016-17 were:

- (i) moderation in industrial and non-government service sectors;
- (ii) the modest pick-up in agricultural growth on the back of improved monsoon; and
- (iii) strong growth in public administration and defence services dampeners on and catalysts to growth almost balancing each other and producing a real Gross Value Addition (GVA) growth (7.2 per cent), quite similar to the one (7.1 per cent) in H2 2015-16 (Figure 1a).

Inflation this year has been characterized by two distinctive features as shown in Figure 2.

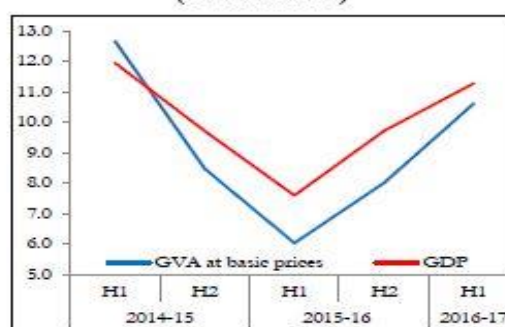
- (i) The Consumer Price Index (CPI) - New Series inflation, which averaged 4.9 per cent during April-December 2016, has displayed a downward trend since July when it became apparent that kharif agricultural production in general, and pulses in particular would be bountiful.
- (ii) The decline in pulses prices has contributed substantially to the decline in CPI inflation which reached 3.4 percent at the end of December. The second distinctive feature has been the reversal of WPI inflation, from a trough of (-) 5.1 percent in August 2015 to 3.4 percent at the end of December 2016 as shown in Figure 2, on the back of rising international oil prices.

**Figure 1a. GVA and GDP Growth
(Constant Prices)**



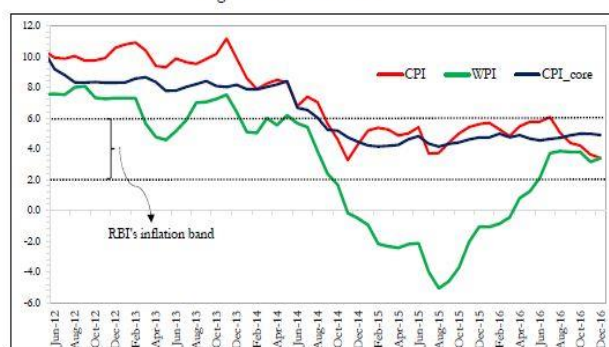
Source: CSO

**Figure 1b. GVA and GDP Growth
(Current Prices)**



Source: CSO

Figure 2. WPI and CPI Inflation



Source: CSO

The wedge between CPI and WPI inflation, which had serious implications for the measurement of GDP has narrowed considerably. Core inflation has, however, been more stable, hovering around 4.5 percent to 5 percent for the year so far. The outlook for the year as a whole is for CPI inflation to be below the RBI's target of 5 percent, a trend likely to be assisted by demonetisation

(Source-Economic Survey 2016-17;

www.indiabudget.nic.in)

Sector wise Performance

➤ Industrial Sector

Table 12. IIP-based Growth Rates of Broad Sectors/Use-based Classification (per cent)

| | 2014-15 | 2015-16 | April-Nov. 2015-16 | April-Nov. 2016-17 |
|--------------------|---------|---------|--------------------|--------------------|
| General index | 2.8 | 2.4 | 3.8 | 0.4 |
| Mining | 1.5 | 2.2 | 2.1 | 0.3 |
| Manufacturing | 2.3 | 2.0 | 3.9 | -0.3 |
| Electricity | 8.4 | 5.7 | 4.6 | 5.0 |
| Basic goods | 7.0 | 3.6 | 3.9 | 4.1 |
| Capital Goods | 6.4 | -2.9 | 4.7 | -18.9 |
| Intermediate goods | 1.7 | 2.5 | 2.0 | 3.4 |
| Consumer goods | -3.4 | 3.0 | 4.1 | 1.8 |
| Durables | -12.6 | 11.3 | 11.8 | 6.9 |
| Non-durables | 2.8 | -1.8 | -0.5 | -1.8 |

Source: CSO

April-November 2016-17. The eight core infrastructure supportive industries, viz. coal, crude oil, natural gas, refinery products, fertilizers, steel, cement and electricity that have a total weight of nearly

As per the first advance estimates of the CSO, growth rate of the industrial sector comprising mining & quarrying, manufacturing, electricity and construction is projected to decline from 7.4 per cent in 2015-16 to 5.2 per cent in 2016-17. During April - November 2016-17, a modest growth of 0.4 per cent has been observed in the Index of Industrial Production (IIP) which is a volume index with base year of 2004-05. This was the composite effect of a strong growth in electricity generation and moderation in mining and manufacturing. In terms of use-based classification, basic goods, intermediate goods and consumer durable goods attained moderate growth.

Conversely, the production of capital goods declined steeply and consumer nondurable goods sectors suffered a modest contraction during

38 per cent in the IIP registered a cumulative growth of 4.9 per cent during April-November, 2016-17 as compared to 2.5 per cent during April-November, 2015-16.

The production of refinery products, fertilizers, steel, electricity and cement increased substantially, while the production of crude oil and natural gas fell during April-November, 2016-17. Coal production attained lower growth during the same period.

(Source-Economic Survey 2016-17; www.indiabudget.nic.in)

Outlook for Growth

The growth in 2017-18, we need to examine each of the components of aggregate demand: exports, consumption, private investment and government. India's exports appear to be recovering, based on an uptick in global economic activity. This is expected to continue in the aftermath of the US elections and expectations of a fiscal stimulus. The IMF's January update of its World Economic Outlook forecast is projecting an increase in global growth from 3.1 percent in 2016 to 3.4 percent in 2017, with a corresponding increase in growth for advanced economies from 1.6 percent to 1.9 percent. Given the high elasticity of Indian real export growth to global GDP, exports could contribute to higher growth next year, by as much as 1 percentage point.

The outlook for private consumption is less clear. International oil prices are expected to be about 10-15 percent higher in 2017 compared to 2016, which would create a drag of about 0.5 percentage points.

On the other hand, consumption is expected to receive a boost from two sources: catch-up after the demonetisation-induced reduction in the last two quarters of 2016-17; and cheaper borrowing costs, which are likely to be lower in 2017 than 2016 by as much as 75 to 100 basis points. As a result, spending on housing and consumer durables and semi durables could rise smartly. It is too early to predict prospects for the monsoon in 2017 and hence agricultural production. But the higher is agricultural growth this year, the less likely that there would be an extra boost to GDP growth next year.

Since no clear progress is yet visible in tackling the twin balance sheet problem, private investment is unlikely to recover significantly from the levels of FY2017. Some of this weakness could be offset through higher public investment, but that would depend on the stance of fiscal policy next year, which has to balance the short-term requirements of an economy recovering from demonetisation against the medium-term necessity of adhering to fiscal discipline and the need to be seen as doing so.

Putting these factors together, we expect real GDP growth to be in the 6¾ to 7½ percent range in FY2018. Even under this forecast, India would remain the fastest growing major economy in the world.

There are three main downside risks to the forecast.

First, the extent to which the effects of demonetisation could linger into next year, especially if uncertainty remains on the policy response. Currency shortages also affect supplies of certain agricultural products, especially milk (where procurement has been low), sugar (where cane availability and drought in the southern states will restrict production), and potatoes and onions (where sowings have been low). Vigilance is essential to prevent other agricultural products becoming in 2017-18 what pulses was in 2015-16.

Second, geopolitics could take oil prices up further than forecast. The ability of shale oil production to respond quickly should contain the risks of a sharp increase, but even if prices rose merely to \$60-65/barrel the Indian economy would nonetheless be affected by way of reduced consumption; less room

for public investment; and lower corporate margins, further denting private investment. The scope for monetary easing might also narrow, if higher oil prices stoked inflationary pressure.

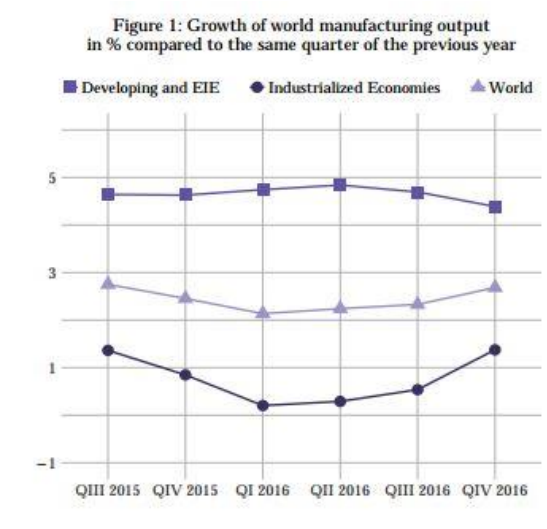
Third, there are risks from the possible eruption of trade tensions amongst the major countries, triggered by geo-politics or currency movements. This could reduce global growth and trigger capital flight from emerging markets.

The one significant upside possibility is a strong rebound in global demand and hence in India's exports. There are some nascent signs of that in the last two quarters. A strong export recovery would have broader spill over effects to investment.

(Source-Economic Survey 2016-17; www.indiabudget.nic.in)

MANUFACTURING SECTOR

Manufacturing Growth



World manufacturing output growth improved slightly during the final quarter of 2016. Fourth quarter figures show that the improvement is primarily attributable to the continuing recovery process in industrialized economies. However, manufacturing output growth further slowed down in developing and emerging industrial economies. Although the overall growth trend in world manufacturing was positive in the second half of 2016, geopolitical uncertainty remained high and potential changes in global trade arrangements may create new risks.

Against the backdrop of sluggish dynamics, world manufacturing output rose by 2.7 per cent in the fourth quarter of 2016 compared to the same period of the previous year, which is higher than the 2.3 per cent rise in the third quarter and represents the strongest performance since the beginning of the year. A slightly decelerated growth rate observed in developing and emerging industrial economies during the final quarter of 2016 was compensated by a more positive picture in industrialized countries as their growth performance improved. However, the level of growth in developing economies has been consistently higher than in industrialized countries, as depicted in Figure 1.

Major industrialized economies with significant contributions to global manufacturing output, namely the United States, Japan, Germany, the Republic of Korea and United Kingdom, recorded an expansion compared to the same period of the previous year. In China, the world's largest manufacturer,

comparably lower growth rates have now become more prevalent, thus pushing the average industrial growth of emerging industrial economies downward.

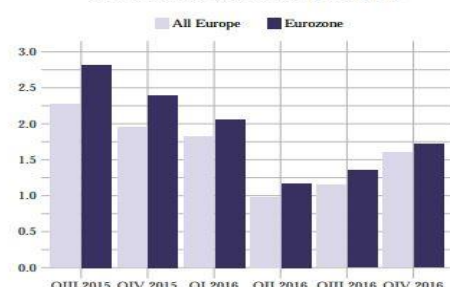
The manufacturing output of industrialized economies increased to 1.4 per cent in the fourth quarter of 2016 from the 0.5 per cent recorded in the previous quarter. This increase is primarily attributable to the performance of East Asia, which experienced a significant reversal in growth in the second half of 2016, following several consecutive slumps that have lasted for nearly two years. The main force driving this nearly 2.9 per cent year-by-year upturn is Japan, East Asia's major manufacturer, whose export-fuelled growth was also supported by a weakened yen against the US dollar. Production in Europe witnessed a healthy growth momentum at the end of 2016, and had a positive impact on the manufacturing growth of industrialized countries as a whole. By contrast, the growth of North America's manufacturing output remained stagnant in the fourth quarter of 2016 and recorded a negligible gain of 0.2 per cent. The manufacturing output of developing and emerging industrial economies rose by merely 4.4 per cent. This was the first time the growth of these economies was below 5.0 per cent since the beginning of 2015.

Asian economies maintained a relatively higher growth rate at 5.5 per cent, but their growth performance hit a multi-year low in the final quarter of 2016. Other regions' production slightly decreased compared to the same period of 2015: by 1.0 per cent in Latin America and 0.5 per cent in Africa. As long as economic and political instability persists in industrialized countries, the threat of another slowdown remains looming over developing economies.

(Source: *World Manufacturing Production- Statistics for Quarter IV, 2016*; United Nations Industrial Development Organisation - www.unido.org)

Industrialized economies

Figure 2: Growth rates of manufacturing output in Europe, in % to the same period of the previous year



The manufacturing output growth of industrialized economies improved in the last quarter of 2016 from 0.5 per cent in the third quarter to 1.4 per cent. This acceleration was characterized by an upward trend in East Asia and Europe. Manufacturing growth experienced a moderate, albeit noticeable slowdown in North America. Among the industrialized country group, Europe's manufacturing output grew by 1.6 per cent in the final quarter of 2016, while the eurozone registered a growth rate of 1.7 per cent.

The growth trends for these two groups converged and nearly merged at the end of 2016, displaying a fairly balanced resistance and response to adverse impacts. When comparing year-to-year developments among the leading eurozone economies, Italy registered a 2.8 per cent growth rate followed by Germany with a growth rate of 1.2 per cent, while a more moderate growth rate of 0.2 per cent was observed in France. The growth figures for the majority of eurozone countries were positive, with strong growth performance observed in Slovenia - the fastest growing manufacturer among all eurozone countries in 2016. Manufacturing output rose by 2.0 per cent and more in Lithuania, Finland, the Netherlands and Ireland, while Portugal's dropped by 0.6 per cent. Beyond the eurozone, the manufacturing production in the United Kingdom recorded a positive growth rate in the final quarter of 2016 at 1.9 per cent, despite an expected slowdown in the aftermath of Brexit. Manufacturing output in the Russian Federation grew by a moderate rate of 1.0 per cent, continuing its shaky recovery after the country's economy was severely hit by the drop in oil prices. The pace of growth remained slow in Czechia and Hungary due to the reduction in EU investment funds and even less positive results came from

Switzerland, where manufacturing output dropped by 1.6 per cent compared to the same period of the previous year.

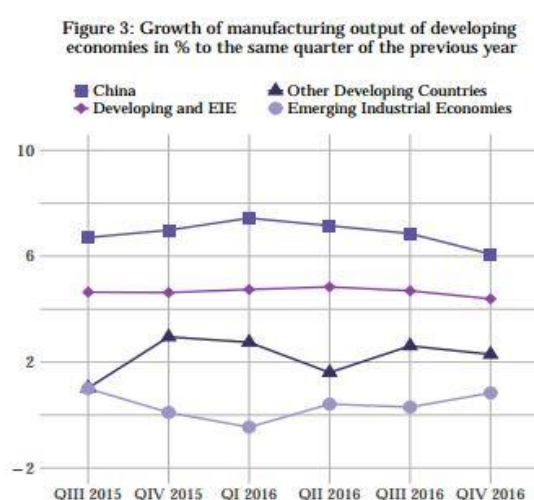
Overall manufacturing production in North America grew by 0.2 per cent compared to the fourth quarter of the previous year. The still strong dollar made American-made goods more expensive and less competitive compared to foreign produced goods, which led to weak exports and subsequently to a negligible 0.2 per cent improvement in total manufacturing output in the United States on a year-to-year basis. Positive growth was reported in the production of motor vehicles, computers, electronic and optical products, but the majority of manufacturing industries reported a decline.

In Canada, manufacturing growth in the fourth quarter of 2016 varied considerably by industry. While the production of pharmaceuticals and chemicals remained strong, production in fabricated metal products and in the automotive industry dropped. Aggregated growth of manufacturing output in Canada was 0.2 per cent in the fourth quarter of 2016. The disruption of a long period of consecutive contraction in the industrialized East Asian economies was confirmed by a positive result in the fourth quarter of 2016 - nearly 2.9 per cent improvement was observed compared to the fourth quarter of 2015. A major force stimulating this change was Japan, which recorded a positive growth rate of 2.7 per cent following a nearly two-year period of consecutive slumps, except for the last quarter, when the first signs of improvement arose.

This upswing is primarily attributable to the boost in all three key sectors in Japan - the automotive industry, computers, electronic and optical products and machinery and equipment. Taking advantage of the weakening yen and a pickup in global trade, manufacturing production in the Republic of Korea witnessed a gain of 1.7 per cent. Malaysia's total manufacturing output recorded a 4.9 per cent rise in the fourth quarter of 2016 on a year-to-year basis, and very strong growth figures were also observed in Singapore. Despite this overall improvement, global growth still looks fragile due to the uncertainty in Europe generated by Brexit and the upcoming U.S. secession from the Trans-Pacific Partnership. On the other hand, a new free-trade agreement between the EU and Canada looks promising for the manufacturing of a number of countries

(Source: *World Manufacturing Production- Statistics for Quarter IV, 2016*; United Nations Industrial Development Organisation - www.unido.org)

Developing and Emerging Industrial Economies



The overall growth of manufacturing output in developing and emerging industrial economies was affected by gloomy signals emanating from the major economies in this group. Although manufacturing activity in China continued to expand, its pace slowed compared to the previous quarter. In the final quarter of 2016, manufacturing production in China rose by 6.1 per cent over the same period of the previous year, reflecting a slowdown from the 6.9 per cent growth rate recorded in the previous quarter. This slightly steeper deceleration was mainly driven by negative growth in the production of basic metals, China's strongest industry. Following an uninterrupted downward trajectory since late 2013, the trend in China now seems to point towards stabilization at a sustainable pace.

Latin American economies, which have recently faced a severe decline due to subdued global demand, low commodity prices and domestic political turbulence, have reduced their declining growth rate to 1.0 per cent. On a sequential basis, the fall in manufacturing activity in Brazil has softened throughout 2016, dropping only by 2.9 per cent in a year-to-year comparison in the final quarter of 2016. The largest expansion was seen in the manufacturing of motor vehicles, closely followed by manufacturing of computer, electronic and optical products. Other larger Latin American manufacturers, namely Mexico and Colombia, recorded a positive growth of 2.0 per cent and 1.5 per cent, respectively, while Argentina, Chile and Peru experienced contractions. Growth performance was much higher in Asian economies, where manufacturing output rose by 5.5 per cent in the fourth quarter of 2016, a decent result considering that the production growth rate of Asian developing economies has not dropped below 6.0 per cent since the global financial crisis. Vietnam again confirmed its position as one of the fastest growing Asian economies with a 9.6 per cent gain, benefiting mostly from its attractiveness for foreign direct investment and export oriented industries. Indonesia's manufacturing output expanded by 2.3 per cent in a year-by-year comparison, decelerating from much higher growth rates recorded in previous quarters, while India's manufacturing production output ended the year with a trivial, barely 0.5 per cent rise, the first positive growth figure registered in 2016. According to UNIDO estimates, positive developments were observed in other Asian economies: manufacturing output rose by 3.6 per cent in Saudi Arabia, almost 4.0 per cent in Pakistan and 1.3 per cent in Jordan. Bangladesh managed to maintain its robust growth in the fourth quarter of 2016, while manufacturing output in Mongolia contracted.

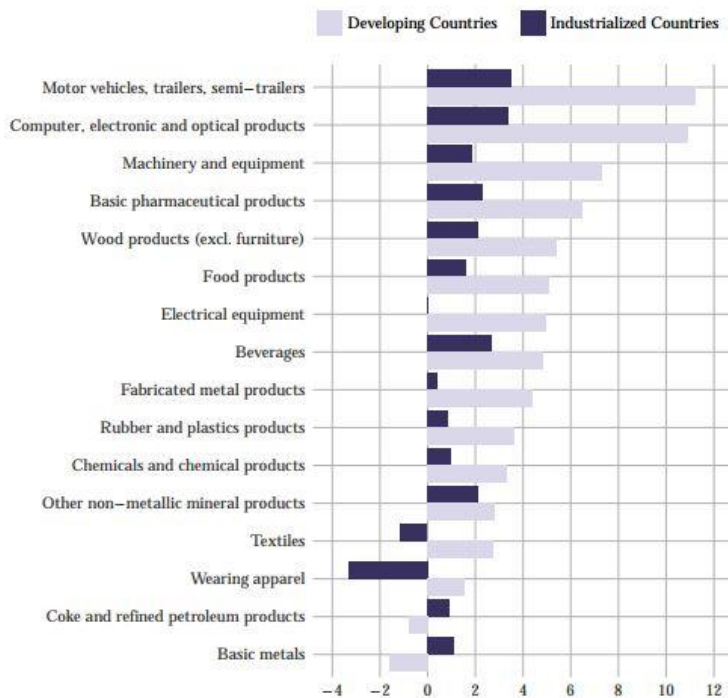
Estimates based on the limited available data indicate that manufacturing output in Africa decreased by 0.5 per cent in the final quarter of 2016. In terms of individual countries, a 0.6 per cent drop was registered in South Africa, the region's most industrialized economy. Egypt and Tunisia's manufacturing output also decreased compared to the same period of the previous year, while Morocco and Cote d'Ivoire registered a positive growth rate according to UNIDO estimates. Among the other developing economies, the manufacturing output of East European countries achieved relatively higher growth rates. Manufacturing output rose by 4.1 per cent in Poland, 4.7 per cent in Romania, 4.3 per cent in Bulgaria and over 5.0 per cent in Serbia and Croatia. Manufacturing production in Turkey grew by 1.4 per cent, reversing the decline registered in the previous period.

(Source: World Manufacturing Production- Statistics for Quarter IV, 2016; United Nations Industrial Development Organisation - www.unido.org)

Key findings

Global manufacturing production maintained a positive growth in nearly all industries in the final quarter of 2016. High- and medium-high-technology manufacturing industries held top positions, when looking at the year-by-year developments - the manufacture of computers, electronics and optical products grew by 6.3 per cent, the manufacture of motor vehicles rose by 6.2 per cent and the production of pharmaceutical products by 4.0 per cent. However, the production of other transport equipment, another high-technology sector, contracted by 0.9 per cent compared to the same period of the previous year. The largest loss was recorded in the tobacco industry, with its global production declining by 5.8 per cent.

Figure 4: Estimated growth rates by Industry
in % compared to previous year
Quarter IV, 2016



As regards durable and capital goods, the production of machinery and equipment experienced an exceptionally high growth rate at 3.7 per cent in the fourth quarter of 2016. The manufacture of non-metallic mineral products, which essentially supply construction materials, registered a growth figure of 2.5 per cent worldwide. The manufacture of fabricated metal products and furniture both rose at a moderate pace of 1.7 per cent. Worldwide manufacturing of basic metals has systematically lost strength over the last few years and reached a negative growth rate of 0.7 per cent in the fourth quarter of 2016, mostly due to a visibly decreased production of basic metals in China.

Global manufacturing output maintained relatively high growth rates in the production of basic consumer goods. The manufacture of food products rose by 3.1 per cent and beverages by 3.7 per cent, while the manufacture of wearing apparel increased by 0.5 per cent only. In low-technology manufacturing sectors, the global production of wood products rose by 3.3 per cent while the growth pace of manufacturing of paper products, textiles and leather products remained below 2.0 per cent.

The growth performance of developing and emerging industrial economies outperformed industrialized economies in nearly all manufacturing industries, including a number of high-technology industries, as illustrated in the above Figure. The fastest growing industry in both country groups was the automotive industry, reflecting strong growth of automobile production in China as well as in European countries

(Source: World Manufacturing Production- Statistics for Quarter IV, 2016; United Nations Industrial Development Organisation - www.unido.org)

INDIAN MANUFACTURING SECTOR

Introduction

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

Market Size

India's manufacturing sector has the potential to touch US\$ 1 trillion by 2025. There is potential for the sector to account for 25-30 per cent of the country's GDP and create up to 90 million domestic jobs by 2025. Business conditions in the Indian manufacturing sector continue to remain positive.

Investments

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

Foreign Direct Investment (FDI) inflows in India's manufacturing sector grew by 82 per cent year-on-year to US\$ 16.13 billion during April-November 2016. India has become one of the most attractive destinations for investments in the manufacturing sector.

Government Initiatives

In a bid to push the 'Make in India' initiative to the global level, Government of India pitched India as a manufacturing destination at the World International Fair in Germany's Hannover in 2015 and showcased India as a business friendly destination to attract foreign businesses to invest and manufacture in the country.

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

- The Government of India has introduced several policy measures in the Union Budget 2017-18 to provide impetus to the manufacturing sector. Some of which include reduction of income tax rate to 25 per cent for MSME companies having turnover up to Rs 50 crore (US\$ 7.5 million), MAT credit carry forward extended to 15 years from 10 years and abolishment of Foreign Investment Promotion Board (FIPB) by 2017-18.
- The Government of India has removed the 12.5 per cent excise duty and 4 per cent special additional duty (SAD) on the manufacturing of point-of-sale (PoS) machines till March 31, 2017, which is expected to give a boost to the cashless economy as more PoS machines will be deployed in the future.
- The National Institution for Transforming India (NITI Aayog), after its recent push for Rs 6,000 crore (US\$ 900 million) textile sector package, aims to persuade the Government for similar support in the manufacturing sectors with large-scale employment generation opportunities, such as electrical and electronics engineering, footwear and light manufacturing segments, which also have export potential.
- The Ministry of Labour and Employment plans to relax compliance measures for MSMEs by exempting them from inspections related to key labour laws in order to encourage entrepreneurs to help promote manufacturing in India.

- The Government of India plans to give a big boost to local manufacturing by introducing the new 'Make in India green channel', which will reduce the time taken for cargo clearance at ports from about a week to a few hours without any upfront payment of duties.
- Gujarat government is planning to set up an electronics products manufacturing hub in the state, through its newly announced Electronics Policy 2016, which will generate about 500,000 jobs in the electronics sector in the next five years.
- The Ministry of Heavy industries and Public Enterprises, in partnership with industry associations, has announced creation of a start-up centre and a technology fund for the capital goods sector to provide technical, business and financial resources and services to start-ups in the field of manufacturing and services.
- NITI Aayog plans to release a blueprint for various technological interventions which need to be incorporated by the Indian manufacturing economy, with a view to have a sustainable edge over competing neighbours like Bangladesh and Vietnam over the long term.
- Ministry of Commerce and Industry has launched the Technology Acquisition and Development Fund (TADF) under the National Manufacturing Policy (NMP) to facilitate acquisition of Clean, Green and Energy Efficient Technologies, by Micro, Small & Medium Enterprises (MSMEs).
- The Government of India has asked New Delhi's envoys in over 160 countries to focus on economic diplomacy to help government attract investment and transform the 'Make in India' campaign a success to boost growth during the annual heads of mission's conference. Prime Minister, Mr Modi has also utilised the opportunity to brief New Delhi's envoys about the Government's Foreign Policy priority and immediate focus on restoring confidence of foreign investors and augmenting foreign capital inflow to increase growth in manufacturing sector.
- Government of India has planned to invest US\$ 10 billion in two semiconductor plants in order to facilitate electronics manufacturing in the country.
- Entrepreneurs of small-scale businesses in India will soon be able to avail loans under Pradhan Mantri MUDRA Yojana (PMMY). The three products available under the PMMY include: Shishu - covering loans up to Rs 50,000 (US\$ 735), Kishor - covering loans between Rs 50,000 (US\$ 750) to Rs 0.5 million (US\$ 7,500), and Tarun - covering loans between Rs 0.5 million (US\$ 7,500) and Rs 1 million (US\$ 15,000).

Road Ahead

The Government of India has an ambitious plan to locally manufacture as many as 181 products. The move could help infrastructure sectors such as power, oil and gas, and automobile manufacturing that require large capital expenditure and revive the Rs 1,85,000 crore (US\$ 27.75 billion) Indian capital goods business.

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

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

(Source: Manufacturing Sector in India - India Brand Equity Foundation www.ibef.org)

INDIAN ENGINEERING SECTOR

Introduction

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.

India on its quest to become a global superpower has made significant strides towards the development of its engineering sector. 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. 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 & engineering turnover in India is expected to reach US\$ 125.4 billion by FY17. India exports its engineering goods mostly to the US and Europe, which accounts for over 60 per cent of the total exports. Recently, India's engineering exports to Japan and South Korea have also increased with shipments to these two countries rising by 16 and 60 per cent respectively. Sri Lanka, Nepal and Bangladesh have also emerged as the major destinations for India's engineering exports. Engineering exports from India increased for the sixth straight month at 12.4 per cent year-on-year to US\$ 5.3 billion in January 2017, outperforming that of the overall merchandise export.

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 December 2016 stood at around US\$ 3,296.07 million, 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:

Government Initiatives

The Indian engineering sector is of strategic importance to the economy owing to its intense integration with other industry segments. The sector has been de-licensed and enjoys 100 per cent FDI. With the aim to boost the manufacturing sector, the government has relaxed the excise duties on factory gate tax, capital goods, consumer durables and vehicles.

- The Government of India is planning to merge 6 engineering consulting Public Sector Units (PSUs) to create a mega consultancy firm that can take up projects across sectors and compete with the likes of Bechtel of the US and domestic majors like Larsen & Toubro (L&T).
- Steps have also been taken to encourage companies to perform and grow better. For instance, EIL was recently conferred the Navaratna status after it fulfilled the criteria set by the Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Government of India. The conferred status would give the state-owned firm more financial and operational autonomy.

- Government of India has also taken initiatives to provide a level playing field to domestic and foreign private players bidding for the government contracts in defence sector. The government has withdrawn excise and customs duty exemptions granted to goods manufactured and supplied to the defence ministry by state-owned defence firms. These steps will also encourage participation of foreign Original Equipment Manufacturers such as Boeing, Airbus, Lockheed Martin, BAE Systems, etc., in the sector..
- Government announced a partnership between Bloomberg Philanthropies and the Ministry of Urban Development, Government of India, to advance the "Smart Cities Initiative." The Smart Cities Initiative is a historic effort to promote economic growth, improve governance, and deliver more effective and efficient public services to India's urban residents.

Road Ahead

The engineering sector is a growing market. Spending on engineering services is projected to increase to US\$ 1.1 trillion by 2020.

(Source: *Engineering Industry in India - India Brand Equity Foundation* www.ibef.org)

OUR BUSINESS

Overview

Our Company is engaged in business of manufacturing, marketing and sale of material handling, industrial finishing and engineered products. We have been partnering with a range of business verticals across India for growth, for more than hundred years now. Our manufacturing facility is located at Thane. Further we have Sales offices (branches) which are located at Bengaluru, Vadodara, Chennai, Chandigarh, Kolkata, New Delhi, Pune and Secunderabad

We manufacture a comprehensive range of material handling equipments in our ISO 9001:2008 certified plant, comprising of fully equipped fabrication, machining and assembly shop at Thane near Mumbai. Our products are sold under the brand name “JUMBO, PYGMY and JOTRUK. Our fundamental focus is to innovate, collaborate and enhance the process of serving products to the market and our customers. Our belief is providing solutions that help customers improve their processes and/or performance of their products.

The manufacturing process is supported by a fully integrated ERP System. Lean manufacturing systems and other Total Quality Management (TQM) techniques are adopted to assure the quality in all aspects. Our all India sales and service network enables us to respond to customer needs with quality and value added solutions. Our product range consists of Industrial Platform Trucks, Tow Trucks, Hand Pallet Trucks, Electric Pallet Trucks, Electric Pallet Stackers, Reach Trucks, Forklifts, Racking Systems, Scissor Lifts, Dock Levellers, Pneumatic Sample Transport Systems, Battery Operated Passenger Carriers, Various other customised products.

Our Company's total revenue as restated in Financial Year 2017, 2016 and 2015 was Rs.8335.75 lakhs, Rs. 8207.19 lakhs and Rs. 7537.76 lakhs, respectively. Our Company's profit/loss after tax as restated in Financial Year 2017, 2016 and 2015 was Rs. (199.43) lakhs, Rs. (194.59) lakhs and Rs. 54.26 lakhs, respectively.

Our manufacturing facility is located at:

C-7, Wagle Industrial Estate, Road No. 12, Thane – 400604, Maharashtra

OUR COMPETITIVE STRENGTHS

Experience garnered over more than 100 years

Our Company has been serving its customers for more than 100 years and our management has contributed equally towards the success of the Company. This experience enables us to acquire knowledge of critical processes by understanding the customer's needs which in turn helps us to spot the market trends and to achieve & improve on the benchmark standards.

Established Manufacturing Facilities

Our Company's manufacturing facility is located at Thane in Mumbai. The manufacturing facility is equipped with all the requisite plant, equipment, machinery and infrastructure to enable our Company to produce quality products which satisfies the standards of our customers.

Production and Technical Personnel team

Our production operations at our manufacturing facilities are managed by a team of skilled technical engineers with the requisite technical know-how and science graduates with specialization to carry out our production processes. With the expertise of these technical persons, we have developed efficient production processes aimed to maximize yield and minimize costs.

Our technical team includes several persons who have an experience and knowledge in our Industry. Our management and executive team have been instrumental in setting the business direction of our Company and they will continue to guide our Company in the expansion of our business with their experience and technical expertise.

Technology Upgradation and Innovation

Our Company endeavours to maintain state of the art infrastructure which consists of machineries used in manufacturing. There is a continuous transition in technology that takes place; our Company through participation in the conferences and exhibition strives to keep itself updated with technological developments. Technology upgradation is an important aspect which a company like ours need to consider for its survival in the competitive market.

Marketing Team

Our Company's marketing department personnel are fairly experienced in the field of marketing. Our Company trains its employees for improving the communication skills and to provide a better quality output. Our Company marketing team develops and maintains cordial relations with our customers by continuous follow up.

Geared to serve all major markets in India

The Registered office of our Company is located at Mumbai and the sales offices (branches) are spread across multiple locations i.e. Bengaluru, Vadodara, Chennai, Chandigarh, Kolkata, New Delhi, Pune and Secunderabad which caters to strategic market and that enables us to easily reach out to customers in any part of the country in the shortest possible time. We provide solutions to the Power, Oil and Gas, Defence, Aerospace & Space, Automobile and many other critical sectors.

Association with global leading manufacturers

Our Company in association with global leading manufacturers provide advanced engineering solutions for very demanding industrial applications.

Our Business Activities

Our Company is engaged in the sale of manufactured material handling equipment and traded goods such as engineered products.

I. Material Handling Division (MHD)

Our Material Handling Division is committed to provide innovative material handling solutions for internal material handling needs of customers to improve the efficiency of their processes. Our Company offers a wide range of equipment's and systems, such as Pygmy, Pallet Trucks, the Jumbo range of Platform Trucks, Stacker, Reach Truck Electric Forklift, Order picker, racking systems etc. The markets in which we are very active for material handling division (MHD) includes automotive, logistic, FMCG, railways, defence and pharma. Our Material Handling Division has modern manufacturing facilities at Thane, with ISO 9001:2008 certification, where the equipment's are manufactured with facilities like computer aided design, engineering, manufacturing, erection and after sales service. We offer customized "all-round solutions" for material storage, transportation, loading/unloading and stacking/retrieving operations and warehousing.

Our Company's product services comprise of the following:

- Application Engineering Services
- Design & Development Services

- Annual and Comprehensive Maintenance Contract
- Dedicated service engineers at site
- Battery maintenance
- Operators training
- Safety audit
- Overhauling and Refurbishment.

Our Products

Material Handling Division

1. Platform Truck

The 3-wheel **platform truck** type 'Jowalk', 'Jumboelectric' and 'Jumbodiesel' and 4-wheel platform truck type 'Jotruk' have proven to be industrial work horses and are being extensively used for carrying non-palletised loads ranging from 1000 kg to 4000 kg. These are specially designed for operations over long distances on asphalt or concrete road.

Jowalk



Jumboelectric



Jotruk



Jumbodiesel



These **industrial platform trucks** are available with the versions of AC and DC drives. Our platform trucks with AC technology provides additional advantage of reduced maintenance, improved power utilisation and improved battery life.

Applications

The range of platform trucks are ideal for use in inter-plant transportation, factories, warehouses, defense units, railway workshops, airports, power plants, large processing plants.

Range

- Jowalk – Electric 3 wheel platform truck with capacity of 1,000 kg.
- Jumboelectric – Electric 3 wheel industrial platform truck with the capacities of 2,000 / 3,000 kg.
- Jumbodiesel – Diesel operated 3 wheel platform truck with the capacities of 2,000 / 3,000 kg.
- Jotruk – Electric 4 wheel industrial platform truck with the capacities of 2,000 / 3,000 / 4,000 kg.

2. Tow Truck

The 3-wheel and 4-wheel **industrial Tow Trucks** are medium and heavy duty battery operated material handling equipment's used for towing loads up to 5000 kg and 10,000 kg respectively. It enables easy long distance transportation of large quantities of materials and provide operator friendly superior manoeuvrability and operability.

Jumboelectric



Jumbo Neo



Taurus



Tusker



Tow Trucks with AC technology provides additional advantage of reduced maintenance, improved power utilisation and improved battery life.

Applications

Tow Trucks are designed for applications in distribution, manufacturing and warehousing of all types in Industry segments such as auto & ancillary, textile, airports, railways, engineering, chemical, FMCG, tyre, logistics, steel plants etc., and are suited for the toughest applications.

Range

- Jumboelectric: Electric 3-wheel Tow Truck with capacities of 2000 / 3000 / 5000 kg.
- Jumbo Neo: Electric 3-wheel Tow Truck with capacities of 2,000 / 3,000 / 5,000 kg.
- Taurus: Electric Stand-on Tow Truck with capacities of 2000 kg to 3000 kg.
- Tusker: Electric 4-wheel Tow Truck with capacities of 8000 / 10,000 kg.

3. Hand Pallet Truck / Trolleys

The hydraulic **Hand Pallet Truck / Trolleys** lifts are ideal storage aids for manual tasks over short distances, safe, robust, durable, and at the same time very economical. The Hand pallet truck's optimised hydraulic systems, ball bearing wheels, teflon coated joints and proportioned lowering valve ensures quiet operation and safe manoeuvring. These are designed for ease of use and long-lasting features allow for the safe and efficient movement of goods with very little effort.

Applications

The range of hand pallet trucks/ trolleys are suitable for a broad range of material handling applications, including horizontal transport, order picking, loading / unloading and stacking.

JPR Plus 2500



JPSS 2000



JPX 10



JPEX 10



JPW 20



Range

- JPR Plus 2500: Capacity of 2500 kg (Hydraulic hand pallet truck).
- JPSS 2000: Capacity of 2000 kg (Stainless Steel hydraulic hand pallet truck).
- JPX 10: Capacity of 1000 kg (Hand operated scissor hand pallet truck).
- JPEX 10: Capacity of 1000 kg (Electric operated scissor hand pallet truck).
- JPW 2000: Capacity of 2000 kg (Hand pallet truck with weighing scale)

4. Electric Pallet Truck/ Battery Operated Pallet Truck

The **Electric Pallet Truck / Battery Operated Pallet Truck** are frequently used for loading or unloading a trailer or where transportation tasks over short / long distances are involved.

The 'Pedestrian' and 'Stand-on' versions of electric / battery operated pallet truck provide effortless pallet handling at high speeds with their load-controlled drive and brake system without compromising safety and comfort of the operators. These trucks offer flexibility to manoeuvre load comfortably in narrow aisles over short distances and with high speed travel over long distances. The range of electric pallet trucks with AC technology provides additional advantage of reduced maintenance, improved power utilisation and improved battery life.

Applications

The versatile range of electric pallet trucks are designed to suit every intensive or light operation, delivering reliability, energy efficiency, performance, driver comfort, and low maintenance costs for the most demanding warehouse applications.

EJE 20



EJE 50



ERE 20



ERE 40



Range

- EJE 20 / 25 / 30 – Electric pedestrian Pallet Truck with 2000 / 2500 / 3000 kg capacity.
- EJE 35 / 40 / 50 – Electric pedestrian Pallet Truck with 3500 / 4000 / 5000 kg capacity.
- ERE 20 / 25 / 30 – Electric Stand-on Pallet Truck with 2000 / 2500 / 3000 kg capacity.
- ERE 35 / 40 – Electric Stand-on Pallet Truck with 3500 / 4000 kg capacity.

5. Stacker

Electric Stackers are ideal and simple for stacking and retrieval of pallets at vertical storage spaces in warehouses and are used in the widest range of applications imaginable.

Our electric stackers are designed for flexible and retrieval handling of specialised loads, increased performance at great heights, comfortable manoeuvrability in narrow aisles, high residual capacities and long usage times.

HS 1016/1030



MHS 1016/1030



EJC 15/17



EJD 20 / ERD 20



The versatile range of Stackers are designed to meet needs with precise, reliable and safe operation walking or riding. Electric Stackers in terms of capacities ranging from 1700 kg to 3000 kg lift height up to 6.3 meters and free lift up to 2.1 meters are offered by us.

ERC 15/17/17V



EJB 15/17



ERB 15/17



Applications

The 'Pedestrian' as well as 'Stand-on' Stacker versions can be easily manoeuvred in an aisle width as little as 2.5 meters.

The 'Straddle' type Stacker version with widened straddle arms enables the fork's to be lowered up to floor level and can also be used to pick closed pallets from the ground or lift the pallets crossways from counter balanced trucks.

Range

- MHS 1016 / 1030 – Manual hand Stacker with 1000 kg capacity and 3 meters' lift height.
- HS 1016 / 1030 – Semi automatic hand Stacker with 1000 kg capacity and 3 meters lift height.
- EJC 15 / 17 – Electric pedestrian stacker with 1500 / 1700 kg capacity and 6.3 meters lift height.

- ERC 15 / 17 / 17V – Electric pedestrian stand-on Stacker with 1500 / 1700 kg capacity and 6.3 meters lift height.
- EJB 15 / 17 – Electric pedestrian straddle Stacker with 1500 / 1700 / 2000 / 3000 kg capacity and 6.3 meters lift height.
- ERB 15 / 17 – Electric stand-on straddle Stacker with 1500 / 1700 / 2000 / 3000 kg capacity and 6.3 meters lift height.
- ERD 20 – Electric double Pallet Truck / Stacker with 2000 kg capacity.

6. Electric Forklift

Electric Forklifts are powerful and energy efficient trucks with advanced AC technology suitable for both indoor and outdoor application. For providing lasting material handling solutions, we have designed and developed forklift trucks that go a long way in enhancing productivity on the shop floor while ensuring safe handling of loads. The forklifts prevent product and pallet damage by ensuring proper handling. It has load capacities ranging from 1.5 to 3 tonnes. These are equipped with features to enhance driver safety, comfort, productivity and functionality.

Applications

The range is suitable for a variety of operations, including loading and unloading goods, line feeding, stacking, order picking and horizontal transport.

Range

- JFB 15 – Electric operated counterbalance forklift truck with 1500 kg capacity and 6.5 meters lift height.
- JFB 20 – Electric operated counterbalance forklift truck with 2000 kg capacity and 6.5 meters lift height.
- JFB 25 – Electric operated counterbalance forklift truck with 2500 kg capacity and 6.5 meters lift height.
- JFB 30 – Electric operated counterbalance forklift truck with 3000 kg capacity and 6.5 meters lift height.

JFB 15/ 20/ 25/ 30



7. Diesel Forklift

The Diesel forklift trucks of various capacities cater to a variety of indoor and outdoor applications. The state of the art diesel trucks enable precise operation and optimum productivity combined with low fuel consumption by means of their electronic control systems. These forklift trucks are tuned to perform medium to long distance operations and they also ensure smooth, shock-free handling of load.

The robust engines are specially designed for use in forklift trucks, ensuring reliability and long service life even for toughest applications.

Applications

The diesel forklifts are specially designed keeping the comfort of the person operating. It provides safety and ensures relaxed and concentrated operation – the best prerequisite for high productivity throughout the shift.

Range

- JFD 20 -Diesel operated forklift truck forklift truck with 2000 kg capacity and 6.0 meters lift height.
- JFB 30 -Diesel operated forklift truck forklift truck with 3000 kg capacity and 6.0 meters lift height.

8. Reach Truck

Electric Reach Trucks are powerful and energy efficient reach trucks with advanced AC technology suitable for indoor and warehousing applications. It comes with power and performance with safety and durability with operator's comfort as priority. It offers high acceleration and exceptional driveability for optimum pallet movement. With lift heights of up to 11.9 meters and load capacities from 1.6 to 2.0 tonnes.

Applications

Suitable for horizontal transportation and stacking, such as in warehouses, distribution centres and logistics companies,

Range

The product model number is JRT A16 / A20



9. Order Picker

The electric Stand-on **Order Picker**, JoPicker has been designed for the efficient order picking up to 2600 / 3600 mm from ground level.

Two variants of JoPicker, one for picking from ground / first level (EPE 20), the other (EPE 08 / EPE 10) with a lift platform for picking up to either second level or third level of racking. It enables a single operator to operate the vehicle for travel as well as order picking.



10. Rough Terrain Forklift

Our Company offers Omega Lift's rough terrain forklift trucks series. These have been developed with the intent to achieve superiority, challenging established industry standards with every move. With their tough build, high ground clearance, 4-wheel drive and steer capabilities, enables handling heavy loads in unconventional positions and in uneven terrains with exceptional manoeuvrability. It can handle loads up to 31 metric tons. All maintenance, repair and spares activity are provided by us.

Applications

These Lifts are used in heavy duty applications on rough terrain environment especially for use in infrastructure projects involving construction activities, steel mills & yards, mining facilities, rail yards, port applications, military applications etc.

Range:-

- ALPHA Series – Capacity 2.75 tons with lift up to 3.4 meters.
- 2X Series – Capacity 6.35 tons with lift up to 9.1 meters.
- 44236 Series – Capacity 3.65 tons with lift up to 10 meters.
- MEGA Series – Capacity 9.10 tons with lift up to 6.1 meters.
- HERC Series – Capacity 31.75 tons with lift up to 3.6 meters.
- UG Series – Capacity 9.10 tons in 4-wheel steer and 22.7 tons in 2-wheel steer models.

11. Side Loader

Our Company offers Omega Lift's 4DML series. The 4DML series is a 4-directional, all-wheel drive, all-wheel steer, and all-wheel brake truck that does multi-duty as a 4-directional reach truck, a traditional forklift and a side loader. It has a capacity of 610 mm and load centre of 3,000 to 10,000 Kg, with a capacity to lift goods at a height from 3.6 meters to 7.3 meters, and can be operated in multiple directions. All maintenance, repair and spares activity are provided by us.

Applications

- Handling Pallets

Range

- 4DML series

12. Telescopic Handler

Our Company offers Omega Lift's ARM & ARM XL Telescopic Handler Series. Available in various capacities and can be used to lift up to 16.5 meters. A powerful power-train, proportional hydraulic controls and a solid steel frame are just a few standard features of the ARM Series. All maintenance, repair and spares activity are provided by us.

Applications

Versatile Applications

Range

- ARM Series
- ARM XL Series

13. Dock Levelers

Applications

The Dock Levelers have been designed to provide a robust bridge to cover the gap between the dock and the vehicle bed to move up and down to suit the varied heights of the vehicle, so that material handling equipment's can be directly taken in and out of the vehicles. They enhance safety and productivity by avoiding double handling of the loads.

Range:-

- HDL 50 – Capacity of 5000 kg (dynamic load).
- HDL 10 – Capacity of 10,000 kg capacity (dynamic load).
- HDL 150 – Capacity of 15,000 kg capacity (dynamic load)

14. Scissors Lifts

Scissor Lifts are popular choice for material handling in Indian industry and are being used in many applications. A properly designed and equipped scissor lift enhances the logistics infrastructure, improving facility's competitiveness. The scissor lifts are available in wide ranges with various options and provide optimum solution for lifting awkward shaped objects to comfortable working heights with least worker fatigue and physical strain. These Scissors possess capacity ranging from 1000 kg to 25000 kg and lift height ranging from 3000 mm to 12000 mm

Applications

These are used for carrying out maintenance and housekeeping jobs at heights, lifting goods to various levels in shop floor & stores, loading and unloading operations, work tables in shop floor and order picking. These are for various jobs to suit customer needs and serves variety of application in industries such as general engineering, heavy engineering, defense, railways, manufacturing & processing plants, chemical industries, consumer items, electrical & electronics, logistics, oil-gas & fertilisers, retail, steel industries etc.

Range

- Pit Mounted Scissor Lifts,
- Floor Mounted Scissor Lifts,
- Vehicle Mounted Scissor Lifts,
- Mobile Scissor Lifts,
- Self-propelled Scissor Lifts,
- Goods Lifts (Mast Lifts),
- Tandem Scissor Lifts

15. Racking Systems

Jorack - the range of industrial racks is a solution for all types of items as the design allows us to configure the product as per the requirement specified by the customer. The product range involves light duty, medium duty, heavy duty, mezzanine, multi-tier, drive in, cantilever, VNA racking systems and textile racking systems. These racking systems are designed and manufactured for vertical space utilisation that minimises storage cost per unit load. Our Company offers this product ranging with a loading capacity of 500 kg per level to 4000 kg per level and lift height ranging from 3 meters to 17 meters.

16. Aerial Platform and Boom Lift– Skyjack

Aerial Platform: Skyjack produces a full line of aerial work platforms like self-propelled vertical mast lifts, DC aerial platform (self-propelled) and self-propelled rough terrain aerial platform with elevated work heights ranging from 5.6 meters to 17 meters, and capacities up to 900 kg. Our Company distributes the said products in India.

Boom Lift: Skyjack manufactures and our Company distributes the comprehensive range of telescopic and articulating boom lifts with different lift and capacities. Skyjack's expanding telescopic and articulating boom (telescopic and articulating boom lifts) product line-up currently consists of models with work heights ranging from 9 meters to 22 meters.

II. Engineered Products Division (EPD)

Our Engineering Product Division provides global innovative technology to improve the environment and to assist the customers to enhance performance of their process and products. Our Company in association with some leading manufacturers provides advanced engineering solutions for demanding industrial applications. We provide engineered products for technical and commercial support in sales, commissioning and service, as well as the designing and development of software essential for the operation of the products that we offer. To ensure complete achievement of specific customer's objectives, the EPD team works closely with both, principals and customers, right from pre-sales to commissioning and services.

Our Engineered Product Division offers following products and services

| Sr. No | Particulars | Product Range/ Solutions Offered |
|--------|---|--|
| 1. | Sound and Vibration | |
| | <p>Sound (or noise) has an important social aspect and noise measurement is carried out to monitor the impact of noise pollution on society, at the work place or in normal habitats.</p> <p>Measurement and analysis of sound and vibration is needed in the designing and testing of more efficient, quieter, reliable and robust products. Our offerings are specifically used in diverse sectors like automotive, defence, aerospace, space, telecom, white goods, power, process engineering, general engineering, architectural acoustics and machine tools.</p> | <ul style="list-style-type: none"> • General sound and vibration measurements and hand held meters / analysers • Wide range of vibration & acoustics transducers for various applications • Complete instrumentation solutions for NVH engineering (noise, vibration and harshness) • Material characterization and testing for acoustical properties • Sound quality solutions, including psycho-acoustic test benches • Complete range of noise source identification solution using acoustic holography • Sound power determination system • Modal and structural analysis, including MIMO and operational modal • Environmental noise monitoring systems and software for noise generated by airports, traffic, city and industries • Underwater acoustic measurement and analysis • Special purpose acoustic enclosures • Anechoic rooms and reverberation chambers |
| 2. | Nanotechnology and Analytical Solutions | |
| | <p>Nanoscience involves research to discover new behaviours and properties of materials with dimensions at nanoscale. Nanotechnology is helping scientists to create new tools, products and technologies to address some of the world's biggest challenges, including clean secure affordable energy, stronger/lighter and durable materials, low cost filters for clean water, medical devices and drugs, energy efficient lighting systems and many others.</p> <p>Owing to this potential of nanotechnology to improve human life and contribute to growth, our nanotechnology and analytical solutions division aims at supporting the research with the best in class latest instrumentation and systems. Our Company is associated with reputed and Indian and global suppliers.</p> | <ul style="list-style-type: none"> • Non-Contact Optical 3D profiling systems • Thin film deposition system • Spin Coaters • Microscopy • Glove Box • Laser & Laser Components • Laser Machines • Laser Micro drilling • Constant Temperature Anemometry • Thermal Comfort Measurement system <p><u>Laser Optical Measurement Systems & Sensors Like</u></p> <ul style="list-style-type: none"> • • Particle Image Velocimetry (PIV) • • Laser Doppler Anemometry (LDA) • • Laser Induced Fluorescence (LIF) • • Phase Doppler Anemometry (PDA) |

| | | |
|----|---|--|
| | | <ul style="list-style-type: none"> • Digital Image Correlation System (DIC) • Electronic Speckle Pattern Interferometry System |
| 3. | Environmental Simulation | |
| | <p>In order to provide better solutions in industrial material and component testing, biological, chemical and food research, human and veterinary medicine testing, our company has tied up with the leaders in the design, development and manufacture of Lab equipment's.</p> <p>These products address a variety of R&D and Laboratories testing applications in the field of Automobile, Aeronautics, Electronics, Space, Defence, Pharma etc.</p> | <ul style="list-style-type: none"> • Environmental chambers • Thermal shock chambers • Altitude chambers • HALT - HASS chambers • Electrodynamic Shakers • Automotive Test Benches • Shock Testing Machines • Ovens / Drying Oven |
| 4. | Process Instrumentation | |
| | <p>Our Process Control Instrumentation offers reliable and innovative solutions for measurement of critical process parameters such as Flow, Pressure and Temperature, Gas & Moisture. Key features like accuracy, reliability and repeatability have given many benefits to customers.</p> | <ul style="list-style-type: none"> • Flow meters • Pressure instruments • Gas & Moisture Sensors & Analyzers • Pressure Switches & temperature switches • Electronic Transmitters • Infrared thermometers & hygrometers |
| 5. | Components | |
| | <p>We offer solutions for reliable protection against transient activities caused by lighting or power cycling of inductive loads. Our Company also sources and supplies a range of electronic / electrical / electromechanical components</p> | <ul style="list-style-type: none"> • Connectors • Switches • Space Grade Connectors |
| 6. | Electrical test and measurement | |
| | <p>Electrical Division ensures performance and reliability in power generation, transmission and distribution equipment's.</p> | <ul style="list-style-type: none"> • Transformer test equipment • Insulation Diagnostic Test set • Oil Testing Equipment • Power Meters • Battery Testing • Earth Tester • Micro Ohm Meters • Insulation Testing • Cable Test Equipment's • Circuit Breaker Testing set • Protection Testing • Hi-Pot Test Set • Electrical Safety products |
| 7. | Heat and Combustion | |
| | <p>We offer several solutions that enhance human safety against gas-related hazards, this includes a wide range of Portable and Fixed Gas detection systems, Gas monitors & Flame detectors.</p> | <ul style="list-style-type: none"> • Burners, Valves & Combustion Management Systems • Temperature Profiling Systems • Gas & Flame Detectors / Monitors • Anemometers |

Our Business Strategy and Planning

1. Focus on Increase in Volume of Sales

We intend to focus on increasing the volume of sales in the markets we operate. As a manufacturing and trading Company we want to focus on larger volume of sales by extending our market segments and by further addition of new products in our current portfolio to achieve our targeted sales.

2. Augment our working capital base in order to better utilize our installed capacities

Our business of manufacturing of material handling equipment's is working capital intensive. We need to maintain sufficient inventory for the production process and also maintain a balance between debtors & creditors cycle. Since, we are not fully utilizing our installed capacities, our growth depends on our ability to increase our utilization over the next few years and also adding new capacity subsequently. This expansion needs access to a larger amount of liquid funds and sufficient working capital. For further details of the proposed working capital requirements of our company, kindly refer to the chapter titled "Objects of the Issue" on page 70 of this Draft Letter of Offer. We believe that being well funded in the working capital domain will help us in the following strategic initiatives:

- Accelerate development of new products to suit different needs of customers.
- Respond to market dynamics and provide custom based designs with focus on customer satisfaction.
- Focus on producing / marketing high value priced products.

3. Customer Satisfaction

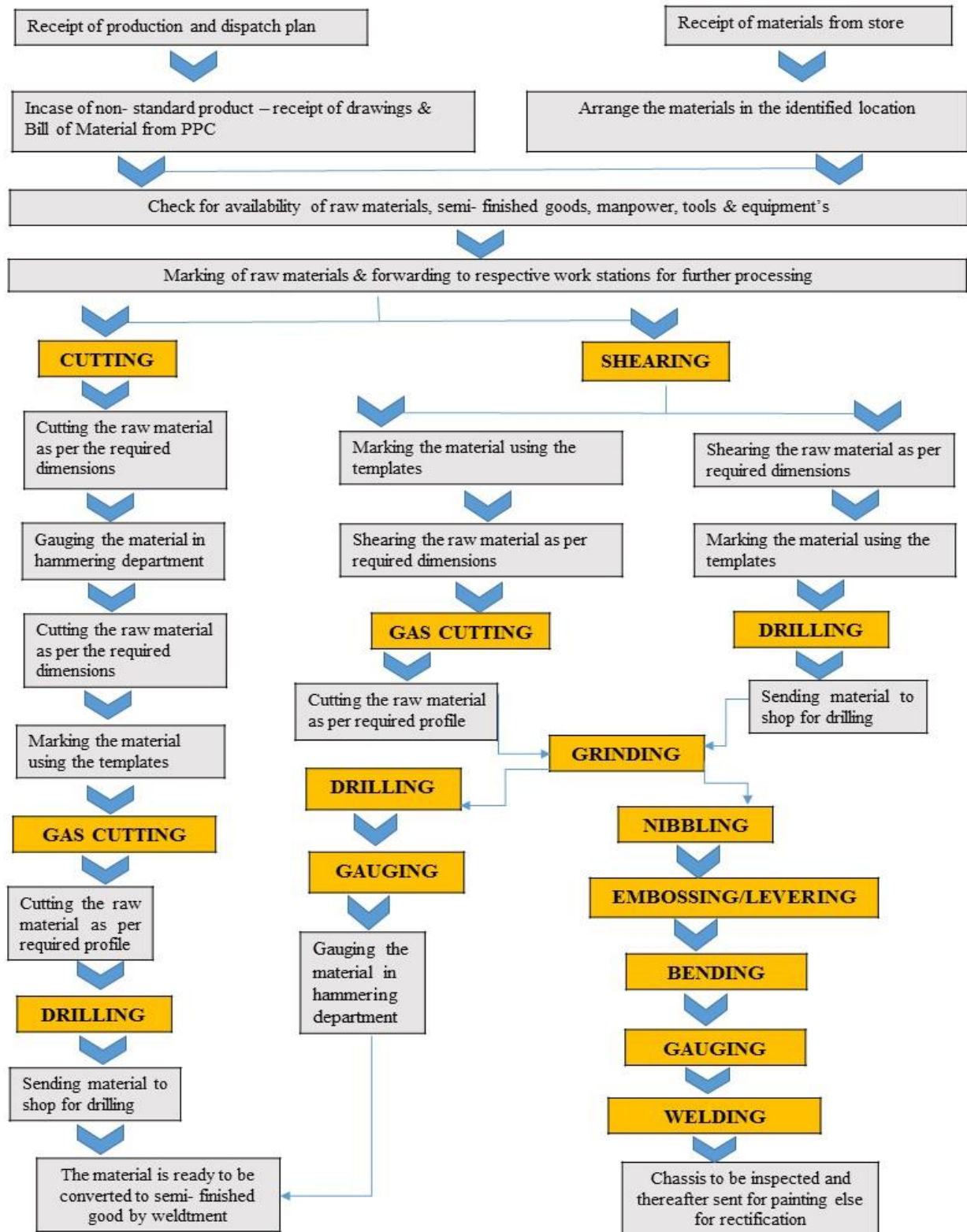
Our Company is customer satisfaction oriented company and always tries to maintain good relationship with the customers. Our Company's marketing team approaches existing customer for their feedback and based on that feedback any changes in the products if required are carried out. Our Company provides quality products and effective follow-ups with customers which ensures that customers are satisfied with the products. Our Company in return is rewarded by customers with continuous orders.

4. Optimal Utilization of Resources

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

Our Manufacturing Process

Fabrication Process



The manufacturing process can be detailed as follows:

Fabrication Process

Procurement of Raw Materials

Our Manufacturing process starts with procurement of raw materials. For regular and uninterrupted supply of raw materials, we have regular suppliers from whom we source our major raw material requirements. Beside this, our Company also import raw materials from time to time.

Storage of raw materials

Our Company has sufficient space to store the raw material before it is taken into use for production.

Receipt of materials from store department

The quality of raw material received from the suppliers is tested as per the quality and deposit the same with the Store department if material pass test quality. If not, it is returned to the supplier through the Suppliers Department.

Preparation of production and dispatch plan

Production and dispatch chart/plan is prepared and production schedule.

Check for the availability of raw materials, manpower, tools & equipment's.

The on field engineer as per the production plan checks the availability of required resources i.e. raw materials, man-power, tools and equipment's and in case any shortage of resources senior factory manager has to make proper arrangements.

Marking / Tagging of raw materials

These raw materials are then marked/ tagged, segregated and arranged in respective work station for further processing if needed.

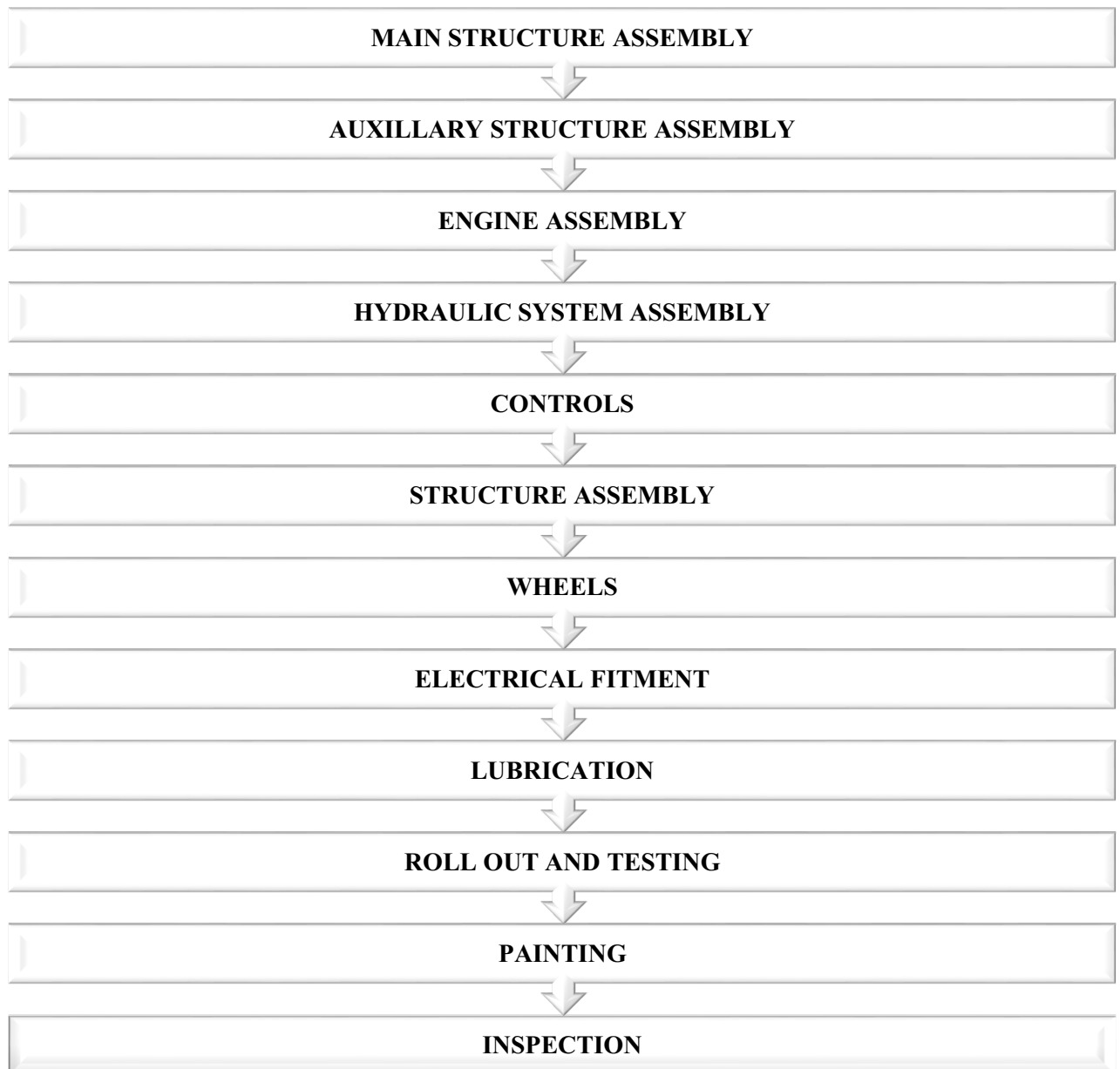
Process 1

Under this process, raw materials are cut as per the required dimensions and custom needs, thereafter gauging of the material is done in hammering department thereby marking the material. Another way of cutting raw material is by gas cutting. Thereafter, the processed material is sent for drilling in machine shop and then it is ready to be converted to semi-finished good by welding the same.

Process 2

Under this process, as the materials are received from the respective work stations for further processing they are marked using the templates and shearing process (basically cutting) of the raw materials takes place as per the required dimensions. Thereafter the material is sent in for drilling in the machine shop in bulks and then the material is sent into grinding process where shallow cuts are made thereby reducing the diameter of the material to accurate level. After grinding, the metal sheet embossing operation is commonly accomplished with a combination of heat and pressure on the sheet metal, depending on type of embossing is required and shaping of the metal sheet is done with the help of bending process. Then gauging and welding process is performed and chassis are prepared and sent for inspection. If found faulty then it is sent back for rectification else to painting section.

Assembly Process



Our Presence



Production Capacity and Capacity Utilisation

The following table sets out our annual production capacities for various products manufactured by us

Capacity Utilization for current year and past 2 years

| Product | 2014-15 | | 2015-16 | | 2016-17 | |
|----------------|-----------|----------|-----------|----------|-----------|----------|
| | Installed | Utilised | Installed | Utilised | Installed | Utilised |
| Jumbo Electric | 600 | 181 | 600 | 200 | 600 | 178 |
| Jo Truck | 600 | 118 | 600 | 180 | 600 | 201 |
| Elec Stacker | 420 | 209 | 420 | 168 | 420 | 188 |
| BOPT | 240 | 85 | 240 | 99 | 240 | 96 |
| Elec Forklift | 60 | 41 | 60 | 32 | 60 | 17 |
| Jumbo Diesel | 12 | 5 | 12 | 4 | 12 | 5 |
| Reach Trucks | 12 | 8 | 12 | 15 | 12 | 3 |
| PSTS | 4 | 0 | 4 | 3 | 4 | 0 |
| Scissor Lift | 360 | 80 | 360 | 110 | 360 | 140 |
| Dock Leveller | 300 | 122 | 300 | 57 | 300 | 79 |

Proposed Capacity Utilization for next three years

| Product | 2017-18 | | 2018-19 | | 2019-20 | |
|----------------|-----------|----------|-----------|----------|-----------|----------|
| | Installed | Utilised | Installed | Utilised | Installed | Utilised |
| Jumbo Electric | 600 | 286 | 600 | 358 | 600 | 447 |
| Jo Truck | 600 | 308 | 600 | 384 | 600 | 480 |
| Elec Stacker | 420 | 286 | 420 | 358 | 420 | 447 |
| BOPT | 240 | 139 | 240 | 173 | 240 | 217 |
| Elec Forklift | 60 | 24 | 60 | 30 | 60 | 37 |
| Jumbo Diesel | 12 | 6 | 12 | 8 | 12 | 10 |
| Reach Trucks | 12 | 4 | 12 | 5 | 12 | 6 |
| PSTS | 4 | - | 4 | - | 4 | - |
| Scissor Lift | 360 | 215 | 360 | 269 | 360 | 336 |
| Dock Leveller | 300 | 110 | 300 | 138 | 300 | 172 |

Collaborations / Tie Ups / Joint Ventures

Our Company does not have any collaborations, tie ups or joint ventures.

Utilities and Infrastructure

Our registered office and factory site is equipped with computer systems, internet connectivity and other communication equipment which are required for our business operations to function smoothly. Our manufacturing facilities are equipped with requisite utilities and modern infrastructure.

Competition

The industry in which we operate is highly competitive and fragmented, and moreover, as we seek to diversify into new geographical areas globally, we may face competition from existing players that have presence in respective markets or prospective players which may foray in the industry. In order to counter the competition, our focus would be to provide products that would be in consonance with technical and quality requirements of our customer as well as by trying to offer a competitive pricing model without compromise on the quality.

Sales and Marketing

The efficiency of the marketing and sales network is critical for the success of our Company. Our success lies in the strength of our relationship with our customers who have been associated with our Company. We believe our relationship with the clients is cordial and established as we receive repeat order flows.

The head of each division provides input for enhancing marketing of the services provided by the respective department. Our good rapport with clients owing to timely and quality delivery of service plays an instrumental role in creating and expanding a work platform for our Company.

Human Resource

We believe that our employees are key contributors to our business success. 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 our business.

Our Total Manpower strength is 375 spread across our sales / branch offices and factory including non-operational staff and contract labours

Our manpower is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth. Our work processes and skilled / semi-skilled / unskilled resources together with our efficient management team have enabled us to successfully implement our growth plans.

Insurance

We maintain a range of insurance policies with independent insurers to cover our assets, business and operations from various risks and losses which Company may incur due to fire, burglary and other unforeseen events. Substantially all of our insurance policies related to products, plant and machineries, furniture & fittings, buildings, office equipments, vehicles, inventories, and workmen compensation policy. The policies provide appropriate coverage in relation to fire, vehicle, mediclaim for employees, cargo and workmen compensation claims by our personnel.

We constantly evaluate the risks in an effort to be sufficiently covered for all known risks. We believe that the amount of insurance coverage presently maintained by us represents an appropriate level of coverage required to insure our business and operations and is in accordance with the industry standard in India.

Intellectual Property

Our Intellectual property is an important factor for marketing and enhancing our sales. The Company has licence to use certain intellectual properties. The details of which are as follows:

| Sr . N o | Word Mark | Applicati on No. | Class | Applicant | Date of Applicatio n | Date of Expiry | Registration Status |
|----------|-----------|------------------|-------|-------------------------------------|----------------------|-----------------|---------------------|
| 1. | JUMBO | 217376 | 12 | Jost's Engineerin g Company Limited | August 29, 1963 | August 29, 2025 | Registered |

| | | | | | | | |
|----|--------------|--------|----|------------------------------------|--------------------|--------------------|---------------------|
| 2. | JUMBO* | 1148 | 12 | Jost's Engineering Company Limited | June 17, 1962 | June 17, 2016 | Applied for renewal |
| 3. | PYGMY | 212374 | 12 | Jost's Engineering Company Limited | November 20, 1962 | November 20, 2024 | Registered |
| 4. | JUMBOLECTRIC | 224281 | 12 | Jost's Engineering Company Limited | September 11, 1964 | September 11, 2026 | Registered |

* Originally owned by the General Tire and Rubber Company and assigned to Our Company vide Deed of Assignment dated 5th February, 1963.

Jowalk, Jotruck, Jumbodiesel are brand names used by Our Company but they are not registered trademarks. The word Jost's is not a registered trademark.

Properties

| Sr. No | Description of Property | Area | Date of Agreement/Rent Receipt | Owned/Leasehold/Rented | Seller/Owner | Usage |
|--------|--|-------------|--------------------------------|------------------------|---|---------------------------------|
| 1. | Great Social Building 60, Sir Phirozeshah Mehta Road, Mumbai 400001 | -- | March 31, 2017 | Rented | Life Insurance Corporation of India | Registered and Corporate Office |
| 2. | Thane Facility (Manufacturing Unit) Plot No C-7, Wagle Industrial Estate, Road No. 12, Thane - 400604 | 6,921 Sq.mt | July 03, 1972 | Leasehold | Maharashtra Industrial Development Corporation (MIDC) | Factory Premises |
| 3. | Plot no 3, Survey no 126, Paud Road, Pune - 411038 | 2300 Sq ft | June 15, 2017 | Rented | Shashi Kumar Bhide and Jayshree Bhide | Sales Office |

| Sr . No | Description of Property | Area | Date of Agreement/ Rent Receipt | Owned/Leasehold/ Rented | Seller/Owner | Usage |
|---------|---|--------------------|---------------------------------|-------------------------|---------------------------------|--------------|
| 4. | F-7 and H-7, 7 th floor, "SOLUS" building, property bearing No.2, 1 st Cross, J.C. Road, Bengaluru- 560 027 | 2978 Sq.ft | August 06, 2015 | Rented | Y N Venkatarangappa and Others | Sales Office |
| 5. | DSM 360, DLF Tower, 15, Shivaji Marg, New Delhi – 110015 | 1362 Sq ft | August 28, 2014 | Rented | Shilpa Khurana & Amit Sood | Sales Office |
| 6. | C-39, Second Avenue, AF Block, Anna Nagar, Chennai - 600040 | 1575 Sq ft | May 08, 2017 | Rented | Preethi Lakshmi | Sales Office |
| 7. | 1st Floor, Guruprasad Society (S.B.I. Colony) Near Akota Stadium, Akota, Vadodara – 390007, | 1500 Sq ft. Approx | September 29, 2014 | Rented | Kantikant Shah | Sales Office |
| 8. | Flat no.1, Premises no 19A, British Indian Street, Kolkata – 700069 | -- | April 01, 2017 | Rented | Tarun Ghose & Debjani Ghose | Sales Office |
| 9. | New Municipal No. 9-1-119/A/1/1, Old Lancers lane, Secunderabad | 337 Sq yards | November 30, 2016 | Rented | Chevuru Reddy | Sales Office |
| 10. | Cabin No. 12, Commercial SCO No 815, N.A.C Manimajra, UT. Chandigarh - 160001 | 176 Sq.ft | November 20, 2015 | Rented | A.K. Sachdeva & Varsha Sachdeva | Sales Office |

| Sr . No | Description of Property | Area | Date of Agreement/ Rent Receipt | Owned/Leasehold/ Rented | Seller/Owner | Usage |
|---------|--|------------|---------------------------------|-------------------------|-------------------------|-----------|
| 11. | Gala nos. 1 & 2, Krishna Arcade, Krishna Complex, Near Gupta Compound, Anjur Road, Gundavli, Bhiwandi – 421302 | 950 Sq. ft | March 16, 2014 | Rented | Krishna Gopinath Mhatre | Warehouse |
| 12. | Gala nos. 7 & 8 Krishna Arcade, Krishna Complex, Near Gupta Compound, Anjur Road, Gundavli, Bhiwandi – 421302 | 950 Sq. ft | March 16, 2014 | Rented | Suresh Gopinath Mhatre | Warehouse |

KEY INDUSTRY REGULATIONS AND POLICIES

Given below is a summary of certain relevant laws and regulations applicable to our Company and our Subsidiaries. The information detailed in this chapter has been obtained from publications available in the public domain. The description of the applicable regulations as given below has been set out in a manner to provide general information to the investors and is not exhaustive and shall not be treated as a substitute for professional legal advice. The statements below are based on the current provisions of applicable law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Our Company is engaged in business of manufacturing of material handling equipment, and trading in industrial finishing and engineered products. We are regulated by a number of central and state legislations. Additionally, our functioning requires the sanction of concerned authorities, at various stages, under relevant legislations and local by-laws.

Given below is a brief description of certain relevant legislations that are currently applicable to the business carried on by us.

CENTRAL LAWS

The primary central legislation governing the manufacturing sector is the Factories Act, 1948. In addition, compliance of various labour related legislations, including the Payment of Wages Act, 1956, The Minimum Wages Act, 1948, Equal Remuneration Act, Employees' Compensation Act, 1923, Industrial Disputes Act, 1948, Payment of Gratuity Act, 1972, Employees' Provident Funds and Miscellaneous Provisions Act, 1952, Payment of Bonus Act, 1965, as may be applicable in the relevant state.

The Factories Act, 1948

The Factories Act, 1948 ("**Factories Act**") seeks to regulate labour employed in factories and makes provisions for the safety, health and welfare of the workers. The term 'factory', as defined under the Factories Act, means any premises which employs or has employed on any day in the previous 12 (twelve) months, 10 (ten) or more workers and in which any manufacturing process is carried on with the aid of power, or any premises wherein 20 (twenty) or more workmen are employed at any day during the preceding 12 (twelve) months and in which any manufacturing process is carried on without the aid of power. An occupier of a factory under the Factories Act, means the person who has ultimate control over the affairs of the factory. The occupier or manager of the factory is required to obtain a registration for the factory. The Factories Act also requires inter alia the maintenance of various registers dealing with safety, labour standards, holidays and extent of child labour including their conditions. Further, notice of accident or dangerous occurrence in the factory is to be provided to the inspector by the manager of the factory.

Contract Labour (Regulation and Abolition) Act, 1970

The Contract Labour (Regulation and Abolition) Act, 1970 ("**CLRA**") is an act to regulate the employment of contract labour in certain establishments and to provide for its abolition in certain circumstances. The CLRA applies to every establishment in which 20 (twenty) or more workmen are employed or were employed on any day of the preceding 12 (twelve) months as contract labour. It also applies to every contractor who employs or who employed on any day of the preceding 12 (twelve) months, 20 (twenty) or more workmen provided that the appropriate Government may after giving not less than 2 (two) months' notice, by notification in the Official Gazette, apply the provisions of the CLRA to any establishment or contractor. Further, it contains provisions regarding Central and State Advisory Board under the CLRA, registration of establishments, and prohibition of employment of contract labour in any process, operation or other work in any establishment by the notification from the State Board, licensing of contractors and welfare and health of the contract labour. The Contract Labour (Regulation and Abolition) Central Rules, 1971 are formulated to carry out the purpose of the CLRA.

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

The Industrial Disputes Act, 1947 (“**ID Act**”) was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. 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 a prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. Employees may also be subject to the terms of their employment contracts with their employer, which contracts are regulated by the provisions of the Indian Contract Act, 1872. The ID Act also sets out certain requirements in relation to the termination of the services of the workman’s services. This 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

The Employees’ Compensation Act, 1923

The Employees’ Compensation Act, 1923 (“**EC Act**”) has been enacted with the objective to provide for the payment of compensation to workmen by employers for injuries caused by accident(s) arising out of and in the course of employment, and for occupational diseases resulting in death or disablement. The EC Act makes every employer liable to pay compensation in accordance with the EC Act if a personal injury/disablement/ loss of life is caused to a workman by accident arising out of and in the course of his employment. In case the employer fails to pay compensation due under the EC Act within 1 (one) month from the date it falls due, the commissioner appointed under the EC Act may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

The Employees State Insurance Act, 1948

The Employees State Insurance Act, 1948 (“**ESI Act**”) provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. Employers of factories and establishments covered under the ESI Act are required to pay contributions to the Employees State Insurance Corporation, in respect of each employee at the rate prescribed by the Central Government. Companies which are controlled by the Government are exempt from this requirement if employees receive benefits similar or superior to the benefits prescribed under the ESI Act. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

The Employees’ Provident Fund and Miscellaneous Provisions Act, 1952

The Employees Provident Funds and Miscellaneous Provisions Act, 1952 (“**EPF Act**”) was introduced with the object to institute compulsory provident fund for the benefit of employees in factories and other establishments. The EPF Act provides for the institution of provident funds and pension funds for employees in establishments where more than 20 (twenty) persons are employed and factories specified in Schedule I of the EPF Act. Under the EPF Act, the Central Government has framed the "Employees Provident Fund Scheme", "Employees Deposit linked Insurance Scheme" and the "Employees Family Pension Scheme". Liability is imposed on the employer and the employee to contribute to the funds mentioned above, in the manner specified in the statute. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

Equal Remuneration Act, 1976

Equal Remuneration Act, 1976 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.

Maternity Benefit Act, 1961

The purpose of Maternity Benefit Act, 1961 is to regulate the employment of pregnant women and to ensure that they get paid leave for a specified period before and after child birth. It provides, inter-alia, for payment of maternity benefits, medical bonus and enacts prohibitions on dismissal, reduction of wages paid to pregnant women, etc.

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

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“**SHWW Act**”) provides for the protection of women at work place and prevention of sexual harassment at work place. The SHWW Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the following acts or behavior namely, physical contact and advances or a demand or request for sexual favors or making sexually coloured remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The SHWW Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee, which shall always be presided upon by a woman. It also provides for the manner and time period within which a complaint shall be made to the Internal Complaints Committee i.e. a written complaint is to be made within a period of 3 (three) months from the date of the last incident. If the establishment has less than 10 (ten) employees, then the complaints from employees of such establishments as also complaints made against the employer himself shall be received by the Local Complaints Committee. The penalty for non-compliance with any provision of the SHWW Act shall be punishable with a fine extending to ` 50,000/-.

The Payment of Bonus Act, 1965

The Payment of Bonus Act, 1965 (“**PB Act**”) is applicable to every factory and every other establishment employing 20 (twenty) or more persons. According to the provisions of the PB Act, every employer shall be bound to pay to every employee in respect of the accounting year a minimum bonus which shall be 8.33% of the salary or wage earned by the employee during the accounting year or `100/- (Rupees One Hundred), whichever is higher, whether or not the employer has any allocable surplus in the accounting year. If the allocable surplus exceeds minimum bonus payable, then the employer must pay bonus proportionate to the salary or wage earned during that period, subject to maximum of 20% of such salary or wage. ‘Allocable surplus’ is defined as 67% of available surplus in the financial year, before making arrangements for the payment of dividend out of profit of our Company.

The Minimum Wages Act, 1948

The Minimum Wages Act, 1948 (“**MW Act**”) came in to force with the objective to provide for the fixation of a minimum wage payable by the employer to the employee. Under the MW Act, the appropriate government is authorised to fix the minimum wages to be paid to the persons employed in scheduled or non-scheduled employment. Every employer is required to pay not less than the minimum wages to all employees engaged to do any work whether skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to the MW Act, in respect of which minimum rates of wages have been fixed or revised under the MW Act.

The Payment of Gratuity Act, 1972

The Payment of Gratuity Act, 1972 (“**PG Act**”) applies to every factory and shop or establishment in which ten or more employees are employed. Gratuity is payable to an employee on the termination of his employment after he has rendered continuous service for not less than 5 (five) years:

- a) On his/her superannuation;
- b) On his/her retirement or resignation;
- c) On his/her death or disablement due to accident or disease (in this case the minimum requirement of 5 (five) years does not apply).

Gratuity is payable to the employee at the rate of fifteen days’ wages for every completed year of service or part thereof in excess of six months.

The Payment of Wages Act, 1936

The Payment of Wages Act, 1936 (“**PW Act**”) is applicable to the payment of wages to persons in factories and other establishments. PW Act ensures that wages that are payable to the employee are disbursed by the employer within the prescribed time limit and no deductions other than those prescribed by the law are made by the employer.

Child Labour (Prohibition and Regulation) Act, 1986

The Child Labour (Prohibition and Regulation) Act, 1986. The main objective of the act is to prohibit the engagement of children in certain employments and to regulate the conditions of work or children in certain other employments. The act defines a child as any person who has not completed his fourteenth year of age. The act prohibits children from working in any occupation listed in Part A of the Schedule; for example: Catering at railway establishments, construction work on the railway or anywhere near the tracks, plastics factories, automobile garages, etc. The act also outlines the conditions in which children may work in certain occupations/processes.

Industrial Employment (Standing orders) Act, 1946

The Industrial Employment (Standing orders) Act, 1946 - The employers of industrial establishments are required to define with sufficient precision the conditions of employment and to make the said conditions known to the workmen. The standing orders are certified by the Labour Commissioner.

ENVIRONMENT LAWS

We are subject to various environmental regulations as the operation of our establishments might have an impact on the environment. The basic purpose of such statutes is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards (“**PCBs**”), have been set up in each state and at the central level. Establishments, as prescribed under various regulations may be required to obtain consent orders from the PCBs. These consent orders are required to be renewed periodically.

The Environment (Protection) Act, 1986 (“EPA”)

The EPA has been enacted with the objective of protecting and improving the environment and for matters connected therewith. As per the EPA, the Central Government has been given the power to take all such measures for the purpose of protecting and improving the quality of the environment and to prevent environmental pollution. Further, the Central Government has been given the power to give directions in writing to any person or officer or any authority for any of the purposes of the EPA, including the power to direct the closure, prohibition or regulation of any industry, operation or process.

The Water (Prevention and Control of Pollution) Act, 1974 (the “Water Act”)

The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set out by the concerned PCB. The Water Act also provides that the consent of the concerned PCB must be obtained prior to opening of any new outlets or discharges, which are likely to discharge sewage or effluent.

The Water (Prevention and Control of Pollution) Cess Act, 1977 (“Water Cess Act”) and Water (Prevention and Control of Pollution) Cess Rules, 1978 (“Water Cess Rules”)

The Water Cess Act has been enacted to provide for the levy and collection of a cess on water consumed by persons carrying on certain industries by local authorities constituted under the Water Act, with a view to augment the resources of the central and State PCBs for the prevention and control of water pollution. The Water Cess Rules have been notified under section 17 of the Water Cess Act and provide, inter alia, for the standards of the meters and places where they are to be affixed and the furnishing of returns by consumers.

Air (Prevention and Control of Pollution) Act, 1981

The Air Act requires that any industry or institution emitting smoke or gases must apply in a prescribed form and obtain consent from the state PCB prior to commencing any activity. The state PCB is required to grant, or refuse, consent within four months of receipt of the application. The consent may contain conditions relating to specifications of pollution control equipment to be installed.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (“Hazardous Waste Rules”)

An “occupier” has been defined as any person who has control over the affairs of a factory or premises or any person in possession of hazardous waste. In terms of the Hazardous Waste Rules, occupiers have been, inter alia, made responsible for safe and environmentally sound handling of hazardous and other wastes generated in their establishments and are required to obtain license/ authorisation from concerned PCBs, for handling, generating, collecting, processing, treating, packaging, storing, transporting, using, recycling, recovering, pre-processing, co-processing, offering for sale, or the like of the hazardous and other wastes.

Public Liability Insurance Act, 1991 (the “Public Liability Act”)

The Public Liability Act, imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of ‘hazardous substances’ covered by the legislation has been enumerated by the Government by way of a notification.

The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability Act mandate that the employer has to contribute towards the Environment Relief Fund, a sum equal to the premium paid on the insurance policies. This amount is payable to the insurer.

INTELLECTUAL PROPERTY LAWS

Intellectual Property in India enjoys protection under both common law and statute. Under statute, India provides for patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957, trademark protection under the Trade Marks Act, 1999 and design protection under the Designs Act, 2000. The above enactments provide for protection of intellectual property by imposing civil and criminal liability for infringement.

The Trademarks Act, 1999

In India, trademarks enjoy protection under both statutory and common law. Indian trademark law permits the registration of trademarks for goods and services. The Trademarks Act governs the statutory protection of trademarks and for the prevention of the use of fraudulent marks in India. Certification marks and collective marks can also be registered under the Trademarks Act. An application for trademark registration may be made by individual or joint applicants by any person claiming to be the proprietor of a trade mark, and can be made on the basis of either use or intention to use a trademark in the future. Applications for a trademark registration may be made for in one or more international classes. Once granted, trademark registration is valid for ten years unless cancelled. If not renewed after ten years, the mark lapses and the registration has to be restored. While both registered and unregistered trademarks are protected under Indian Law, the registration of trademarks offers significant advantages to the registered owner, particularly with respect to proving infringement. The Trademark (Amendment) Act, 2010 has been enacted by the Government of India to amend the Trademarks Act to enable Indian nationals as well as foreign nationals to secure simultaneous protection of trademark in other countries, and to empower the Registrar of Trademarks to do so. It also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to bring the law generally in line with international practice.

Copyright Act, 1957

This Act protects literary and dramatic works, musical works, artistic works including maps and technical drawings, photographs and audio-visual works (cinematograph films and video).

Patents Act, 1970

This Act governs the patent regime in India. Being a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights, India is required to recognise product patents as well as process patents. In addition to the broad requirement that an invention satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act stipulates that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria. The Patents Act prohibits any person resident in India from applying for patent for an invention outside India without making an application for the invention in India. The term of a patent granted under the Patents Act is twenty years from the date of filing of the application for the patent.

Tax Related Legislations

Income-tax Act, 1961

Income-tax Act, 1961 (“**IT Act**”) is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of this Act or Rules made there under depending upon its ‘Residential Status’ and ‘Type of Income’ involved. Every assessee, under the IT Act, which includes a company, is required to comply with the provisions thereof, including those relating to tax deduction at source, advance tax, minimum alternative tax and like.

The Customs Act, 1962

The provisions of the Customs Act, 1962 and Rules made there under are applicable at the time of import of goods into India from a place outside India or at the time of export of goods out of India to a place outside India. Any company requiring to import or export any goods is required to get itself registered under this Act and obtain an Importer Exporter Code number.

Goods & Service Tax (“GST”)

Goods and Services Tax (GST) is an indirect tax applicable throughout India which replaced multiple cascading taxes levied by the central and state governments. The GST shall be levied as Dual GST separately but concurrently by the Union (central tax - CGST) and the States (including Union

Territories with legislatures) (State tax - SGST) / Union territories without legislatures (Union territory tax- UTGST). The Parliament would have exclusive power to levy GST (integrated tax - IGST) on inter-State trade or commerce (including imports) in goods or services. It was introduced as The Constitution (One Hundred and First Amendment) Act 2017, following the passage of Constitution 122nd Amendment Bill. The GST is governed by a GST Council and its Chairman is the Finance Minister of India. Under GST, goods and services are taxed at the following rates 5%, 12%, 18% and 28%. Besides, some goods and services would be under the list of exempt items.

FOREIGN INVESTMENT REGULATIONS

Foreign investment in India is governed by the provisions of the Foreign Exchange and Management Act (“**FEMA**”) and the rules, regulations, notifications issued under the same, read with the extant Consolidated Foreign Direct Investment Policy, as issued by the Department of Industrial Policy and Promotion (“**DIPP**”). The Reserve Bank of India (“**RBI**”), in exercise of its powers under FEMA, has notified various regulations governing the purchase, sale, allotment or subscription of securities of an Indian company to a non-resident individual or entity. Pursuant to the aforementioned legal framework, no permission is required for investment in sectors falling under the ‘automatic route’ within the specified sectoral caps.

OTHER LAWS

In addition to the above, our Company is also required to comply with the provisions of the Companies Act, SEBI Regulations and rules framed thereunder and other applicable statutes enacted by the Centre or relevant State Governments and authorities for our day-to-day business and operations. Our Company is also subject to various central and state tax laws.

HISTORY AND CERTAIN OTHER CORPORATE MATTERS

Certain forms and resolutions filed with the Registrar of Companies (prior to 2006) are not traceable by our Company. With respect to this chapter, these include forms and resolutions for incorporation and change in constitution of Company, change in registered office of Company, increase in authorised share capital, etc. Hence, this chapter is prepared based on the data provided by management and to the best of the information available.

History and Background

Our Company was originally incorporated as “Jost’s Fans Supply and Engineering Company Limited” on May 9, 1907 as a limited Company under the Indian Companies Act 1882, registered with the Registrar of Joint Stock Companies, Bombay. The name of the Company was changed by passing a special resolution and with the authority of Bombay Government to Jost’s Engineering Company Limited on February 12, 1914 and a fresh certificate of incorporation consequent upon change of name was granted by the Registrar of Companies, Bombay on February 25, 1918. The Corporate Identification Number of our Company is L28100MH1907PLC000252.

Originally our Company was established to take over the business carried by the sole proprietor, Mr. Carl Jost, under the name of “C. Jost & Company”, of an electrical and mechanical engineer and contractor and manufacturer of and dealer in electrical and mechanical apparatus, appliances, ventilators or rotatory fans. Presently the Company carries on business of manufacturing of material handling equipment and trading in industrial finishing and engineered products. Our manufacturing facility is located in Thane. We have 8 (Eight) branches/ Sales offices which are situated at Bengaluru, Baroda, Chennai, Chandigarh, Kolkata, New Delhi, Pune and Secunderabad.

On August 30, 2014, Jai Prakash Agarwal, Vishal Jain along with PACs (Person Acting in Concert) namely Krishna Agarwal, Abhishek Agarwal, J. P. Agarwal & Sons (HUF), Rajendra Kumar Agarwal, Anita Agarwal and Shikha Jain (“Buyer”) entered into a Share Purchase Agreement with erstwhile promoters of our Company to acquire 369,910 Equity Shares of the Company representing 48.38% of the then Equity Share capital of the Company for total consideration of Rs.1131 Lakhs subject to receipt of approval from SEBI and other terms and conditions and became the promoters of our Company.

Corporate Profile of our Company

For information on our Company’s profile, activities, services, market, growth, technology, managerial competence, standing with reference to prominent competitors, major vendors and suppliers, see “Our Management”, “Our Business” and “Industry Overview” beginning on pages 142, 104 and 90, respectively.

Changes in registered office of the Company

Our Company’s Registered Office is presently situated at Great Social Building 60, Sir Phirozeshah Mehta Road, Mumbai 400001, Maharashtra, India

The details of changes in address of our Registered Office since incorporation are set as forth below:-

| Date of Change of Registered Office/ Date of Board Meeting | Old Address | New Address |
|--|---|---|
| June 22, 1908 | Standard Buildings, Hornby Road, Fort, Bombay | Siddick Buildings, Hornby Road, Fort, Bombay |
| October 26, 1911 | Siddick Buildings, Hornby Road, Fort, Bombay | Morar Bhai Buildings, Apollo Street, Fort, Bombay |
| August 04, 1924 | Morar Bhai Buildings, Apollo Street, Fort, Bombay | Harrarwala Buildings, Willet Road, Ballard Estate, Bombay |

| | | |
|------------------|---|---|
| October 27, 1941 | Harrarwala Buildings, Willet Road, Ballard Estate, Bombay | Great Social Building, 60, Sir Phirozeshah Mehta Road, Bombay |
|------------------|---|---|

Note: - After incorporation of our Company on May 09, 1907, the principal/registered office was situated at Standard Buildings, Hornby Road, Fort, Bombay

All the above offices were changed for administrative convenience.

Number of shareholders of the Company

As on March 31, 2017, our Company has 1,665 (One Thousand Six Hundred Sixty-Five) shareholders of the Company.

Main Objects of our Company

The Main Objects clause of the Company as per the Memorandum of Association are as under:

- a. To purchase or otherwise acquire, as from the first day of June 1907, as a going concern from Mr. Carl Jost, the present sole Proprietor thereof, the business, carried on by the said Carl Jost in Bombay and elsewhere in India under the name of firm of "C. Jost & Company," of an Electrical and Mechanical Engineer and Contractor and Manufacturer of and dealer in electrical and mechanical apparatus appliances and ventilators or rotary fans and in particular the Rotary Fan impelled by a hot air engine known by the name of "Jost's Patent Radio Fan" and the goodwill plant machinery stock in trade furniture and other effects belonging or relating to the said business and the exclusive privileges so far as the same can be conferred with reference to certain improvements in hot air engines and certain improvements in automatic ventilating fans acquired by the said Carl Jost under and subject to the provisions of Part I of the Inventions and Designs Act 1888 and the benefit of all pending and subsisting contracts relating to the said-business and with a view thereto to ratify and confirm and carry into effect with or without modification an agreement dated the ninth day of May 1907 and intended to be made between the said Carl Jost of the one part and Mr. John Bruce King Macbeth as agent for and on behalf of the Company of the other part (a copy whereof is subjoined to the Articles of Association as Scheduled A) and to adopt become bound by and carry into effect the agreements mentioned in Schedule A to the said agreement and to carry on such business upon such terms and in such manner in all respects as may seem expedient
- b. To carry on the trade or business of electrical engineers water supply engineers gas makers electricians mechanical engineers founders electro-platers metal workers smiths and mechanists and merchants manufacturers of and suppliers of and dealers in machinery implements appliances apparatus and hardware of all kinds including electric power hot air and gas engines and any business in which the application of electricity or any power derived from hot air or gas engines or from water or any power that can be used as a substitute therefor is or may be useful convenient or ornamental or any business of the like nature.
- c. To manufacture and produce and either as principals or agents trade and deal in any articles belonging to any business carried on by the Company and all apparatus appliances and things used produced or traded in connection therewith or produced or traded in by virtue of or in connection with any inventions concessions licenses patents or privileges for the time being belonging to the Company or in which the Company may be interested.
- d. To let out on hire all or any of the property of the Company including every description of apparatus or appliance of the Company.
- e. To acquire the right to use or manufacture and put up telephones telegraphs phonographs dynamos accumulators lamps and all or any apparatus now known or that may hereafter be invented connected with the generation accumulation distribution supply and employment of electricity or any power that can be used as a substitute therefor including all cables wires or appliances for

connecting apparatus at a distance with other apparatus and including the formation of exchanges or entries and to apply for obtain and hold any licences that may be necessary under the Indian Electricity Act, 1903 or any other similar enactment in force for the time being.

- f. To light and ventilate public or private buildings factories mines and other places or things by means of electric or other power or to enable the same so to be lighted and ventilated
- g. To purchase or otherwise acquire any lands houses offices workshops buildings and premises and any fixed and movable machinery tools engines boilers plant implements patterns and stock in trade and any inventions patents and patent rights or privileges licences right or concessions convenient to be used in or about or to be acquired for the benefit of the business of the Company.
- h. To sell let or grant any invention patents or patent rights or privileges licences rights or concessions belonging to the Company or which it may acquire or any interest in the same.
- i. To make any experiments in connection with the business of the Company and to take out and otherwise acquire by original application or otherwise any trade marks, letters, patent or patent rights, or the like, and to use, exercise, develop, grant licences in respect of, sell, dispose of or otherwise turn to account any trademarks, patents, patent or other rights, licences, or other interests for the time being held or acquired by the Company.
- j. To acquire the good will of any business within the objects of the Company and any lands privileges rights contracts property and effects held or used in connection therewith and upon any such purchase to undertake the liabilities of any Company Association partnership or person.
- k. To promote any Company or Companies for the purpose of acquiring all or any of the property and liabilities of this Company or for any other purposes which may seem directly or indirectly calculated to benefit this Company.
- l. To apply for and to purchase and acquire any letters patent and similar privileges and concessions whether in India Burmah or elsewhere for inventions and improvements in any inventions which may be considered conducive to the attainment of the objects of the company or in any way connected therewith or any interest in any such inventions or patents and any licence or licences in connection therewith and to finance inventors or alleged inventors for the purpose of enabling them to test or perfect their inventions.
- m. To sell any patent rights or privileges belonging to the Company or which may be acquired by it or any interest in the same and to grant licences for the use and practice of the same or any of them and to let or allow to be used or otherwise deal with any inventions patents or privileges in which the Company may be interested and to do all such acts and things as may be deemed expedient for turning to account any patents and privileges in which the Company may be interested.
- n. To advertise and adopt means of making known all or any of the manufactured products or goods of the Company or any articles or goods traded or dealt in by the Company in any way that may be thought advisable including the posting of bills in relation thereto and the issue of circulars books pamphlets and price lists and the conducting of competitions and the giving of prizes rewards and donations.
- o. To allot shares in the Company to be considered as fully paid-up shares or partly paid-up shares in payment of any property of whatsoever description which the Company may acquire.
- p. To lend money to such persons and on such terms as may seem expedient and in particular to customers and others having dealings with the Company and to guarantee the performance of contracts by any such persons.
- q. To subscribe for shares in a public or private Company, whether incorporated in the Dominion of India or not, and to invest any of the funds and monies of the Company from time to time in securities, or in shares or securities of a public or private Company whether incorporated in the Dominion of India or not, or in fixed deposits or by way of loans on interest to any public Company or Bank whether incorporated in the Dominion of India or not, and from time to time to sell or vary

any or all such investments and to execute all receipts and documents that may be necessary in that behalf.

- r. To purchase take on lease exchange hire or otherwise acquire any immovable or movable property for the purposes of the Company.
 - s. To enter into undertake and execute any contracts for works of all descriptions involving the supply or use of any machinery and to carry out any ancillary or other works comprised in such contracts.
 - t. To borrow or raise or secure the payment of money in such other manner as the Company shall think fit and in particular by the issue of debentures debenture bonds or debenture stock perpetual or otherwise mortgage or any other securities charged or based upon the undertaking of the Company or any part of its property both present and future including the uncalled capital and the rights and privileges of the Company or without any such security and upon such term as to priority or otherwise and generally to borrow money in such manner as the Company shall think fit.
 - u. To draw cheques make accept endorse discount execute and issue promissory notes bills of exchange bills of lading charter parties warrants debentures and other negotiable or transferable instruments.
 - v. To establish at any place other than Bombay and local agency and to appoint any agent for promoting the business of the Company in any specified locality district province or country on such terms and with such remuneration as may seem expedient and to regulate and discontinue any such agency or cancel the appointment of any such agent.
 - w. To sell empower manage develop exchange lease mortgage dispose of turn to account or otherwise deal with all or any part of the property whether moveable or immoveable of the Company and all or any part of the business or undertaking of the Company and all or any part of the rights of the Company.
- (w1) To subscribe or guarantee money for any national, international, charitable, benevolent, educational, public, general or other useful object, activity, exhibition or trade show or for any purpose whatsoever, which may be or may appear to be conducive directly or indirectly to the furtherance of the objects of the Company or the interests of its members.
- (w2) To grant pensions or gratuities to any officers or employees or ex-officers or ex-employees of the Company or their relatives, connections or dependents or the families of any such person and to establish, maintain and support or to contribute to the establishment, provision, maintenance and support of Associations, Institutions, Libraries, Clubs, and Canteens for the benefit of any such persons.
- (w3) To contribute to Provident Funds for the benefit of the employees of the Company, to pay bonuses and gratuities and to create, open and maintain funds for the purpose of paying from time to time such bonuses and gratuities whether compulsory or otherwise.
- (w4) To subscribe to, become a member of and co-operate with any Association whether incorporated or not or to apply the money of the Company in any way in or towards the establishment, maintenance, or extension of any Association, Institution or Fund, whose objects are altogether or in part, similar to those of this Company or are in any way connected with any particular trade or business, or with trade or commerce generally, including any Association, Institution, or Fund for protection of the interests of masters, owners, or employers and for insurance against loss by bad debts, strikes, workmen's combinations, fire, accident or otherwise.
- (w5) To take part in the management, supervision and control of the business of operations of any Company or undertaking and for that purpose to appoint and remunerate any directors, trustees, accountants or other experts or agents.
- (w6) To pay all preliminary expenses of any Company promoted or formed by the Company or any Company in which this Company is or may contemplate being interested including in such preliminary expenses all or any part of the costs and expenses of owners of any business or property acquired by the Company and to remunerate any person or Company for services rendered in

placing or assisting to place or subscribing or agreeing to subscribe, whether absolutely or conditionally for, or procuring or agreeing to procure, subscriptions whether absolutely or conditional for any of the shares, debentures or debenture stock or other obligations of or for any other services in or about the promotion of or the issue of the capital or obligations of this or any other Company, or the conduct of the business of this or any other company, and to grant to any person or company subscribing, or procuring or agreeing to procure, subscriptions as aforesaid an option to require the Company to issue to him or it or his or its nominees further shares in the Company at not less than par, or further debentures or debenture stock or other obligations of the company at any price, and also to pay any costs of winding up any Company, the whole or any portion of the property of which is acquired by this Company, and also all expenses attending the issue of any circular or notice and the printing, stamping and circularising of proxies or forms to be filled up by the members of this Company.

- x. To do all or any of the matters and things aforesaid either alone or conjointly with any other Company firm or person in any part of the world and as principal's agents contractors trustees or otherwise and by or through trustee's agents or otherwise and either alone or in conjunction with others.
- y. To pay all cost charges and expenses incurred or sustained in or about the establishment and registration of the Company or which the Directors of the Company shall consider to be preliminary.
- z. To do all such other things as may appear to be incidental or conducive to the attainment of the above objects or any of them.

Amendments to the Memorandum of Association

Since incorporation, the following amendments have been made to the Memorandum of Association

| Date of Shareholder's Resolution/ Date of Meeting | Nature of amendments |
|--|---|
| May 09, 1907 (On Incorporation) | Initially the capital of the Company was divided into 3,000 shares of Rs.100 each. |
| November 19, 1914 | <i>Reduction of Capital</i> <ul style="list-style-type: none"> ➤ By sub dividing the 1,000 fully paid shares of Rs. 100 each into 2,000 fully paid up shares of Rs. 50 each ➤ By cancelling the uncalled capital of Rs. 50 each per share on the remaining 2000 shares and by reducing the nominal amount of such shares from Rs. 100 each to Rs. 50 each. |
| October 13, 1947 | Increase in authorised share capital of the Company from Rs. 2,00,000 to Rs. 7,00,000 by creation of 14,000 Equity Shares of Rs. 50 each |
| October 11, 1949 | The following object clauses have been deleted and in lieu thereof following clauses have been inserted: <ul style="list-style-type: none"> a) That sub-clause (i) of Clause III be deleted and in lieu thereof the following sub-clause to be inserted – <ul style="list-style-type: none"> (i) To make any experiments in connection with the business of the Company and to take out and otherwise acquire by original application or otherwise any trademarks, letters, patent or patent rights, or the like, and to use, exercise, develop, grant licences in respect of, sell, dispose of or otherwise turn to account any trademarks, patents, patent or other rights, licenses, or other interests for the time being held or acquired by the Company. |

| | |
|--|--|
| | <p>b) That sub-clause (q) of Clause III be deleted and in lieu thereof the following sub-clause be inserted –</p> <p>(q) To subscribe for shares in a public or private Company, whether incorporated in the Dominion of India or not, and to invest any of the funds and monies of the Company from time to time in securities, or in shares or securities of a public or private Company whether incorporated in the Dominion of India or not, or in fixed deposits or by way of loans on interest to any public Company or Bank whether incorporated in the Dominion of India or not, and from time to time to sell or vary any or all such investments and to execute all receipts and documents that may be necessary in that behalf.</p> <p>c) That after sub-clause (W) of Clause III the following sub-clauses be inserted, viz., W1, W2, W3, W4, W5 and W6 –</p> <p>(W1) To subscribe or guarantee money for any national, international, charitable, benevolent, educational, public, general or other useful object, activity, exhibition or trade show or for any purpose whatsoever, which may be or may appear to be conducive directly or indirectly to the furtherance of the objects of the Company or the interest of its members.</p> <p>(W2) To grant pensions or gratuities to any officers or employees or ex-officers or ex- employees of the Company or their relatives, connections or dependants or the families of any such person and to establish, maintain and support or to contribute to the establishment, provision, maintenance and support of Associations, Institutions, Libraries, Clubs, and Canteens for the benefit of any such persons.</p> <p>(W3) To contribute to Provident Funds for the benefit of the employees of the Company; to pay bonuses and gratuities and to create, open and maintain funds for the purpose of paying from time to time such bonuses and gratuities whether compulsory or otherwise.</p> <p>(W4) To subscribe to, become a member of and co-operate with any Association whether incorporated or not or to apply the money of the Company in any way in or towards the establishment, maintenance, or extension of any Association, Institution or Fund, whose objects are altogether or in part similar to those of this Company or are in any way connected with any particular trade or business or with trade or commerce generally, including any association, institution, or fund for protection of the interests of masters, owners, or employers and for insurance against loss by bad debts, strikes, workmen’s combinations, fire, accident or otherwise</p> <p>(W5) To take part in the management, supervision and control of the business of operations of any Company or undertaking and for that purpose to appoint and remunerate any directors, trustees, accountants or other experts or agents</p> <p>(W6) To pay all preliminary expenses of any Company promoted or formed by the Company or any Company in which this Company is or may contemplate being interested including in such preliminary expenses all or any part of the costs and expenses of owners of any business or property acquired by the Company and to remunerate any person or Company for services rendered in placing or assisting to place or subscribing or agreeing to subscribe, whether absolutely or conditionally for, or procuring or</p> |
|--|--|

| | | |
|----------------|-----|--|
| | | agreeing to procure, subscriptions whether absolutely or conditional for any of the shares, debentures or debenture stock or other obligations of or for any other services in or about the promotion of or the issue of the capital or obligations of this or any other Company, or the conduct of the business of this or any other Company, and, to grant to any person or company subscribing, or agreeing to subscribe or procuring or agreeing to procure, subscriptions as aforesaid an option to require the Company to issue to him or it, or his or its nominees further shares in the Company at not less than par, or further debentures or debenture stock or other obligations of the Company at any price, and also to pay any costs of winding up any Company, the whole or any portion of the property of which is acquired by this Company, and also all expenses attending the issue of any circular or notice and the printing, stamping and circularising of proxies or forms to be filled up by the members of this Company. |
| September 1962 | 27, | Increase in authorised share capital of the Company from Rs. 7,00,000 to Rs. 25,00,000 by creation of 36,000 Equity Shares of Rs. 50 each |
| September 1962 | 27, | Clause V of the Memorandum of Association was substituted with the following clause: “The Capital of the Company is Rs. 25,00,000 (Rupees Twenty-Five Lakhs) divided into 50,000 shares of Rs. 50 each” |
| September 1983 | 15, | Alteration in Clause V of the Memorandum of Association was amended as follows: ‘In line two the figure ‘50,000’ shall be deleted and the figure ‘2,50,000’ shall be substituted in its place and the figure ‘50’ shall be deleted and the figure ‘10’ shall be substituted in its place.’ |
| September 1987 | 28, | Increase in authorised share capital of the Company from Rs. 25,00,000 divided into 2,50,000 equity shares of Rs. 10 each to Rs. 1,00,00,000 divided into 10,00,000 equity shares of Rs. 10 each |
| September 1987 | 28, | Alteration in Clause V of the Memorandum of Association was amended as follows: ‘In line two the figure ‘2,50,000’ shall be deleted and the figure ‘10,00,000’ shall be substituted in its place.’ |

Major Events and milestones of our Company

| Year | Events |
|-------------|---|
| 1907 | Company incorporated under the name Jost’s Fans Supply and Engineering Company Limited |
| 1914 | Change in name of the Company from Jost’s Fans Supply and Engineering Company Limited to Jost’s Engineering Company Limited |
| 1958 | Company was listed on BSE |
| 2011 | Second manufacturing plant at Pune for material handling Equipment |

Issuance of Equity or Debt

Other than information as disclosed in ‘Capital Structure’ on page 56 of this Draft Letter of Offer, our Company has not issued any capital in the form of equity or debt. For details on the description of our Company’s activities, the growth of our Company, please see ‘Our Business’, ‘Management’s Discussion and Analysis of Financial Conditions and Results of Operations’ and ‘Basis for Issue Price’ on pages 104, 213 and 76, respectively of this Draft Letter of Offer.

Overrunning time and cost in setting up project

Our Company has not experienced time and cost overruns in relation to the projects executed by us.

Defaults or rescheduling of borrowings of our Company with financial institutions

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

Lock-out or strikes

Since inception, there have been no lock-outs and strikes.

Awards, Achievements and Accolades

We have received the following major awards:

| Sr. No. | Awards | Description | Year |
|----------------|-----------------------------|---|-------------|
| 1. | Cannon National Conference | Outstanding Performance for promotion and sales of Cannon North America Products into India | 1980 |
| 2. | Wahl International Division | Award of Excellence in recognition of Outstanding Sales Performance | 1987-1988 |
| 3. | Maxon Corporation | Outstanding Sales Awards in recognition of achieving highest sales increase over the previous year in Asia Pacific. | 1995 |
| 4. | Cameron Awards | Best Performing Distributor in Africa/Middle East | 2006 |
| 5. | Excellence Award | For Outstanding Contribution to Grow India Market | 2007 |

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

There is no change in the activity of our company during the last five years.

Injunction or Restraining Order

As on the date of this Draft Letter of Offer, there are no injunctions or restraining orders against our Company.

Holding Company

As on the date of this Draft Letter of Offer, our Company does not have a holding company.

Subsidiaries

The details of our Subsidiaries are as follows: -

1. MHE Rentals India Private Limited

Corporate Information

MHE Rentals India Private Limited was incorporated on December 21, 2016 as a private limited company under the Companies Act, 2013. The registered office is situated at P-15, India Exchange Place Extension, Kolkata- 700073, West Bengal, India. The Company is engaged in the business of Renting of machinery and equipment of all kinds.

Capital Structure

The authorized share capital of MHE Rentals India Private Limited is Rs. 1,00,000 divided into 10,000 equity shares of Rs.10 each. The issued and paid up capital is Rs. 1,00,000 divided into 10,000 equity shares of Rs.10 each

Shareholding

| Sr.No | Name of the Shareholder | No of Shares | % Shareholding |
|--------------|-----------------------------------|---------------------|-----------------------|
| 1. | Josts Engineering Company Limited | 6,000 | 60.00% |
| 2. | Jai Prakash Agarwal | 2,000 | 20.00% |
| 3. | Vishal Jain | 2,000 | 20.00% |
| | Total | 10,000 | 100.00% |

Note: Our company has acquired 6,000 equity shares of Rs. 10 each (60.00% of the paid up capital) of MHE Rentals India Private Limited, subsequent to the end of financial year 2016-17 of the Company

2. Jostsengg Global F.Z.E

Jostsengg Global F.Z.E was incorporated in Azman Free Trade Zone, UAE, on December 16, 2015 bearing licence No 16624 and having its registered office situated at SM Office - C1- 1315E for the purpose of General Trading Import and Export activity. This licence was valid for one year. Thereafter the licence was renewed for further period of one year from December 16, 2016 to December 15, 2017. This entity has not commenced any business activities to date. Further the Company has not made any investment in the shares, to date in the said entity.

Capital Structure

This above entity has not issued any shares

Shareholding

This above entity does not have any shareholding.

None of our Subsidiaries (i) are listed on any stock exchange in India or abroad; (ii) have become a sick company under the meaning of SICA or any other applicable law; or (iii) are under the process of winding up under the Companies Act.

Business Acquisition, Mergers and Amalgamations

There have been no business acquisition, merger and amalgamation made by our Company during the last 5 years

Revaluation of assets

Our Company has not revalued its assets during the last 5 years and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.

Shareholders and other Material Agreements

Except as disclosed below, there are no other material agreements, other than those entered into in the ordinary course of business carried on or intended to be carried on by us:

Share Purchase Agreement dated August 30, 2014 between erstwhile promoters (“Sellers”) of Our Company and Jai Prakash Agarwal, Vishal Jain along with their PACs (Person Acting in Concert) namely Krishna Agarwal, Abhishek Agarwal, J. P. Agarwal & Sons (HUF), Rajendra Kumar Agarwal, Anita Agarwal and Shikha Jain (“Acquirers”).

On August 30, 2014, Jai Prakash Agarwal, Vishal Jain along with their PACs (Persons Acting in Concert) namely Krishna Agarwal, Abhishek Agarwal, J. P. Agarwal & Sons (HUF), Rajendra Kumar Agarwal, Anita Agarwal and Shikha Jain (“Acquirers”) entered into a Share Purchase Agreement with erstwhile promoters of our Company to acquire 3,69,910 Equity Shares of the Company representing 48.38% of the then Equity Share capital of the Company for total consideration of Rs.1131.00 lakhs subject to receipt of approval from SEBI and other terms and conditions and became the promoters of our Company.

Strategic Partners

As on the date of this Draft Letter of Offer, our Company does not have any strategic partners.

Financial Partners

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

OUR MANAGEMENT

Board of Directors

In terms of our Articles of Association, our Company is required to have not less than three Directors and not more than fifteen Directors. As on the date of this Draft Letter of Offer, our Board comprises of six Directors, out of which three are Non-Executive Directors (including one Woman Director) and three are Independent Directors.

Our Board

The following table sets forth the details of our Board as of the date of filing of this Draft Letter of Offer with SEBI:

| Name, designation, occupation, address, nationality, date of appointment, term and DIN | Age (in years) | Other directorships |
|--|----------------|---|
| Jai Prakash Agarwal Designation – Promoter, Chairman & Non-Executive Director Occupation – Service Address – 2601, A-wing, 26 th Floor, Raheja Atlantis, Near Shreeram Mill, G.K. Marg, Lower Parel, Mumbai -400013, Maharashtra, India Nationality – Indian Date of appointment – January 21, 2015 Term – Liable to retire by rotation DIN – 00242232 | 58 | <i>Indian Private Limited Companies</i> 1. Overseas Tracom Private Limited 2. Jostengg Global F.Z.E |
| Vishal Jain Designation – Promoter & Non-Executive Director Occupation – Service Address – A-802, Mantri Pride Apartments, Near Madavan Park, 1 st Block Jayanagar, Bangalore South, Jayanagar III Bengaluru-560011, Karnataka India Nationality – Indian Date of appointment – January 21, 2015 Term – Liable to retire by rotation. DIN – 00709250 | 44 | <i>Indian Public/Private Limited Companies</i> 1. Career Point Limited 2. MHE Rentals India Private Limited 3. Jostengg Global F.Z.E |
| Shailesh Sheth | 70 | <i>Indian Public Limited Companies</i> |

| Name, designation, occupation, address, nationality, date of appointment, term and DIN | Age (in years) | Other directorships |
|---|----------------|---|
| <p>Designation – Independent Director</p> <p>Occupation – Self Employed</p> <p>Address – C-1712, Maple Leaf, Raheja Vihar, Off Chandivali farm road, Powai, Andheri (East), Mumbai -400076, Maharashtra India.</p> <p>Nationality – Indian</p> <p>Date of appointment – November 27, 1997</p> <p>Date of Change in Designation – July 10, 2014</p> <p>Term – For a period of 5 years effective from April 1, 2014 till March 31, 2019</p> <p>DIN – 00041713</p> | | <p>1. Bharat Fritz Werner Limited</p> <p><i>Indian Private Limited Companies</i></p> <p>1. KNF Pumps + Systems (India) Private Limited.</p> <p>2. A.T.E. Enterprises Private Limited.</p> <p>3. A.T.E. Private Limited</p> <p><i>Section 8 Company</i></p> <p>1. Indian Machine Tools Manufacturers Association</p> |
| <p>Marco Wadia</p> <p>Designation – Independent Director</p> <p>Occupation – Advocate</p> <p>Address – Thakur Nivas, 173, Jamshedji Tata Road, Mumbai- 400020 Maharashtra, India</p> <p>Nationality – Indian</p> <p>Date of Appointment - June 02, 1998</p> <p>Date of Change in Designation– July 10, 2014</p> <p>Term – For a period of 5 years effective from April 1, 2014 till March 31, 2019</p> <p>DIN – 00244357</p> | 61 | <p><i>Indian Public Limited Companies</i></p> <p>1. Gobind Sugar Mills Limited</p> <p>2. Chambal Fertilisers and Chemicals Limited</p> <p>3. Stovec Industries Limited</p> <p>4. Zuari Agro Chemicals Limited</p> <p>5. Zuari Global Limited</p> <p>6. Paradeep Phosphates Limited</p> <p>7. Simon India Limited</p> <p><i>Indian Private Limited Companies</i></p> <p>1. Amphetronix Offset Interconnect Solutions Private Limited.</p> <p>2. Amphenol Omniconnect India Private Limited</p> <p>3. Amphenol Interconnect India Private. Limited</p> <p>4. Johnson & Johnson Private. Limited</p> |

| Name, designation, occupation, address, nationality, date of appointment, term and DIN | Age (in years) | Other directorships |
|---|----------------|--|
| | | <i>Section 8 Company</i> 1. Indian Register of Shipping |
| Farokh Banatwala Designation – Independent Director Occupation – Consultant Address – 603, Neel Sagar, TPS III, 28 th Road, Bandra (West) Mumbai- 400050 Maharashtra India Nationality – Indian Date of Appointment - April 21, 2009 Date of Change in Designation – July 10, 2014 Term – For a period of 5 years effective from April 1, 2014 till March 31, 2019 DIN – 02670802 | 68 | <i>Indian Public Limited Companies</i> 1. Uni Abex Alloy Products Limited 2. Simmonds Marshall Limited <i>Indian Private Limited Companies</i> 1. Oil Field Instrumentation (India) Private. Limited. 2. Bullows India Private Limited 3. Clover Transaction Systems Private. Limited 4. Sienna Systems Resources Private. Limited 5. Clover Realty and Infrastructure Private. Limited 6. Worthwhile Properties Private. Limited 7. Logical Properties Private Limited 8. Amalfi Realty Private. Limited 9. Clover Infotech Private. Limited 10. Clover Technologies Private. Limited 11. Gramos Chemicals India Private. Limited <i>Trust</i> 1. The Bandra Parsee Convalescent Home |
| Shikha Jain Designation – Promoter & Additional Director Occupation – Housewife | 42 | NIL |

| Name, designation, occupation, address, nationality, date of appointment, term and DIN | Age (in years) | Other directorships |
|--|----------------|---------------------|
| Address – A-802, Mantri Pride Apartments, Near Madavan Park, 1 st Block Jayanagar, Bangalore South, Jayanagar III Bengaluru-560011, Karnataka India Nationality – Indian Date of Appointment – August 12, 2016 Term – till next AGM DIN – 06778623 | | |

Relationship between our Directors

Except stated below, none of our directors are related to each other.

| Sr. no | Name of Director | Designation | Relationship with other Directors |
|--------|------------------|-----------------------------------|-----------------------------------|
| 1. | Vishal Jain | Non-Executive Director | Husband of Shikha Jain |
| 2. | Shikha Jain | Non-Executive Additional Director | Wife of Vishal Jain |

Brief biographies of our Directors

Jai Prakash Agarwal

Jai Prakash Agarwal, is the Promoter, Chairman and Non -Executive Director of our Company. He holds a Bachelor's degree in commerce from the University of Rajasthan. He is a fellow member of the Institute of Company Secretaries of India. He has experience of more than 27 years in manufacturing sector.

Vishal Jain

Vishal Jain, is the Promoter and Non-Executive Director of our Company. He holds a Bachelor's degree of engineering from University of Rajasthan. He holds a diploma in Business Finance from Institute of Chartered Financial Analysts of India. He also holds a degree of Master of Business Administration from National University of Singapore. Apart from these, he has completed the Chazen MBA Exchange program from the Columbia University Graduate School of Business. He has experience of more than two decades.

Shailesh Sheth

Shailesh Sheth, is the Independent Director of our Company. He holds a Bachelors' degree of Commerce from Sydenham College of Commerce and Economics, Mumbai. He holds a post graduate Diploma in Business Administration from Indian Institute of Management, Ahmedabad. He has experience of around forty-four years working in various capacities of Indian and multinational companies

Marco Wadia

Marco Wadia, is the Independent Director of our Company. He holds a Bachelors degree of Arts (Hons.) and a Bachelor's degree in Law. He is a qualified advocate and has experience of thirty years in legal profession. He is a partner at M/s. Crawford Bayley and Co from past sixteen years.

Farokh Banatwalla

Farokh Banatwalla, is the Independent Director of our Company. He has worked with Indian and Foreign banks for over thirty-five years at various positions.

Shikha Jain

Shikha Jain, is the Promoter and Additional Director of our Company. She holds a Bachelor's degree of Commerce from Dayanand Saraswati University, Ajmer, Rajasthan. She is appointed as Additional Director of the Company on August 12, 2016.

Confirmations

None of our Directors is or was a director of any listed company, whose shares have been or were suspended from being traded on BSE and NSE, during the last five years prior to the date of this Draft Letter of Offer, during the term of his/her directorship in such company.

None of our Directors is or was, a director of any listed company, which has been or was delisted from any stock exchange, during the term of his/her directorship in such company.

None of our sundry debtors are related to our Directors in any manner.

None of our Directors have been or was identified as a wilful defaulter as defined under the SEBI ICDR Regulations.

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce him to become or to help him qualify as a Director, or otherwise for services rendered by him or by the firm, trust or company in which he is interested, in connection with the promotion or formation of our Company.

Details of any arrangement or understanding with major shareholders, customers, suppliers or others

Our Company has not entered into any arrangement or understanding with major shareholders, customers, suppliers or others pursuant to which any of the above mentioned Directors have been appointed on the Board or the senior management.

Borrowing Powers of the Board

Pursuant to the resolution passed by the members at the AGM of the Company held on August 14, 2015 and in accordance with the provisions of the Companies Act and rules made there under, our Board has been authorized to borrow any sum of money from time to time notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up share capital and free reserves of our Company, provided that the total outstanding amount so borrowed shall not exceed the limit of Rs. 3,000 lakhs

Payment or benefit to Directors of our Company

The sitting fees/other remuneration paid to our Directors in the Financial Year 2016-17 are as follows:

1. Remuneration paid to Independent Directors

The details of remuneration paid to our Independent Directors during Financial Year 2016-17 are as follows:

| Rs. In lakhs | | | |
|-------------------------|---------------------|-------------------|-----------------------------------|
| Name of Director | Sitting fees | Commission | Other remuneration, if any |
| Shailesh Sheth | 2.30 | NIL | NIL |
| Marco Wadia | 2.30 | NIL | NIL |
| Farokh Banatwalla | 2.05 | NIL | NIL |

2. Remuneration to Non-Executive Directors

The details of remuneration paid to our Non-Executive Directors during Financial Year 2016-17 are as follows:

Rs in lakhs

| Name of Director | Sitting fees | Commission | Other remuneration, if any |
|---------------------|--------------|------------|----------------------------|
| Jai Prakash Agarwal | 2.20 | NIL | NIL |
| Vishal Jain | 1.20 | NIL | NIL |
| Shikha Jain | 0.65 | NIL | NIL |

3. Sitting fees paid to our Directors

Our Directors were paid sitting fees for attending each meetings of the Board and committees thereof are as under:

| Nature of meeting | Sitting fees |
|-------------------|--------------|
| Board Meeting | Rs.25,000* |
| Committee meeting | Rs. 20,000** |

*Rs.15,000 (up to November 09, 2016)

** Rs. 10,000 (up to November 09, 2016)

Shareholding of Directors in our Company

As per our Articles of Association, our Directors are not required to hold any qualification shares.

The shareholding of our Directors in our Company as of the date of this Draft Letter of Offer is set forth below:

| Name of director | Number of equity shares | Percentage shareholding (%) |
|---|-------------------------|-----------------------------|
| Jai Prakash Agarwal along with J. P. Agarwal & Sons (HUF) * | 1,11,505 | 14.58 |
| Vishal Jain | 92,908 | 12.15 |
| Shikha Jain | 92,477 | 12.09 |
| Marco Wadia | 50 | Negligible |

* Out of 1,11,505 equity shares 1,05,550 equity shares are held by Jai Prakash Agarwal and 5,955 equity shares are held by J. P. Agarwal & Sons (HUF).

Shareholding of Directors in our Subsidiaries

Details of the shareholding of our Directors in our Subsidiaries/Associate is set forth below:

| Name of Director/Member | Name of the Company | Designation | No of Shares held | Percentage Shareholding |
|-------------------------|---------------------|-------------|-------------------|-------------------------|
| Jai Prakash Agarwal | MHE Rentals Limited | Member | 2,000 | 20.00 |
| Vishal Jain | MHE Rental Limited | Director | 2,000 | 20.00 |

Appointment of relatives of our Directors to any office or place of profit

None of the relatives of our Directors currently hold any office, or place of profit in our Company.

Interest of directors

All Independent Directors and our Non-Executive Chairman may be deemed to be interested to the extent of sitting fees and commission payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other reimbursement of expenses payable to them.

The Directors, including Independent Directors, may also be regarded as interested in the Equity Shares, if any, held by them and to the extent of any dividend payable to them and other distributions in respect of the Equity Shares. For the shareholding of the Directors, please see "Shareholding of Directors in our Company" on page 147.

All of the Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company in which they hold directorships or any partnership firm in

which they are partners as declared in their respective capacity. Except as otherwise stated in this Draft Letter of Offer, our Company has not entered into any contract, agreements or arrangements during the preceding two years preceding the date of this Draft Letter of Offer in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements, arrangements which are proposed to be made with them. Our Directors have no interest in the promotion of our Company other than in the ordinary course of business.

Interest in property

Our Directors have no interest in any property acquired by our Company in two years prior to the date of this Draft Letter of Offer, or proposed to be acquired by our Company.

Business interest

Except as stated in “Related Party Transactions” on page 165, and to the extent of shareholding in our Company, and any dividends payable to them and other distributions in respect of the Equity Shares our Directors do not have any other interest in our business.

Payment of benefits (non-salary related)

Except as disclosed above, no amount or benefit has been paid or given within the two years preceding the date of filing of this Draft Letter of Offer or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered as Directors

Loans to directors

No loans have been availed by the Directors from our Company.

None of the beneficiaries of loans, advances and sundry debtors are related to the Directors of our Company.

Bonus or profit sharing plan for the Directors

Except as disclosed below, none of the Directors are party to any bonus or profit sharing plan of our Company.

Pursuant to the resolution passed by the members, on July 15, 2016, the directors of the Company (other than Managing Director or Whole Time Director) are entitled to receive a commission for a period of five financial years commencing from April 1, 2016 to March 31, 2021, (commission to be distributed among them in such manner as the Board of directors may from time to time determine) of such amount not exceeding: -

- a. One percent of the net profits of the Company, if the Company has managing Director or a Whole Time Director or a Manager
- b. Three percent of the net profits of the Company, in any other case

and that the net profits of the Company shall be calculated in accordance with the provisions of section 198 of the Companies Act, 2013.

The above remuneration shall be in addition to fee payable to the Director(s) for attending the meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation in the Board and other meetings.

Service contracts with Directors

Our Company has not entered into any service contracts with our Directors which provide for benefits upon termination of employment of our Directors.

Our Directors are not interested in the appointment of or acting as Registrar and Bankers to the Issue or any such intermediaries registered with SEBI.

Changes in the board of directors in the last three years

There has been no change in the Board of Directors, except as stated below during the last three years:

| Name of the Director | Designation | Date of appointment | Date of cessation | Reason |
|----------------------|---|--|-------------------|-------------|
| Jai Prakash Agarwal | Promoter, Chairman & Non-Executive Director | January 21, 2015 as an Additional Director and August 14, 2015 as a Non-Executive Director | -- | Appointment |
| Vishal Jain | Promoter and Non-Executive Director | January 21, 2015 as an Additional Director and August 14, 2015 as a Non-Executive Director | -- | Appointment |
| Shikha Jain | Promoter & Additional Director | August 12, 2016 | -- | Appointment |
| Burjor Reporter | Promoter, Chairman & Non-Executive Director | August 27, 1953 | November 09, 2015 | Resignation |
| Parviz Batliwala | Promoter & Non-Executive Director | May 06, 2013 | October 01, 2015 | Resignation |
| Pradeep Bhargava | Independent Director | October 30, 2009 | March 02, 2015 | Resignation |

Corporate Governance

We have complied with the provisions of the SEBI Listing Regulations, Companies Act and the SEBI ICDR Regulations, particularly in respect of the constitution of the Board and the committees thereof. Our Board presently comprises of 6 (six) directors out of three are Non-Executive Directors (including one Woman Director) and three are Independent Directors.

Committees of the Board of directors

Our Board of Directors presently has 3 (three) committees which have been constituted in accordance with the relevant provisions of the Companies Act and the SEBI Listing Regulations: (i) Audit Committee, (ii) Nomination and Remuneration Committee and (iii) Share Transfer and Stakeholders Relationship Committee.

(i) Audit Committee

The Audit committee was constituted by a resolution of our Board dated May 21, 2014. The current constitution of the Audit committee is as follows:

| Name of Director | Position in the Committee | Designation |
|---------------------|---------------------------|------------------------|
| Farokh Banatwalla | Chairman | Independent Director |
| Marco Wadia | Member | Independent Director |
| Shailesh Sheth | Member | Independent Director |
| Jai Prakash Agarwal | Member | Non-Executive Director |

The scope and function of the Audit Committee is in accordance with section 177 of the Companies Act and the SEBI Listing Regulations and its terms of reference inter alia include the following:

- the recommendation for appointment, remuneration and terms of appointment of the auditor of the Company;
- review and monitor the auditor's independence and performance, and effectiveness of audit process;
- examination of the financial statement and the auditor's report thereof;
- approval or any subsequent modification of transactions of the Company with related parties;
- scrutiny of inter -corporate loans and investments;
- valuation of undertakings or assets of the Company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- monitoring the end use of funds raise through public offers and related matters.

(ii) Nomination and Remuneration Committee

The Nomination and Remuneration committee was constituted by a resolution of our Board dated May 21, 2014. The current constitution of the Nomination and Remuneration committee is as follows:

| Name of Director | Position in the Committee | Designation |
|-------------------------|----------------------------------|----------------------|
| Shailesh Sheth | Chairman | Independent Director |
| Marco Wadia | Member | Independent Director |
| Farokh Banatwalla | Member | Independent Director |

The scope and functions of the Nomination and Remuneration Committee are in conformity with the requirements of the SEBI Listing Regulations and section 178 of the Companies Act. The terms of reference of the Nomination and Remuneration Committee, inter alia includes the following:

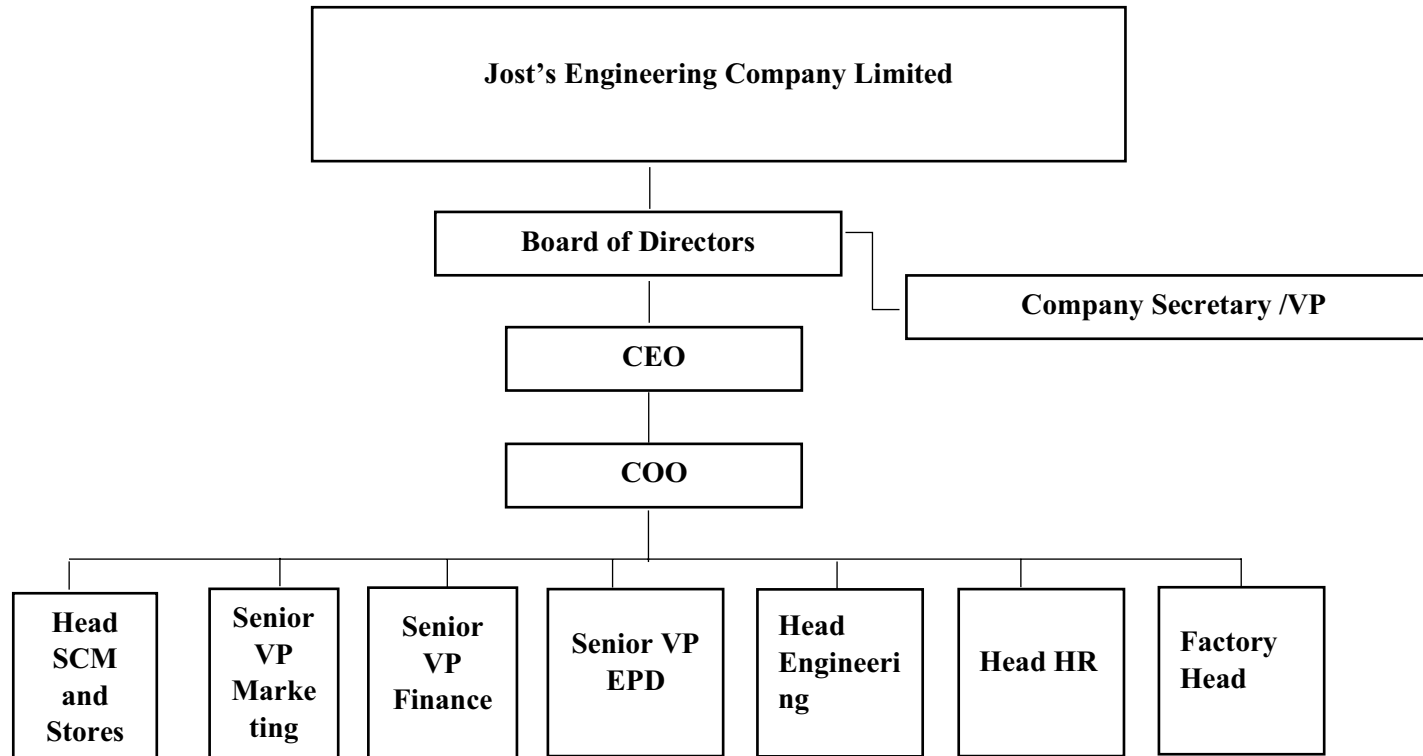
- reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, with the objective to diversify the Board;
- identifying individuals suitably qualified to be appointed as the KMPs or senior management personnel of the Company;
- recommending to the Board on the selection of individuals nominated for directorship;
- making recommendations to the Board on the remuneration payable to the Directors, KMPs / senior management personnel so appointed / reappointed;
- assessing the independence of independent directors;
- ensure that level and composition of remuneration of executive directors, KMP and senior management personnel is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- to devise a policy on Board diversity;
- to develop a succession plan for the Board and to regularly review the plan;
- to attend to such other matters and functions as may be prescribed from time to time;

(iii) Share Transfer and Stakeholders Relationship Committee

The Share Transfer and Stakeholders Relationship Committee was constituted by our Board by its Resolution dated May 21, 2014. The current constitution of the Share Transfer and Stakeholders Relationship committee is as follows:

| Name of Director | Position in the Committee | Designation |
|-------------------------|----------------------------------|------------------------|
| Shailesh Sheth | Chairman | Independent Director |
| Farokh Banatwalla | Member | Independent Director |
| Jai Prakash Agarwal | Member | Non-Executive Director |

Management Organization Structure



Key Managerial Personnel

The following are the Key Managerial Personnel of our Company

Chandrakant Bhalechandra Sagvekar, aged 68 years, is the company secretary and compliance officer of our company. He was appointed as a full time KMP by the Board of our Company on 21st, May, 2014. He is a member of the Institute of Company Secretaries of India. He has over 48 years of experience in corporate laws compliance and is currently responsible for handling legal and secretarial matters in our Company. During the Financial Year 2016-17, he was paid a compensation of Rs. 20.02 lakhs.

Maruti Govind Naik, aged about 61 years, is the chief financial officer of our Company. He was appointed as KMP on retainership basis by the Board of our Company on 21st, May, 2014. He holds a Bachelor's degree in Commerce. He has over 36 years of experience in accounts and finance and is currently responsible for accounting and financial matters. During the Financial Year 2016-17, he was paid a gross annual compensation of Rs. 5.28 lakhs.

Raghunath Pandit Pargaonkar, aged about 65 years, is the chief executive officer of our Company. He was appointed as KMP by the Board of our Company on 21st, May, 2014. He holds a degree of B.Tech from Indian Institute Technology, Mumbai. He has over 42 years of experience and is currently responsible for the business and operations of the Company. During the Financial Year 2016-17, he was paid a gross annual compensation of Rs. 27.11 lakhs.

Nature of any family relation between any of the key managerial personnel

None of the Key Managerial Personnel of our Company are related to each other.

Arrangement or understanding with major shareholders, customers, suppliers or others

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the above mentioned Key Managerial Personnel was selected as a director or member of senior management.

Compensation paid to Key Managerial Personnel during last financial year i.e. 2016-2017

| Sr. No. | Particulars of Remuneration | Key Managerial Personnel | | | | Total Amount |
|---------|--|--------------------------|-------------------|-----|--|--------------|
| | | CEO | Company Secretary | CFO | | |
| 1. | Gross Salary | | | | | |
| | a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 | 26.72 | 20.02 | - | | 46.74 |
| | b) Value of Perquisites u/s17(2) of the Income Tax Act, 1961 | 0.39 | - | - | | 0.39 |
| | c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961 | -- | -- | -- | | -- |
| 2. | Stock Options | -- | -- | -- | | -- |
| 3. | Sweat Equity | -- | -- | -- | | -- |
| 4. | Commission | -- | -- | -- | | -- |
| | • As % of Profit | -- | -- | -- | | -- |

| | | | | | |
|----|--------------------------|--------------|--------------|-------------|--------------|
| | • Others, please specify | -- | -- | -- | -- |
| 5. | Retainership fees | -- | -- | 5.28 | 5.28 |
| | Total | 27.11 | 20.02 | 5.28 | 52.41 |

Bonus or profit sharing plan for Key Managerial Personnel

Our Company does not have a performance linked bonus or profit sharing plan for the Key Managerial Personnel of the Company as on the date of this Draft Letter of Offer. However, the current Vice President, Company Secretary and Compliance Officer of the Company is entitled to receive a performance related pay / incentive.

Shareholding of the Key Managerial Personnel

None of the Key Managerial Personnel hold Equity Shares of our Company as on the date of Draft Letter of Offer.

Changes in Key Managerial Personnel

Except as mentioned below, there has been no change in Key Managerial Personnel during the last three years:

| Name of KMP | Designation | Date of change | Reason |
|----------------------------------|--|-----------------------|---------------------------------------|
| Maruti Govind Naik | Chief Financial Officer | May 21, 2014 | Designated as Chief Financial Officer |
| Raghunath Pandit Pargaonkar | Chief Executive Officer | May 21, 2014 | Designated as Chief Executive Officer |
| Chandrakant Bhalchandra Sagvekar | Company Secretary and Compliance Officer | May 21, 2014 | Appointed as full time KMP |

Interest of Key Managerial Personnel

Except as disclosed in the Draft Letter of Offer, the Key Managerial Personnel of our Company do not have any interest in our Company other than to the extent of their remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Loans taken by Directors or Key Managerial Personnel

None of our Directors or Key Managerial Personnel has taken any loan from our Company.

Employees' Stock Option Plan

As on date of this Draft Letter of Offer, our Company does not have any employee stock option scheme.

Payment or Benefits to Officers of our Company

Except as disclosed in this Draft Letter of Offer, other than statutory payments and remuneration, in the last two years our Company has not paid any non-salary amount or benefit to any of its officers.

Service Contracts with KMPs

Except Maruti Govind Naik, Chief Financial Officer of our Company, our KMPs have not entered into any contractual arrangement with our Company and employment of our KMPs is governed by the terms of appointment and policies of our Company.

OUR PROMOTER AND PROMOTER GROUP

Our Promoters

The Promoters of our Company are Jai Prakash Agarwal, Krishna Agarwal, Vishal Jain, Shikha Jain, Rajendra Kumar Agarwal, Anita Agarwal and J. P. Agarwal & Sons (HUF)

As on date of this Draft Letter of Offer, our Promoter holds 3,70,890 Equity Shares, representing 48.50% of the subscribed and paid-up Equity Share capital of our Company.

Details about our Promoters

Jai Prakash Agarwal



Jai Prakash Agarwal, aged 58 years is a Promoter, Chairman and Non-Executive Director of our Company

Voter ID number – SHA3016839

Driving License – MH01 20080118420

As on date of filing of this Draft Letter of Offer, Jai Prakash Agarwal holds 1,05,550 equity shares of our Company.

For a complete profile of Jai Prakash Agarwal, i.e. his personal address, educational qualifications, experience, positions / posts held in the past, other directorships, please see “Our Management” on page 142 of this Draft Letter of Offer

Vishal Jain



Vishal Jain, aged 43 years is a Promoter and Non-Executive Director of our Company

Voter ID number – RJ/14/107/0330940

Driving License – RJ20 19910276308

As on date of filing of this Draft Letter of Offer, Vishal Jain holds 92,908 equity shares of our Company.

For a complete profile of Vishal Jain, i.e. his personal address, educational qualifications, experience, positions / posts held in the past, other directorships, please see “Our Management” on page 142 of this Draft Letter of Offer.

Shikha Jain

Shikha Jain, aged 42 years is a Promoter and Additional Director of our Company

Voter ID number – RJ/14/107/0462042

Driving License – RJ20 20100266302

As on date of filing of this Draft Letter of Offer, Shikha Jain holds 92,477 equity shares of our Company.

For a complete profile of Shikha Jain, i.e. personal address, educational qualifications, experience, positions / posts held in the past, other directorships, please see “Our Management” on page 142 of this Draft Letter of Offer.

Krishna Agarwal

Krishna Agarwal, aged 52 years, is a Promoter of our Company. She is a designated partner in Hirak Goods LLP.

Other directorships - Vishal Tie-up Private Limited.

Voter ID number – SHA3016847

Driving License – Not Available

Address: -2601, A-Wing, 26th Floor, Raheja Atlantis, Near Shreeram Mill, G.K. Marg, Lower Parel, Mumbai – 400013

As on date of filing of this Draft Letter of Offer, Krishna Agarwal holds 40,000 equity shares of our Company.

Rajendra Kumar Agarwal

Rajendra Kumar Agarwal, aged 46 years, is a Promoter of our Company. He holds a degree of Bachelor of Commerce from University of Calcutta. He has experience of more than two decades in stock and commodity market.

Other directorships -

1. Sigma Commodities Private Limited,
2. Cosmopolitan Forgings Private Limited
3. Fortune Interfinance Limited.
4. Fortune Share Brokerage Private Limited
5. Gangtotri Hospitality Private Limited
6. Royalvision Constructions Private Limited

Voter ID number – UVL1791011

Driving License – WB-011990291648

Address: - Cedar, Tower No.4, Flat No 33A, 375, Prince Anwar shah road, Kolkata - 700068

As on date of filing of this Draft Letter of Offer, Rajendra Kumar Agarwal holds 17,000 equity shares of our Company.

Anita Agarwal



Anita Agarwal, aged 44 years, is a Promoter of our Company. She holds a degree of Bachelor of Commerce from University of Calcutta. She has experience of more than two decades in stock and commodity market.

Other directorships -

1. Sigma Commodities Private Limited,
2. Cosmopolitan Forgings Private Limited
3. Fortune Interfinance Limited.

Voter ID number – UVL1902717

Driving License – Not Available

Address: - Cedar, Tower No.4, Flat No 33A, 375, Prince Anwar shah road, Kolkata - 700068

As on date of filing of this Draft Letter of Offer, Anita Agarwal holds 17,000 equity shares of our Company.

J. P. Agarwal & Sons (HUF)

J. P. Agarwal & Sons (HUF) came into existence on September 28, 1996 and its members are Krishna Agarwal, Abhishek Agarwal and Anshu Agarwal. Jai Prakash Agarwal is the Karta of J. P. Agarwal & Sons (HUF). Jai Prakash. Agarwal on behalf of J. P. Agarwal & Sons (HUF) holds 5,955 Equity Shares in our Company.

Other Undertakings and Confirmation

Our Company confirms that the permanent account number, bank account numbers and passport numbers of Jai Prakash Agarwal, Krishna Agarwal, Vishal Jain, Shikha Jain, Rajendra Kumar Agarwal and Anita Agarwal shall be submitted to the Stock Exchanges at the time of filing this Draft Letter of Offer. Our Company further confirms that the permanent account number and bank account numbers of J. P. Agarwal & Sons (HUF) shall be submitted to the Stock Exchanges at the time of filing this Draft Letter of Offer.

Change in the management and control of Our Company

In November 28, 2014, the Promoters of our Company namely Jai Prakash Agarwal and Vishal Jain along with their PACs (Person Acting in Concert) namely Krishna Agarwal, Abhishek Agarwal, J. P. Agarwal & Sons (HUF), Rajendra Kumar Agarwal, Anita Agarwal and Shikha Jain acquired control of our Company, pursuant to and in accordance with Regulation 3(1) and 4 of SEBI Takeover Regulations by way of open offer from the erstwhile promoters of our company pursuant to the terms of the share purchase agreement dated August 30, 2014 and from the open market. The details of the same are as follows:

| Sellers | | | Acquirers along with their PACs | | | |
|--------------------------------|----------------------|----------------------------|---------------------------------|----------------------|----------------------------|--------------------------------------|
| Name of Seller | No. of equity shares | % of total paid-up capital | Name of Acquirer / PAC | No. of equity shares | % of total paid-up capital | Consideration paid (Rs. In lakhs) ** |
| Aloo Burjor Reporter | 73,450 | 9.61% | Vishal Jain | 73,450 | 9.61% | 224.57 |
| Bullows India Private Limited | 71,040 | 9.29% | | 19,028 | 2.49% | 58.18 |
| Parviz Batliwala | 39,000 | 5.10% | Shikha Jain | 52,012 | 6.80% | 159.03 |
| Farrokh Jamshyd Batliwala | 17,000 | 2.22% | | 39,000 | 5.10% | 119.24 |
| Burjor Reporter | 76,420 | 9.99% | Rajendra Kumar Agarwal | 17,000 | 2.22% | 51.98 |
| Phiroze Sethna Private Limited | 76,000 | 9.94% | Jai Prakash Agarwal | 76,420 | 9.99% | 233.65 |
| | | | | 3,580 | 0.47% | 10.95 |
| | | | Abhishek Agarwal | 25,000 | 3.27% | 76.44 |
| | | | Krishna Agarwal | 40,000 | 5.23% | 122.30 |
| | | | J. P. Agarwal & Sons (HUF) | 5,955 | 0.78% | 18.21 |
| | | | Shikha Jain | 1,465 | 0.19% | 4.48 |
| Shireen Jamshyd Batliwala | 17,000 | 2.22% | Anita Agarwal | 17,000 | 2.22% | 51.98 |
| Open market * | 550 | 0.07% | Jai Prakash Agarwal | 550 | 0.07% | 0.23 |
| Open market * | 430 | 0.06% | Vishal Jain | 430 | 0.06% | 0.18 |

* 550 equity shares and 430 equity shares were acquired by Jai Prakash Agarwal and Vishal Jain from open market respectively

** Consideration as per share purchase agreement was Rs. 305.75 per equity share and consideration paid for equity shares purchased from open market was Rs. 410.00 per equity share.

***On 16th March 2016 Abhishek Agarwal has sold his 25,000 to Jai Prakash Agarwal.

After the completion of the said open offer, promoters held 48.50% of the then equity share capital. For details on inter-se share transfer please refer to “Capital Structure” on page 56 of this Draft Letter of Offer.

Experience of our promoters in the business of our Company

Our Promoters do not have prior experience in the sector in which our Company operates. Our Promoters may not be well versed with the business activities in which the Company operate. Moreover, they have not acquired any external technical expertise for carrying / managing the business operations/ proposed activities. Our Company relies on the technical expertise of its employees and skilled management.

Interest of Promoters in our Company

Our Promoters are interested in our Company to the extent they have promoted our Company and to the extent of their shareholding and the dividend payable, if any and other distributions in respect of the Equity Shares held by them. For details regarding the shareholding of our Promoters in our Company, please see “Capital Structure” on page 56 of this Draft Letter of Offer.

Except in the normal course of business and as stated in the “Financial Statements” on page 167, our Company has not entered into any contract, agreements or arrangements in which our Promoter is directly

or indirectly interested and no payments have been made to our Promoter in respect of the contracts, agreements or arrangements which are proposed to be made with them

Our Promoters are not related to any of the sundry debtors of our Company.

Except in the normal course of business and as stated in the “Financial Statements” on page 167, our Promoters are not interested in the properties acquired or proposed to be acquired by our Company.

Payment or benefits to our Promoter in the last two years

Except in the ordinary course of business and as stated in “Financial Statements” on page 167, there has been no payment or benefits to our Promoter during the two years preceding the filing of this Draft Letter of Offer nor is there any intention to pay or give any benefit to our Promoter as on the date of this Draft Letter of Offer.

Interests of Promoters in property of our Company

Our Promoters have no interest in any property acquired or proposed to be acquired by our Company within the two years from the date of this Draft Letter of Offer, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Related party transactions

For details of related party transactions entered into by our Promoters and Promoter Group during the last five Financial Years, the nature of transactions and the cumulative value of transactions, see “Financial Statements - Related Party Transactions” on page 209 of this Draft Letter of Offer.

Interest of Promoters in Sales and Purchases

Other than as disclosed in “Related Party Transactions” on page 165, there are no sales/purchases between our Company and our Promoter Group, Group Entities, our Subsidiaries and our Associate Companies, if any, when such sales or purchases exceed in value the aggregate of 10% of the total sales or purchases of our Company or any business interest between our Company, our Promoter Group, our Subsidiaries and Group Entities as on the date of the last financial statements

Litigation involving our Promoters

For details of legal and regulatory proceedings involving our Promoters, see “Outstanding Litigation and Defaults” on page 225 of this Draft Letter of Offer.

Confirmations

Our Promoters have not been declared as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI and except as disclosed under “Outstanding Litigations and Defaults” at page 225 of this Draft Letter of Offer there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against our Promoters.

Our Promoters and members of our Promoter Group have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last five years preceding the date of the Offer against our Promoter, except as disclosed under “Outstanding Litigation and Defaults” on page 225 of this Draft Letter of Offer.

Our Promoters are not and have never been a promoter or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoters are not interested in any other entity which hold any intellectual property rights that are used by our Company.

Our Promoters have not taken any unsecured loans which may be recalled by the lenders at any time.

Relationship of our Promoters with our Directors and our Key Managerial Personnel

Except as stated below, none of our Directors or Key Managerial Personnel's and Promoter are related to each other:

| Name | Designation | Relationship with Promoter |
|---------------------|---|---|
| Jai Prakash Agarwal | Promoter, Chairman and Non-Executive Director | Spouse of Krishna Agarwal Brother of Rajendra Kumar Agarwal Brother-in-law of Anita Agarwal |
| Vishal Jain | Promoter and Non-Executive Director | Spouse of Shikha |
| Shikha Jain | Promoter and Additional Director | Spouse of Vishal Jain |

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

Apart from mentioned below, Our Promoters have not disassociated themselves from any company or firm during the three years preceding this Draft Letter of Offer.

| Entity | Name of the Promoter |
|--|--|
| Jaikrishna Dream Reality Pvt Ltd | Rajendra Kumar Agarwal Krishna Agarwal Jai Prakash Agarwal |
| Cinesprite Entertainment Private Limited | Vishal Jain |
| Reward Advisory Services Private Limited | Rajendra Kumar Agarwal Krishna Agarwal Jai Prakash Agarwal |

Our Promoter Group

A. Natural persons who are part of the Promoter Group

| Nature of relationship | Jai Prakash Agarwal | Krishna Agarwal | Vishal Jain | Shikha Jain | Rajendra Kumar Agarwal | Anita Agarwal |
|------------------------|---|---|-----------------------------|-----------------------------|--|--|
| Spouse | Krishna Agarwal | Jai Prakash Agarwal | Shikha Jain | Vishal Jain | Anita Agarwal | Rajendra Kumar Agarwal |
| Father | Late Ram Gopal Agarwal | Late Ramanand Saharia* | Jambu Kumar Jain* | Karan Raj Jain* | Late Ram Gopal Agarwal | Kailash Chandra Gupta* |
| Mother | Vidhya Devi Pansari* | Late Teeja Saharia* | Sulochana Jain* | Tara Jain* | Vidhya Devi Pansari* | Santosh Gupta* |
| Father-in-law | Late Ramanand Saharia* | Late Ram Gopal Agarwal | Karan Raj Jain* | Jambu Kumar Jain* | Kailash Chandra Gupta* | Late Ram Gopal Agarwal |
| Mother-in-law | Late Teeja Saharia* | Vidhya Devi Pansari* | Tara Jain* | Sulochana Jain* | Santosh Gupta* | Vidhya Devi Pansari* |
| Son | Abhishek Agarwal | Abhishek Agarwal | -- | -- | Aryaman Agarwal | Aryaman Agarwal |
| Daughter | Anshu Agarwal | Anshu Agarwal | Dhruvi Jain Rachita Jain | Dhruvi Jain Rachita Jain | Vidhi Agarwal | Vidhi Agarwal |
| Son-in-law | -- | -- | -- | -- | -- | -- |
| Daughter-in-law | Yashna Agarwal** | Yashna Agarwal** | -- | -- | -- | -- |
| Brother | Rajendra Kumar Agarwal Naresh Kumar Agarwal** Pradeep Kumar Agarwal** | | -- | Shalabh Jain* | Jai Prakash Agarwal Naresh Kumar Agarwal** Pradeep Kumar Agarwal** | Pawan Kumar Gupta** Manish Gupta** |
| Sister | NA | | Abha Jain* | Shweta Jain* | NA | Sunita Agarwal* |
| Brother-in-law | -- | Rajendra Kumar Agarwal Naresh Kumar Agarwal** Pradeep Kumar Agarwal** | Akhilesh Kumar Jain** | -- | Pawan Kumar Gupta** Manish Gupta** | Jai Prakash Agarwal Naresh Kumar Agarwal** Pradeep Kumar Agarwal** |

| Nature of relationship | Jai Prakash Agarwal | Krishna Agarwal | Vishal Jain | Shikha Jain | Rajendra Kumar Agarwal | Anita Agarwal |
|------------------------|-----------------------|-----------------------|-------------|-------------|------------------------|-----------------------|
| Sister-in-law | Anita Agarwal | Anita Agarwal | -- | Abha Jain* | Krishna Agarwal | Krishna Agarwal |
| | Manju Devi Agarwal** | Manju Devi Agarwal** | | | Manju Devi Agarwal** | Manju Devi Agarwal** |
| | Sarita Devi Agarwal** | Sarita Devi Agarwal** | | | Sarita Devi Agarwal** | Sarita Devi Agarwal** |
| | | | | | Sunita Agarwal* | |

**In the context of aforementioned persons, our Promoter vide declaration letter dated June 29, 2017 has submitted that information related to business / financial interest held by said 'relatives' is not accessible for the purpose of disclosure in draft letter of offer / letter of offer. Therefore, the disclosures made in this draft letter of offer are limited to the extent of information that has been made available by our Promoters in relation to Promoter Group*

***The aforementioned persons are 'immediate relatives' of our Promoters but as such do not form part of Promoter Group of our Company. Moreover, the aforesaid relatives do not own shareholdings in our Company and are not involved in the business of our Company. Further, our Promoter vide Declaration letter dated June 29, 2017 has submitted that information related to business / financial interest held by the said relatives is not accessible for the purpose of disclosure in the draft letter of offer / letter of offer. Therefore, the disclosures made in this draft letter of offer are limited to the extent of information that has been made available by our Promoters in relation to Promoter Group*

OUR GROUP COMPANIES

As per the requirements of SEBI ICDR Regulations, for the purpose of identification of "Group Companies", our Company considered companies as covered under the applicable accounting standards, being Accounting Standard 18 (as mentioned in our Restated Financial Statements for Financial Year 2017) as our Group Companies. Further, with respect to the companies forming part of our Promoter Group, a company will be considered to be a "group company" for the purpose of disclosure in the Draft Letter of Offer if a material adverse effect on such companies would have a material adverse effect on our Company.

1. MHE Rentals India Private Limited ("MHE Rentals")

Corporate Information

MHE Rentals was incorporated as a private limited company under the Companies Act on December 21, 2016. The Corporate Identification number of MHE Rentals is U71290WB2016PTC218677. The registered office is situated at P-15, India Exchange Place Extension, Kolkata- 700073, West Bengal, India.

Main Objects

- To carry on in India or elsewhere the business of rent, buying, selling, making, procuring on hire, exchange, altering, treating, reacting, manufacturing, destroying, discharging, importing, exporting, dealing in as wholesaler or otherwise, supplying on hire, equipment's and machinery of all kinds including, hydraulic equipment's, hydraulic and pneumatic products, work saving hydraulic tools, spare and tooling's, related hardware and power accessories required for transmission of power from generating station to the consuming center or for utilizing power
- To carry on in India or elsewhere the business of selling, purchasing, supplying, leasing, hiring, renting plant and machinery of all kinds including hydraulic equipment's, hydraulic and pneumatic products, work saving hydraulic tools, cranes, earthmoving and allied equipment and providing heavy handling services to the construction, petrochemicals, offshore, power, civil and any other industry, in the form of lifting, lowering, skidding, moving by means of strand jacking support structures, flat jacking or any other hydraulic or mechanical means, supply or professional services with regard to the above activities, special projects, hydraulic engineering.

Shareholding

| Sr.No | Name of the Shareholder | No of Shares | % Shareholding |
|-------|------------------------------------|---------------|----------------|
| 1. | Jost's Engineering Company Limited | 6,000 | 60.00% |
| 2. | Jai Prakash Agarwal | 2,000 | 20.00% |
| 3. | Vishal Jain | 2,000 | 20.00% |
| | Total | 10,000 | 100.00% |

Note: Our company has acquired 6,000 equity shares of Rs. 10 each (60.00% of the paid up capital) of MHE Rentals India Private Limited, subsequent to the end of financial year 2016-17 of the Company

Financial Information

MHE Rentals was incorporated on December 21, 2016. As the F.Y for MHE Rentals ends on March 31, 2017, the audited financials of MHE Rentals are not available as on the date of this Draft Letter of Offer

Nature and Extent of Interest of Promoters

Our Promoters Jai Prakash Agarwal and Vishal Jain holds 2,000 and 2,000 equity shares respectively, which constitute 40.00% of the total issued and paid up equity share capital of MHE Rentals.

2. Jostsengg Global F.Z.E ("Jostsengg")

Jostsengg was incorporated in Azman Free Trade Zone, UAE, on December 16, 2015 bearing licence No 16624 and having its registered office situated at SM Office - C1- 1315E for the purpose of General Trading Import and Export activity. This licence was valid for one year. Thereafter the licence was renewed for further period of one year from December 16, 2016 to December 15, 2017. This entity has not commenced any business activities to date. Further, our Company has not made any investment in the shares, to date in Jostsengg and the Directors are evaluating the possibility of winding up Jostsengg

Shareholding

Jostsengg does not have any shareholding

Financial Information

Jostsengg has not commenced any business activities to date

Nature and Extent of Interest of Promoters

Our Promoters Jai Prakash Agarwal and Vishal Jain are Directors/Managers in Jostsengg.

Nature and Extent of Interest of Group Companies

1. In the promotion of our Company

None of our Group Companies have any interest in the promotion of our Company.

2. In the properties acquired or proposed to be acquired by our Company in the past two years before filing this Letter of Offer

None of our Group Companies is interested in the properties acquired or proposed to be acquired by our Company in the two years preceding the filing of this Draft Letter of Offer.

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

None of our Group Companies is interested in any transactions for the acquisition of land, construction of building or supply of machinery.

Common Pursuits among the Group Companies with our Company

Except MHE Rentals India Private Limited, which is in business of providing material handling equipment on rental basis, none of our Group Companies have any common pursuits with our Company.

Business Transactions within the Group Companies and significance on the financial performance of our Company

Except in the ordinary course of business and as stated in “Related Party Transactions” on page 165, there has been no payment made or benefits given to our Group Companies during the two years preceding the filing of the Draft Letter of Offer nor is there any intention to pay or give any benefit to our Group Companies as on the date of the Draft Letter of Offer.

Significant Sale / Purchase between Group Companies and our Company

None of our Group Companies is involved in any sales or purchase transaction with our Company where such transaction exceeds in value in the aggregate of 10% of the total sales or purchases of our Company.

Business Interest of Group Companies

Except in the ordinary course of business, if any and as stated in “Related Party Transactions” on page 165, none of our Group Companies have any business interest in our Company

Defunct Group Companies

None of our Group Companies remain defunct and no application has been made to the RoC for striking off the name of any of our Group Companies during the five years preceding the date of filing of this Draft Letter of Offer.

Sick Industrial Companies Act (“SICA”)

None of our Group Companies fall under the definition of sick companies under the erstwhile SICA and none of them are currently under winding up.

Negative Net Worth

None of our Group Companies have negative networth as on the date of this Draft Letter of Offer.

Loss making Group Companies

None of our Group Companies have incurred losses in the last three financial years

Litigation

For details relating to the legal proceedings involving the Group Companies, see “Outstanding Litigations and Defaults” on page 225.

Confirmations

None of the securities of our Group Companies are listed on any stock exchange.

RELATED PARTY TRANSACTIONS

For details of the related party transactions during the last five financial years, as per the requirement under Accounting Standard 18 “Related Party Disclosures” issued by ICAI, see and “*Financial Statements*” on pages 167.

DIVIDEND POLICY

The declaration and payment of dividends is recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association read with the Companies Act and other applicable laws. Our Company has not adopted any Dividend Distribution Policy as on the date of this Draft Letter of Offer since the requirements under Regulation 43A of the SEBI Listing Regulations are not applicable to the Company. However, depending upon the availability of distributable profits and fund flow, dividends are recommended

The dividends declared by our Company in each of the Financial Year 2016-17, 2015-16, 2014-15, 2013-14, 2012-13, as per our audited and restated financial statements are given below:

| Description | For the Year Ended March 31 | | | | |
|--|-----------------------------|--------|--------|---------|---------|
| | 2017 | 2016 | 2015 | 2014 | 2013 |
| Face Value of Equity Shares (Rs.) | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 |
| Dividend (Rs. in Lakhs) | 7.65* (proposed) | 7.65 | 38.23 | 95.58 | 114.70 |
| Dividend tax (Rs.in Lakhs) | 1.60* (proposed) | 1.55 | 8.00 | 15.50 | 18.61 |
| Dividend Per Equity Share(Rs.) | 1.00 | 1.00 | 5.00 | 12.50 | 15.00 |
| Dividend rate(%) | 10.00% | 10.00% | 50.00% | 125.00% | 150.00% |

**Dividend of Rs. 7.65 Lakhs is subject to approval of the members at the ensuing Annual General Meeting*

The amounts paid as dividends in the past are not necessarily indicative of the dividend amounts, if any, to be paid by our Company in the future. There is no guarantee that any dividend will be declared or paid or that the amount thereof will not be decreased in the future. For details of risks in relation to our capability to pay dividend, see “Financial Indebtedness” on page 221 and “Risk Factors” on page 15.

SECTION VI – FINANCIAL INFORMATION
FINANCIAL STATEMENTS

Report of the Independent Auditor on the Restated Summary Financial Statements

Auditors Report on the Restated Financial Statements in connection with the Rights Issue of Jost's Engineering Company Limited for each of the years ended March 31, 2017, 2016, 2015, 2014, and 2013.

To,

The Board of Directors
Jost's Engineering Company Limited
CIN: L28100MH1907PLC000252
Great Social Building,
60, Sir Phirozshah Mehta Road
Fort,
Mumbai - 400 001.

Dear Sirs,

1. We have examined the restated financial information expressed in Indian Rupees, comprising of the Restated Summary Statement of assets and liabilities as at March 31, 2017, 2016, 2015, 2014 and 2013, as set out in Annexure I, the Restated Summary Statement of Profits and Losses and also the Restated Summary Statement of Cash Flows for the financial years ended March 31, 2017, 2016, 2015, 2014, and 2013, as set out in Annexure II and III and other financial information (collectively the "Restated Summary Statements") of Jost's Engineering Company Limited ("the Company") annexed to this report and initialled by us for identification purposes, for the purposes of inclusion in the offer document. This financial information has been prepared by the management of the Company in connection with its proposed Rights Issue Offering. Such Restated Financial information, which has been approved by the Board of Directors of the Company on July 20, 2017 has been prepared in accordance with the requirements of:
 - a. Sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of Chapter III of the Companies Act, 2013 (the Act) read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules ('the Rules'), 2014 and
 - b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time in pursuance of Section 30 of the Securities and Exchange Board of India Act, 1992.
2. We have examined such restated financial information taking into consideration:
 - a. The terms of reference received from the Company vide their letter dated July 1, 2017 requesting us to carry out work on such financial information, proposed to be included in the offer document of the Company in connection with its proposed Rights Issue; and
 - b. Guidance Note (Revised) on Reports in Company Prospectuses issued by The Institute of Chartered Accountants of India.
3. The Restated Summary Statements of the Company has been compiled by the management from:
 - a. The audited balance sheets of the Company as at March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 and the related audited statement of profit and loss and cash

flow statements for the years ended on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, and March 31, 2013 prepared in accordance with accounting principles generally accepted in India at the relevant time and which have been approved by the Board of Directors on May 15 2017, May 19 2016, May 27 2015, May 21 2014 and May 6 2013 respectively.

- b. Other financial and other records of the Company, to the extent considered necessary, for the presentation of the restated financial information under the requirements of the Schedule III of Companies Act, 2013 / Revised Schedule VI of the Companies Act, 1956, in relation to the year ended on March 31, 2012.
4. In accordance with the requirements of sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of Chapter III of the Companies Act, 2013 read with Rule 4 of Companies (Prospectus and allotment of Securities) Rules, 2014 and the terms of our engagement agreed with you, we report that:
 - a. We have examined the restated summary statement of assets and liabilities of the Company as at, March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, and March 31, 2013, as set out in Annexure I to Restated Summary Information. These are after making adjustments, as in our opinion, were appropriate and more fully described in the notes appearing in Annexure XI, XVIII and XX to the restated financial information. As a result of these adjustments, the amounts reported in the above-mentioned statement are not necessarily the same as those appearing in the financial statements of the Company for the relevant financial years.
 - b. We have examined the related restated summary statement of profits and losses and cash flows of the Company for the years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, and March 31, 2013 as set out in Annexure II and III.

Other Financial Information

5. We have examined the other restated financial information of the Company listed below, for each of the financial years ended on March 31 2017, 2016, 2015, 2014 and 2013 which, as approved by the Board of Directors on May 15 2017, May 19 2016, May 27 2015, May 21 2014 and May 6 2013 respectively and annexed to this report is proposed to be included in the offer document:

- i) Restated Statement of Significant Accounting Policies and Restated Statement of Notes on Financial Statements, enclosed as Annexure IV;
- ii) Restated Statement of Share Capital, enclosed as Annexure V;
- iii) Restated Statement of Reserves and Surplus, enclosed as Annexure VI;
- iv) Restated Statement of Long Term Borrowings, enclosed as Annexure VII;
- v) Restated Statement of Other Long Term Liabilities, enclosed as Annexure VIII;
- vi) Restated Statement of Long Term Provisions, enclosed as Annexure IX;
- vii) Restated Statement of Short Term Borrowings, enclosed as Annexure X;
- viii) Restated Statement of Other Current Liabilities, enclosed as Annexure XI;
- ix) Restated Statement of Short Term Provisions, enclosed as Annexure XII;
- x) Restated Statement of Fixed Assets, enclosed as Annexure XIII;
- xi) Restated Statement of Non-Current Investments, enclosed as Annexure XIV;
- xii) Restated Statement of Long Term Loans and Advances, enclosed as Annexure XV
- xiii) Restated Statement of Current Investments, enclosed as Annexure XVI
- xiv) Restated Statement of Inventories, enclosed as Annexure XVII
- xv) Restated Statement of Trade Receivables, enclosed as Annexure XVIII;
- xvi) Restated Statement of Cash and Bank Balances, enclosed as Annexure XIX;
- xvii) Restated Statement of Short-Term Loans and Advances, enclosed as Annexure XX;
- xviii) Restated Statement of Other Current Assets, enclosed as Annexure XXI;
- xix) Restated Statement of Contingent Liabilities, Capital and Other Commitments, enclosed as Annexure XXII;

- xx) Restated Statement of Operating Income, enclosed as Annexure XXIII;
- xxi) Restated Statement of Other Income, enclosed as Annexure XXIV;
- xxii) Restated Statement of Manufacturing and Other Expenses, enclosed as Annexure XXV;
- xxiii) Restated Statement of Purchase of Stock in Trade, enclosed as Annexure XXVI;
- xxiv) Restated Statement of Changes in Inventory of Finished Goods, Work in Progress and Stock in Trade, enclosed as Annexure XXVII;
- xxv) Restated Statement of Employee Benefit Expenses, enclosed as Annexure XXVIII;
- xxvi) Restated Statement of Finance Costs, enclosed as Annexure XXIX;
- xxvii) Restated Statement of Other Expenses, enclosed as Annexure XXX;
- xxviii) Restated Statement of Accounting Ratios, enclosed as Annexure XXXI;
- xxix) Restated Statement of Tax Shelter, enclosed as Annexure XXXII
- xxx) Restated Statement of Capitalisation Statement as Annexure XXXIII;
- xxxi) Restated Statement of Related Parties, enclosed as Annexure XXXIV;
- xxxii) The company has declared dividend for the financial years ended March 31 2017, March 31 2016, March 31 2015, March 31 2014 and March 31 2013.

6. Based on our examination, we further report that:

- a. The restated financial information have to be read in conjunction with the Restated Statement of Significant Accounting Policies and Restated Summary Statement of Notes on Financial Statements appearing in Annexure IV to this report;
- b. There are no changes in accounting policies adopted by the Company during the years ended on March 31, 2017, 2016, 2015, 2014 and 2013 which would require adjustment in the Restated Summary Statements;
- c. There are no extraordinary items which need to be disclosed separately in the Restated Summary Statements;

7. This report should not be in any way construed as a re-issuance or re-dating of any of the previous audit reports issued by us, nor should it be construed as a new opinion on any of the financial statements referred to therein.

8. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

9. This report is intended solely for your information and for inclusion in the offer document in connection with the proposed Rights Issue of the equity shares of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Sorab S. Engineer & Co.
Chartered Accountants
[Firm Registration No. 110417W]

CA N.D. Anklesaria
Partner
Memb. No. 10250

Place: Mumbai
Date: July 20, 2017

ANNEXURE- I - SUMMARY OF STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED
Rs. in lakhs

| | Particulars | Annexure | As at | | | | |
|-----------|--|----------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | | | 31st March 2013 | 31st March 2014 | 31st March 2015 | 31st March 2016 | 31st March 2017 |
| 1) | Equity & Liabilities | | | | | | |
| | Shareholders' Funds | | | | | | |
| | (a)Share Capital | V | 76.5 | 76.5 | 76.5 | 76.5 | 76.5 |
| | (b)Reserves & surplus | VI | 1288.7 | 1446.6 | 1441.9 | 1238.1 | 1038.7 |
| 2) | Non-Current Liabilities | | | | | | |
| | (a) Long term Borrowings | VII | 18.46 | 3.68 | 0.00 | 0.00 | 20.29 |
| | (b) Other Long-Term Liabilities | VIII | 23.61 | 21.46 | 20.96 | 21.96 | 29.56 |
| | (c) Long term Provisions | IX | 363.33 | 347.47 | 335.19 | 362.39 | 352.05 |
| 3) | Current Liabilities | | | | | | |
| | (a) Short Term Borrowings | X | 196.05 | 99.76 | 236.55 | 715.42 | 1316.99 |
| | (b) Trade Payables | | | | | | |
| | (iii) Due to MSME | | | | | | |
| | (iv) Due to others | | 1388.36 | 1662.18 | 1790.06 | 1917.53 | 1660.90 |
| | (c) Other Current Liabilities | XI | 550.94 | 411.13 | 422.66 | 542.43 | 519.64 |
| | (d) Short term provisions | XII | 296.73 | 188.58 | 145.43 | 69.91 | 49.19 |
| | Total Liabilities (1+2+3) | | 4202.62 | 4257.32 | 4469.20 | 4944.19 | 5063.76 |
| | ASSETS | | | | | | |
| 4) | Non-Current Assets | | | | | | |
| | (a) Fixed Assets | XIII | | | | | |
| | i. Tangible Assets | | 273.13 | 237.34 | 205.15 | 249.22 | 299.12 |
| | ii. Intangible Assets | | 6.42 | 4.65 | 0.00 | 6.29 | 20.26 |
| | iii. Intangible Assets under Development | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | iv. Capital Work in Progress | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | Net Block | | 279.55 | 241.99 | 205.15 | 255.52 | 319.38 |
| | (b) Non-Current Investments | XIV | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| | (c) Long-term Loans and Advances | XV | 14.16 | 18.01 | 19.04 | 44.44 | 55.64 |
| 5) | Current Assets | | | | | | |
| | (a) Current Investment | XVI | 12.56 | 8.92 | 9.87 | 10.42 | 10.97 |
| | (b) Inventories | XVI I | 866.14 | 1053.60 | 1046.67 | 1086.77 | 941.66 |

| | Particulars | Ann exu re | As at | | | | |
|--|--------------------------------------|------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | | | 31st March 2013 | 31st March 2014 | 31st March 2015 | 31st March 2016 | 31st March 2017 |
| | (c) Trade Receivables | XVI II | 2413.28 | 2363.05 | 2556.80 | 2767.64 | 3040.48 |
| | (d) Cash and bank balances | XIX | 293.29 | 247.07 | 240.29 | 212.00 | 212.53 |
| | (e) short term Loans and Advances | XX | 316.97 | 318.49 | 386.64 | 560.47 | 475.59 |
| | (f) Other Current Assets | XXI | 5.67 | 5.19 | 3.74 | 5.93 | 6.50 |
| | Total assets (4+5) | | 4202.62 | 4257.32 | 4469.20 | 4944.19 | 5063.76 |

Note: - The above statement should be read with the Statement of Significant Accounting Policies appearing in Annexure IV, Notes to the Restated Financial Information appearing in Annexure IV as per our attached report of even date.

ANNEXURE-II - SUMMARY OF STATEMENT OF PROFITS AND LOSS, AS RESTATED

Rs. In lakhs

| Particulars | Annexure | For the year ended | | | | |
|---|----------|--------------------|-----------------|-----------------|-----------------|-----------------|
| | | 31st March 2013 | 31st March 2014 | 31st March 2015 | 31st March 2016 | 31st March 2017 |
| Income | | | | | | |
| Revenue from operations | XXIII | 7620.59 | 7230.08 | 7526.94 | 8168.52 | 8324.33 |
| (a) Sales of goods | | | | | | |
| (i) Sale of manufactured goods (net of excise) | | 3919.09 | 4538.22 | 4605.26 | 4957.31 | 5802.49 |
| (ii) Sale of traded goods | | 2510.91 | 1708.31 | 2031.53 | 2379.80 | 1491.54 |
| (b) Sale of services | | 413.59 | 392.59 | 354.48 | 402.94 | 478.18 |
| (c) Other Operating Revenue | | 776.99 | 590.96 | 535.68 | 428.47 | 552.12 |
| Total Revenue from operations | | 7620.58 | 7230.08 | 7526.93 | 8168.51 | 8324.33 |
| Other Income | XXIV | 11.68 | 13.73 | 10.83 | 38.67 | 11.41 |
| Total Revenue | | 7632.27 | 7243.81 | 7537.76 | 8207.19 | 8335.75 |
| Expenses | | | | | | |
| Cost of Raw Material Consumed | XXV | 2855.63 | 3157.23 | 3248.59 | 3470.38 | 3990.19 |
| Purchase of traded goods | XXVI | 2076.33 | 1334.27 | 1538.63 | 1850.21 | 1081.80 |
| (Increase)/decrease in inventories of finished goods, work- | XXVII | (234.43) | 31.80 | 72.76 | (4.86) | 53.23 |

| | | | | | | |
|---|--------|----------------|----------------|----------------|----------------|----------------|
| in-progress and traded goods | | | | | | |
| Employee benefits expense | XXVIII | 1297.42 | 1203.99 | 1271.62 | 1496.46 | 1607.87 |
| Finance cost | XXIX | 26.90 | 23.74 | 25.24 | 91.31 | 123.32 |
| Depreciation and amortization expenses | | 67.69 | 52.57 | 58.54 | 67.59 | 85.08 |
| Other expenses | XXX | 1030.27 | 1051.21 | 1218.13 | 1430.68 | 1376.96 |
| Total Expenses | | 7119.81 | 6854.82 | 7433.50 | 8401.78 | 8318.45 |
| Profit before tax, as restated | | 512.45 | 388.99 | 104.26 | (194.59) | 17.30 |
| Exceptional items (Sales tax paid under Amnesty Scheme) | | 0.00 | 0.00 | 0.00 | 0.00 | 216.72 |
| Extraordinary items | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Tax expense | | | | | | |
| Current tax | | 180.00 | 120.00 | 50.00 | 0.00 | 0.00 |
| Deferred tax charge/(credit) | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| MAT credit entitlement | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Restated profit / (loss) for the period / year carried forward to summary statement of assets and liabilities | | 332.45 | 268.99 | 54.26 | (194.59) | (199.43) |
| Earnings Per Share | | 43.48 | 35.18 | 7.10 | (25.45) | (26.08) |

Note: - The above statement should be read with the Statement of Significant Accounting Policies appearing in Annexure IV, Notes to the Restated Financial Information appearing in Annexure IV. As per our attached report of even date

ANNEXURE III - STATEMENT OF CASH FLOWS, AS RESTATED FOR THE PERIOD / YEAR ENDED

Rs. In lakhs

| Particulars | For the year ended on 31 st March | | | | | |
|--|--|----------|-----------------|-----------------|-----------------|-----------------|
| | 31st 2013 | March | 31st March 2014 | 31st March 2015 | 31st March 2016 | 31st March 2017 |
| A. Cash Flow from Operating Activities | | | | | | |
| Net profit before tax | | 512.45 | 388.99 | 104.26 | (194.59) | (199.42) |
| Adjustments for: | | | | | | |
| Depreciation & Amortisation Exp. | | 67.69 | 52.57 | 58.53 | 67.59 | 85.08 |
| Loss (Profit) on Sale of Assets | | 3.92 | (0.05) | (0.39) | (8.39) | (1.09) |
| Dividend Income | | (2.26) | (1.52) | (1.09) | (0.70) | (0.70) |
| Interest expenses | | 26.90 | 23.74 | 25.24 | 91.31 | 112.28 |
| Interest Income | | (9.42) | (10.71) | (9.35) | (10.92) | (9.63) |
| Finance Cost | | | | | | |
| Operating profit before working capital changes (as restated) | | 599.29 | 453.01 | 177.20 | (55.69) | (13.48) |
| Changes in Working Capital | | | | | | |
| Trade and other receivable | | 212.55 | 45.34 | (261.47) | (412.26) | (199.74) |
| Inventories | | (253.92) | (187.45) | 6.93 | (40.10) | 145.11 |
| Trade and other Payables | | (181.59) | 119.10 | 167.10 | 190.72 | (302.87) |
| Net Cash flow from operations | | 376.33 | 430.01 | 89.76 | (317.34) | (370.98) |
| Less: Income Tax Paid | | (220.02) | (209.03) | (68.78) | - | - |
| Net cash generated from operating activities (A) | | 156.31 | 220.98 | 20.98 | (317.34) | (370.98) |
| B. Cash Flow from Investing Activities | | | | | | |
| Purchase of Fixed Assets (Net) | | (92.26) | (16.31) | (36.50) | (118.39) | (150.18) |
| Sale of Fixed Assets | | 2.11 | 1.35 | 2.46 | 8.82 | 2.32 |
| Purchase of Investment | | (10.11) | 3.63 | 0.00 | (0.55) | (0.55) |
| Sale / Redemption of Investment | | 0.00 | 0.00 | (0.94) | 0.00 | 0.00 |
| Interest Income | | 9.42 | 10.71 | 9.35 | 10.92 | 9.63 |
| Dividend Income | | 2.26 | 1.52 | 1.09 | 0.70 | 0.70 |
| Net cash from investing activities (B) | | (88.59) | 0.90 | (24.55) | (98.50) | (138.08) |
| C. Cash Flow from Financing Activities | | | | | | |
| Receipt of partly paid up shares | | 0.00 | 0.00 | 0.00 | 0.00 | 0.01 |

| Particulars | For the year ended on 31 st March | | | | | |
|---|--|---------------|--------------------|--------------------|--------------------|--------------------|
| | 31st 2013 | March | 31st March 2014 | 31st March 2015 | 31st March 2016 | 31st March 2017 |
| Proceeds from Borrowings | | 193.97 | (111.07) | 133.11 | 478.87 | 621.86 |
| Interest Paid | | (26.90) | (23.74) | (25.24) | (91.31) | (112.28) |
| Dividend paid (Including DDT) | | (222.17) | (133.30) | (111.08) | 0.00 | 0.00 |
| Net cash generated from financing activities (C) | | (55.10) | (268.10) | (3.21) | 387.55 | 509.59 |
| Net increase/(decrease) in cash and cash equivalents (A + B + C) | | 12.63 | (46.22) | (6.78) | (28.29) | 0.53 |
| Cash and cash equivalents at the beginning of the year | | 280.66 | 293.29 | 247.07 | 240.29 | 212.00 |
| Cash and cash equivalents at the end of the year | | 293.29 | 247.07 | 240.29 | 212.00 | 212.53 |
| Cash & Cash Equivalent Comprises | | | | | | |
| Cash | | 3.50 | 1.17 | 1.33 | 2.47 | 1.36 |
| Bank Balance: | | | | | | |
| Current Account | | 152.86 | 100.44 | 129.50 | 80.05 | 63.15 |
| Balances held for unpaid dividend | | 13.49 | 14.99 | 15.60 | 15.62 | 14.46 |
| Deposit Account | | 123.44 | 130.47 | 93.87 | 113.86 | 133.56 |
| Total | | 293.29 | 247.07 | 240.29 | 212.00 | 212.53 |

Note: - As per our attached report of even date

ANNEXURE IV - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation of Restated Summary Statements and financial statements

The restated summary statement of assets and liabilities of the Company as at March 31, 2017, 2016, 2015, 2014 and 2013 and the related restated summary Statement of profits and loss and Statement of

Cash Flows for the financial years ended on March 31, 2017, 2016, 2015, 2014 and 2013 [herein collectively referred to as 'Restated summary statements'] have been extracted by the management from the audited financial statements of the Company for the financial years ended on March 31, 2016, 2015, 2014, and 2013.

The restated summary statements have been prepared to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act to the extent notified and applicable. The restated summary statements have been prepared on a going concern and accrual basis. The accounting policies have been consistently applied by the Company unless otherwise stated.

These restated summary statements have been prepared to comply with the requirements of section 26 of the Companies Act, 2013, read with Rules 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ('the Regulations').

The audited Financial Statements for year ended March 31, 2017, 2016 and 2015 has been prepared in accordance with Schedule III of the Companies Act, 2013 and for the financial years ended on March 31, 2014, and 2013 in accordance with Revised Schedule VI of the Companies Act, 1956. For the purpose of inclusion in the offer document, audited financial statements are prepared in accordance with Schedule III of the Companies Act, 2013. The adoption of Schedule III of the Companies Act, 2013 do not impact recognition and measurement principles followed for preparation of financial statements.

The financial statements have been prepared to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) rules, 2014 and other relevant provisions of the Act to the extent notified and applicable. The financial statements have been prepared on a going concern and accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous years.

These Restated Summary Statements have been prepared after incorporating:

- i. Appropriate adjustments have been made in the Restated Summary Statements, wherever required, by regrouping of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with those of as per the audited financials of the Company for the year ended March 31, 2017.

b. Use of estimates:

The preparation of financial statements requires the management to make estimates and assumptions in the reported amounts of assets and liabilities (including current liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

c. Property, Plant and Equipment and Depreciation/Amortization:

All Property, Plant and Equipment are at cost of acquisition less depreciation/amortization. With the applicability of Companies Act, 2013 with effect from April 1, 2014, depreciation / amortization is provided on the Written Down Value Method, pro-rata to the period of use of assets, based on the useful lives as specified in Part C of Schedule II to the Companies Act, 2013. Due to the same, there has been a change in the estimated useful life of depreciable tangible assets which affects the depreciation in the F.Y. 2014-15 and in each period during the remaining useful life of the assets. As the change is only in regards to an accounting estimate requiring an adjustment of the carrying amount of tangible assets, the same does not require adjustment in the financial information for the years ended on March 31, 2014 and 2013.

Depreciation on additions to Property, Plant and Equipment has been provided on a pro-rata basis from the date of such additions.

d. Borrowing costs:

Borrowing costs that are directly attributable to the acquisition of qualifying assets are capitalized for the period until the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred. No borrowing costs were eligible for capitalization during the year.

e. Inventories:

Inventories are valued at cost or net realizable value whichever is lower. Cost is arrived at on the basis of weighted average method and includes applicable production overheads.

f. Investments:

Long-term investments are stated at cost. Provision for diminution is made to recognize a decline, other than temporary, in the value of long-term investments, where applicable.

Current Investments are stated at lower of cost and fair value.

g. Impairment of Property, Plant and Equipment:

An asset is considered as impaired in accordance with Accounting Standard 28 on Impairment of Assets when at the balance sheet date there are indications of impairment and the carrying amount of the assets, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the asset's net selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss.

h. Retirement benefits:

The Company has various schemes of Retirement benefits such as Provident Fund, Superannuation and Gratuity. The Superannuation and Gratuity Schemes are duly approved by Income-tax authorities and the Company's contributions to all these schemes are charged against revenue every year. The Gratuity and Superannuation Fund benefits are administered by a Trust formed for this purpose through the Life Insurance Corporation of India. In respect of gratuity, a provision has been made on the basis of an actuarial valuation as at the end of the year.

The liability in respect of employees eligible for Leave encashment is provided for on the basis of an actuarial valuation as at the end of the year.

i. Foreign currency transactions:

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. In respect of monetary items denominated in foreign currencies, exchange differences arising out of settlement or on conversion at the closing rate are recognised in the Statement of Profit and Loss, there being no liability incurred in foreign exchange for the purpose of acquiring Property, Plant and Equipment.

j. Taxation:

Provision for taxation has been made in accordance with the Income-tax laws and rules prevailing at the time of the relevant assessment years. Deferred tax has not been recognised in view of the position stated in Note 39.

k. Earnings per share:

The Company reports basic and diluted earnings per share (EPS) in accordance with Accounting Standard 20 Earnings per share.

l. Contingent Liabilities:

Provision is made for all known liabilities. Contingent liabilities if any are disclosed in the accounts by way of a note.

m. Earnings per Share

The basic earnings per share is computed and disclosed by dividing the net profit after tax attributable to equity shareholders for the year by weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed and disclosed using the weighted average number of equity shares outstanding during the year, adjusted for the effects of all dilutive potential equity share, if any.

Employee Benefits

a. Defined contribution to Provident fund, Employee state insurance and Superannuation

The company makes contribution towards employees' provident fund, employees' state insurance plan

Scheme and superannuation fund. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The Company during the year ended 31st March 2017 recognized Rs. 60,13,000/- as expense towards contributions to these plans.

b. Defined Contribution Benefit Plans (Gratuity)

The following table sets out the status of the gratuity scheme with Life Insurance Corporation of India.

| | | Components of Employer Expenses: | | | | |
|-----|--|----------------------------------|--------------|------------|------------|------------|
| | | 31.03.2017 | 31.03.2016 | 31.03.2015 | 31.03.2014 | 31.03.2013 |
| | Particulars | Rs. in Lakhs | Rs. in Lakhs | Rs. Lakhs | Rs. Lakhs | Rs. Lakhs |
| (a) | Current Service Cost | 13.23 | 14.09 | 13.02 | 12.82 | 13.08 |
| (b) | Interest Cost | 21.47 | 22.79 | 21.80 | 20.62 | 20.66 |
| (c) | Expected Return on Plan Assets | 1.01 | 0.67 | 1.70 | 1.90 | 2.95 |
| (d) | Curtailment Cost/Credit | -- | -- | -- | -- | -- |
| (e) | Past service Cost | -- | -- | -- | -- | -- |
| (f) | Settlement Cost | -- | -- | -- | -- | -- |
| (g) | Actuarial Losses/(Gains) | (3.83) | 4.41 | 12.13 | 9.02 | 9.65 |
| (h) | Total Expense recognised in Profit & Loss Account under Payments to and Provisions for Employees | 29.86 | 40.62 | 45.25 | 40.56 | 37.44 |

| | | | | | | |
|-----|---|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | | | | | | |
| | | Net Liability/(Asset) recognised in Balance Sheet as at | | | | |
| | | 31.03.2017 | 31.03.2016 | 31.03.2015 | 31.03.2014 | 31.03.2013 |
| | Particulars | Rs. in Lakhs | Rs. in Lakhs | Rs. in Lakhs | Rs. in Lakhs | Rs. in Lakhs |
| (a) | Present Value of obligation as at | 254.53 | 268.41 | 284.89 | 272.51 | 257.80 |
| (b) | Fair Value of Plan Assets as at | 27.60 | 2.52 | 14.68 | 24.66 | 24.51 |
| (c) | Liability/(Asset) recognised in the Balance sheet | 226.93 | 265.89 | 270.21 | 247.85 | 233.29 |
| | | Change in Defined Benefit Obligation (DBO) during the year ended | | | | |
| | Particulars | 31.03.2017 Rs. In lakhs | 31.03.2016 Rs. In lakhs | 31.03.2015 Rs. In lakhs | 31.03.2014 Rs. In lakhs | 31.03.2013 Rs. In lakhs |
| (a) | Present Value of Obligation as at | 268.41 | 284.89 | 272.51 | 257.80 | 258.20 |
| (b) | Current Service Cost | 13.23 | 14.09 | 13.02 | 12.82 | 13.08 |
| (c) | Interest Cost | 21.47 | 22.79 | 21.80 | 20.62 | 20.66 |
| (d) | Curtailement Cost / credit | - | - | - | - | - |
| (e) | Settlement Cost /Credit | - | - | - | - | - |
| (f) | Plan Amendments | - | - | - | - | - |
| (g) | Acquisitions | - | - | - | - | - |
| (h) | Actuarial Loss/(Gain) | (3.83) | 4.41 | 12.13 | 9.02 | 9.65 |
| (i) | Benefit Paid | 44.77 | 57.77 | 34.57 | 27.75 | 43.79 |
| (j) | Present value of Obligation as at | 254.53 | 268.41 | 284.89 | 272.51 | 257.80 |

| | | | | | | |
|-----|---------------------------------|--|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | | | | | | |
| | | Change in the fair value of Plan Assets | | | | |
| | Particulars | 31.03.2017 Rs. In lakhs | 31.03.2016 Rs. In lakhs | 31.03.2015 Rs. In lakhs | 31.03.2014 Rs. In lakhs | 31.03.2013 Rs. In lakhs |
| (a) | Fair value of Plan Assets as at | 2.52 | 14.68 | 24.66 | 24.51 | 44.35 |
| (b) | Acquisition Adjustment | - | - | - | - | - |
| (c) | Expected Returns on Plan Assets | 1.01 | 0.67 | 1.70 | 1.90 | 2.95 |
| (d) | Actuarial Gain/(Loss) | - | - | - | - | - |
| (e) | Actual Company contribution | 68.83 | 44.93 | 22.89 | 26.00 | 21.00 |
| (f) | Benefits Paid | (44.77) | (57.77) | (34.57) | (27.75) | (43.79) |
| (g) | Fair Value of Plan Assets as at | 27.60 | 2.51 | 14.68 | 24.66 | 24.51 |
| | | | | | | |
| | | Actuarial assumptions | | | | |
| | Particulars | 31.03.2017 | 31.03.2016 | 31.03.2015 | 31.03.2014 | 31.03.2013 |
| (a) | Discount Rate | 8% | 8% | 8% | 8% | 8% |
| (b) | Salary Escalation | 3% | 3% | 3% | 3% | 3% |

The estimates of future salary increase considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

ANNEXURE- V - STATEMENT OF SHARE CAPITAL AS RESTATED

Rs. In lakhs except share data

| Share Capital | 31st March 2013 | | 31st March 2014 | | 31st March 2015 | | 31st March 2016 | | 31st March 2017 | |
|---|-----------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|
| | Number | Amt. Rs. | Number | Amt. Rs. | Number | Amt. Rs. | Number | Amt. Rs. | Number | Amt. Rs. |
| | | | | | | | | | | |
| Authorized | | | | | | | | | | |
| | | | | | | | | | | |
| Equity Shares of Rs.10 each | 10,00,000 | 100 | 10,00,000 | 100 | 10,00,000 | 100 | 10,00,000 | 100 | 10,00,000 | 100 |
| | | | | | | | | | | |
| Issued | | | | | | | | | | |
| Equity Shares of Rs.10 each | 7,64,650 | 76.465 | 7,64,650 | 76.465 | 7,64,650 | 76.465 | 7,64,650 | 76.465 | 7,64,650 | 76.465 |
| | | | | | | | | | | |
| Subscribed & Paid up | | | | | | | | | | |
| Equity Shares of Rs.10 each fully paid up | 7,64,590 | 76.462 | 7,64,590 | 76.462 | 7,64,590 | 76.462 | 7,64,590 | 76.462 | 7,64,650 | 76.465 |
| | | | | | | | | | | |
| Total | 7,64,590 | 76.462 | 7,64,590 | 76.462 | 7,64,590 | 76.462 | 7,64,590 | 76.462 | 7,64,650 | 76.465 |

ANNEXURE- Va - RECONCILIATION OF NUMBER OF SHARES OUTSTANDING:

Rs. In lakhs except share data

| Particulars | 31st March 2013 | | 31st March 2014 | | 31st March 2015 | | 31st March 2016 | | 31st March 2017 | |
|---|-----------------|----------|-----------------|----------|-----------------|----------|-----------------|----------|-----------------|----------|
| | Equity Shares | | Equity Shares | | Equity Shares | | Equity Shares | | Equity Shares | |
| | Number | Amt. Rs. | Number | Amt. Rs. | Number | Amt. Rs. | Number | Amt. Rs. | Number | Amt. Rs. |
| Shares outstanding at the beginning of the year | 764650 | 76.462 | 764650 | 76.462 | 764650 | 76.462 | 764650 | 76.462 | 764650 | 76.462 |
| Shares Issued during the year | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.003 |
| Shares bought back during the year | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Shares outstanding at the end of the year | 764650 | 76.462 | 764650 | 76.462 | 764650 | 76.462 | 764650 | 76.462 | 764650 | 76.465 |

ANNEXURE- Vb - DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% OF THE AGGREGATE SHARES IN THE COMPANY:

| Name of Shareholder | As at | | | | | |
|--------------------------------|-----------------|------------|-----------------|------------|-----------------|------------|
| | 31st March 2013 | | 31st March 2014 | | 31st March 2015 | |
| | No. of Shares | Percentage | No. of Shares | Percentage | No. of Shares | Percentage |
| Mr Jai Prakash Agarwal | -- | -- | -- | -- | 80,550 | 10.53% |
| Mrs Krishna Agarwal | -- | -- | -- | -- | 40,000 | 5.23% |
| Mrs Shikha Jain | -- | -- | -- | -- | 92,477 | 12.09% |
| Mr Vishal Jain | -- | -- | -- | -- | 92,908 | 12.15% |
| Mr Sharad K Shah | -- | -- | -- | -- | 56,425 | 7.38% |
| Mr Burjor H Reporter | 74,420 | 9.73% | 76,420 | 9.99% | -- | -- |
| Mrs Aloo B Reporter | 73,450 | 9.61% | 73,450 | 9.61% | -- | -- |
| Mrs Parviz J Batliwala | 41,000 | 5.36% | 39,000 | 5.10% | -- | -- |
| Bullows India Private Limited | 71,040 | 9.29% | 71,040 | 9.29% | -- | -- |
| Phiroze Sethna Private Limited | 76,000 | 9.94% | 76,000 | 9.94% | -- | -- |

| Name of Shareholder | As at | | | |
|--------------------------------|-----------------|------------|-----------------|------------|
| | 31st March 2016 | | 31st March 2017 | |
| | No. of Shares | Percentage | No. of Shares | Percentage |
| Mr Jai Prakash Agarwal | 111,505 | 14.58% | 111,505 | 14.58% |
| Mrs Krishna Agarwal | 40,000 | 5.23% | 40,000 | 5.23% |
| Mrs Shikha Jain | 92,477 | 12.09% | 92,477 | 12.09% |
| Mr Vishal Jain | 92,908 | 12.15% | 92,908 | 12.15% |
| Mr Sharad K Shah | 56,425 | 7.38% | 56,425 | 7.38% |
| Mr Burjor H Reporter | -- | -- | -- | -- |
| Mrs Aloo B Reporter | -- | -- | -- | -- |
| Mrs Parviz J Batliwala | -- | -- | -- | -- |
| Bullows India Private Limited | -- | -- | -- | -- |
| Phiroze Sethna Private Limited | -- | -- | -- | -- |

Note: - The Equity shares of the Company have voting rights and are subject to the restrictions as prescribed under the companies Act, 2013.

Annexure- VI - RESERVES & SURPLUS
Amt. in lakhs

| Particulars | As at 31 March 2013 | As at 31 March 2014 | As at 31 March 2015 | As at 31 March 2016 | As at 31 March 2017 |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| A. Securities Premium Account | | | | | |
| Opening Balance | 115.79 | 115.79 | 115.79 | 115.79 | 115.80 |
| Add: Securities premium credited on Share issue | - | - | - | - | - |
| Less: Premium Utilised for various reasons | - | - | - | - | - |
| For Issuing Bonus Shares | | | | | |
| Closing Balance | 115.79 | 115.79 | 115.79 | 115.79 | 115.80 |
| B. General Reserve | | | | | |
| Opening Balance | 177.02 | 210.52 | 237.52 | 229.78 | 229.78 |
| Add: Current Year Transfer | 33.50 | 27.00 | 5.00 | 0.00 | 0.00 |
| Less: Adjustment of Depreciation | - | - | (12.73) | - | - |
| Closing Balance | 210.52 | 237.52 | 229.78 | 229.78 | 229.78 |
| C. Surplus | | | | | |
| Opening balance | 796.72 | 962.37 | 1093.28 | 1096.31 | 892.52 |
| (+) Net Profit/ (Net Loss) For the current year | 332.45 | 268.99 | 54.26 | (194.59) | (199.43) |
| (-) Proposed Equity Dividend | (114.69) | (95.58) | (38.23) | (7.65) | 0.00 |
| (-) Distribution Tax on Proposed Equity Dividend | (18.61) | (15.50) | (8.00) | (1.56) | 0.00 |
| (-) Transfer to Reserves | (33.50) | (27.00) | (5.00) | 0.00 | 0.00 |
| Closing Balance | 962.37 | 1093.28 | 1096.32 | 892.52 | 693.09 |
| Total | 1288.67 | 1446.58 | 1441.88 | 1238.09 | 1038.67 |

ANNEXURE- VII - LONG TERM BORROWINGS
Amt. in lakhs

| Particulars | 31st March 2013 | 31st March 2014 | 31st March 2015 | 31st March 2016 | 31st March 2017 |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|
| Secured | | | | | |
| (a) Term loans | | | | | |
| From Bank & Financial Institutions | | | | | |
| Term Loan | 11.34564 | 3.682 | 0 | 0 | 20.28705 |
| Vehicle Loan | 7.11136 | 0 | 0 | 0 | 0 |
| Total | 18.457 | 3.682 | 0 | 0 | 20.28705 |

The above Loans are repayable in monthly instalments over a period of 3 years.

There has been no default in repayment of Principal and Interest on the above Loans. Rate of Interest is 12.5% p.a.

Annexure- VIII - OTHER LONG-TERM LIABILITIES

Amt. in Lakhs

| Particulars | As at | | | | |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 31st March 2013 | 31st March 2014 | 31st March 2015 | 31st March 2016 | 31st March 2017 |
| Dealer Deposits | 23.61 | 21.46 | 20.96 | 21.96 | 29.56 |
| Total | 23.61283 | 21.46283 | 20.96283 | 21.96283 | 29.56283 |

ANNEXURE- IX - LONG TERM PROVISIONS

Amt. in lakhs

| Particulars | As at | | | | |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 31st March 2013 | 31st March 2014 | 31st March 2015 | 31st March 2016 | 31st March 2017 |
| Provision for employee benefits | | | | | |
| Superannuation | 65.55 | 49.58 | 30.83 | 31.05 | 39.70 |
| Gratuity | 208.54 | 220.06 | 209.34 | 237.77 | 194.26 |
| Leave Encashment | 89.24 | 77.83 | 95.02 | 93.57 | 118.09 |
| Total | 363.33 | 347.47 | 335.19 | 362.39 | 352.05 |

ANNEXURE- X - SHORT TERM BORROWINGS

Amt. in lakhs

| Particulars | As at 31 March | | | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 31st March 2013 | 31st March 2014 | 31st March 2015 | 31st March 2016 | 31st March 2017 |
| Secured | | | | | |
| (a) Working Capital Loans: Cash Credit from a Bank | 196.05 | 99.76 | 233.16 | 715.42 | 1316.99 |
| | | | | | |
| (b) Loan from Bank | 0.00 | 0.00 | 3.39433 | 0.00 | 0.00 |
| | | | | | |
| Total | 196.05 | 99.76 | 236.55 | 715.42 | 1316.99 |

Note 7.1: -

"Security: Cash Credit Secured by hypothecation of stock and book debts and an equitable mortgage of the Company's properties at Thane on a pari-passu basis.

Loan from Bank Secured by hypothecation of underlying assets.

Rate of Interest:

Cash Credit from bank carries interest rate ranging from 11.5% p.a. to 13.5% p.a.

Loan from bank carries interest rate ranging from 12.5% p.a. to 13.5% p.a.

Details of terms of Repayment

Loan from Bank is repayable in monthly instalments. Cash Credit is repayable on demand

ANNEXURE- XI - OTHER CURRENT LIABILITIES

Rs in lakhs

| Particulars | As at | | | | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 31st March 2013 | 31st March 2014 | 31st March 2015 | 31st March 2016 | 31st March 2017 |
| (i) Current maturities of Long Term Debt (i.e. Term Liability classified as current) | 16.88 | 15.64 | 0.00 | 0.00 | 0.00 |
| (ii) Statutory Remittance | | | | | |
| a) Central Excise, Customs Duty, VAT and Service Tax Payable | 66.95 | 4.89 | 1.30 | 7.43 | 4.45 |
| b) Tax Deducted at Source | 14.06 | 11.25 | 12.00 | 17.80 | 18.60 |
| c) Provident Fund and other employee deductions | 15.69 | 14.95 | 11.90 | 11.86 | 12.66 |
| (iii) Due against Capital Expenditure | 2.80 | 3.47 | 0.12 | 4.54 | 0.00 |
| (iv) Other Payables (Specify Nature) | | | | | |
| Unpaid Dividends | 13.49 | 14.99 | 15.60 | 15.62 | 14.46 |
| Dealer Deposit | 11.81 | 2.41 | 2.41 | 2.26 | 0.00 |
| Income received in advance | 22.75 | 23.09 | 17.47 | 26.90 | 32.96 |
| Salary and Reimbursements | 106.40 | 104.28 | 103.25 | 131.42 | 59.59 |
| Advance from Customers | 110.49 | 59.53 | 103.96 | 95.13 | 216.84 |
| Other Current Liabilities: Accrued Expenses | 169.61 | 156.63 | 154.66 | 229.46 | 160.08 |
| Total | 550.94 | 411.13 | 422.66 | 542.43 | 519.64 |

ANNEXURE- XII - SHORT TERM PROVISIONS

Rs in Lakhs

| Particulars | As at 31st March | | | | |
|------------------------------|------------------|-----------------|-----------------|-----------------|-----------------|
| | 31st March 2013 | 31st March 2014 | 31st March 2015 | 31st March 2016 | 31st March 2017 |
| Provision For | | | | | |
| (a) Employee benefits | | | | | |
| (i) Superannuation | 0.97 | 1.19 | 4.06 | 1.31 | 0.61 |

| | | | | | |
|--|---------------|---------------|---------------|--------------|--------------|
| (ii) Gratuity Provision | 12.50 | 21.77 | 49.51 | 22.47 | 22.42 |
| (iii) Leave Encashment | 19.98 | 21.70 | 23.42 | 21.48 | 2.83 |
| (b) Others (Specify nature) | | | | | |
| (i) Income Tax / Provision for tax (Less: Advance payment of income-tax) | 115.59 | 26.56 | 7.79 | 0.00 | 0.00 |
| (ii) Provision for warranty claims | 14.39 | 6.27 | 14.43 | 15.45 | 23.33 |
| (iii) Proposed Equity Dividend | 114.69 | 95.58 | 38.23 | 7.65 | 0.00 |
| (iv) Distribution tax on Proposed Equity Dividend | 18.61 | 15.50 | 8.00 | 1.56 | 0.00 |
| Total | 296.73 | 188.58 | 145.43 | 69.91 | 49.19 |

ANNEXURE- XIII - FIXED ASSETS
Rs in lakhs

| Fixed Assets | Gross Block | | | | Accumulated Depreciation | | | | | Net Block | |
|----------------------------|----------------------------|-------------|-------------|-----------------------------|----------------------------|-----------------------------------|---------------------------------|---------------|-----------------------------|-----------------------------|-----------------------------|
| | Balance as at 1 April 2012 | Ad diti ons | Dis pos als | Balance as at 31 March 2013 | Balance as at 1 April 2012 | Depreciatio n charge for the year | Adjustment due to revaluation s | On disp osals | Balance as at 31 March 2013 | Balance as at 31 March 2013 | Balance as at 31 March 2012 |
| (a)Tangi ble Assets | | | | | | | | | | | |
| Leasehol d Land | 1.02 | 0.00 | 0.00 | 1.02 | 0.51 | 0.01 | 0.00 | 0.00 | 0.52 | 0.50 | 0.51 |
| Building | 42.61 | 0.00 | 0.00 | 42.61 | 39.66 | 0.30 | 0.00 | 0.00 | 39.95 | 2.66 | 2.95 |
| Plant and Machiner y | 383.21 | 97.30 | 0.02 | 480.48 | 250.99 | 26.81 | 0.00 | 0.02 | 277.78 | 202.70 | 132.21 |
| Furniture & Fixture | 74.36 | 2.45 | 1.32 | 75.49 | 62.01 | 2.49 | 0.00 | 1.01 | 63.49 | 12.00 | 12.36 |
| Motor Car | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Compute rs & Periphere ls | 283.66 | 2.02 | 8.56 | 277.12 | 248.77 | 14.52 | 0.00 | 8.21 | 255.08 | 22.04 | 34.89 |
| Vehicles | 71.24 | 0.00 | 13.49 | 57.74 | 23.46 | 12.10 | 0.00 | 8.13 | 27.43 | 30.32 | 47.78 |
| Office Equipme nts | 20.85 | 0.35 | 0.00 | 21.21 | 17.35 | 0.94 | 0.00 | 0.00 | 18.29 | 2.91 | 3.50 |
| Electrific ations | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

| | | | | | | | | | | | |
|-----------------------------|----------------|---------------|--------------|----------------|---------------|--------------|-------------|--------------|---------------|---------------|---------------|
| Total | 876.95 | 102.12 | 23.39 | 955.67 | 642.74 | 57.16 | 0.00 | 17.36 | 682.54 | 273.13 | 234.21 |
| | | | | | | | | | | | |
| (b)Intangible Assets | | | | | | | | | | | |
| Technical Know-How | 102.01 | 0.00 | 0.00 | 102.01 | 102.01 | 0.00 | 0.00 | 0.00 | 102.01 | 0.00 | 0.00 |
| Trademarks | 0.02 | 0.00 | 0.00 | 0.02 | 0.02 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Software | 112.41 | 4.11 | 0.00 | 116.52 | 99.58 | 10.53 | 0.00 | 0.00 | 110.10 | 6.42 | 12.83 |
| Total | 214.44 | 4.11 | 0.00 | 218.55 | 201.60 | 10.53 | 0.00 | 0.00 | 212.13 | 6.42 | 12.83 |
| | | | | | | | | | | | |
| Total (a+b) | 1091.38 | 106.23 | 23.39 | 1174.22 | 844.34 | 67.69 | 0.00 | 17.36 | 894.67 | 279.55 | 247.04 |

Rs in lakhs

| Fixed Assets | Gross Block | | | | Accumulated Depreciation | | | | | Net Block | |
|---------------------------|----------------------------|-----------|-----------|-----------------------------|----------------------------|----------------------------------|--------------------------------|--------------|-----------------------------|-----------------------------|-----------------------------|
| | Balance as at 1 April 2013 | Additions | Disposals | Balance as at 31 March 2014 | Balance as at 1 April 2013 | Depreciation charge for the year | Adjustment due to revaluations | On disposals | Balance as at 31 March 2014 | Balance as at 31 March 2014 | Balance as at 31 March 2013 |
| (a)Tangible Assets | | | | | | | | | | | |
| | | | | | | | | | | | |
| Leasehold Land | 1.02 | 0.00 | 0.00 | 1.02 | 0.52 | 0.01 | 0.00 | 0.00 | 0.53 | 0.49 | 0.50 |

| | | | | | | | | | | | |
|-----------------------------|---------------|--------------|-------------|---------------|---------------|--------------|-------------|-------------|---------------|---------------|---------------|
| Building | 42.61 | 0.0 0 | 0.0 0 | 42.61 | 39.95 | 0.27 | 0.00 | 0.00 | 40.22 | 2.39 | 2.66 |
| Plant and Machinery | 480.48 | 12.63 | 4.08 | 489.04 | 277.78 | 29.10 | 0.00 | 3.30 | 303.57 | 185.46 | 202.70 |
| Furniture & Fixture | 75.49 | 0.70 | 0.29 | 75.90 | 63.49 | 2.28 | 0.00 | 0.18 | 65.60 | 10.30 | 12.00 |
| Motor Car | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Computers & Peripherals | 277.12 | 1.48 | 1.77 | 276.82 | 255.08 | 9.10 | 0.00 | 1.64 | 262.54 | 14.29 | 22.04 |
| Vehicles | 57.74 | 0.00 | 3.42 | 54.33 | 27.43 | 7.82 | 0.00 | 3.14 | 32.10 | 22.22 | 30.32 |
| Office Equipments | 21.21 | 0.00 | 0.00 | 21.21 | 18.29 | 0.73 | 0.00 | 0.00 | 19.02 | 2.19 | 2.91 |
| Electrifications | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | 955.67 | 14.81 | 9.56 | 960.92 | 682.54 | 49.30 | 0.00 | 8.26 | 723.58 | 237.34 | 273.13 |
| | | | | | | | | | | | |
| (b)Intangible Assets | | | | | | | | | | | |
| Technical Know-How | 102.01 | 0.00 | 0.00 | 102.01 | 102.01 | 0.00 | 0.00 | 0.00 | 102.01 | 0.00 | 0.00 |
| Trademarks | 0.02 | 0.00 | 0.00 | 0.02 | 0.02 | 0.00 | 0.00 | 0.00 | 0.02 | 0.00 | 0.00 |
| Software | 116.52 | 1.50 | 0.00 | 118.02 | 110.10 | 3.27 | 0.00 | 0.00 | 113.38 | 4.65 | 6.42 |

| | | | | | | | | | | | |
|-------------------|----------------|--------------|-------------|----------------|---------------|--------------|-------------|-------------|---------------|---------------|---------------|
| Total | 218.55 | 1.50 | 0.00 | 220.05 | 212.13 | 3.27 | 0.00 | 0.00 | 215.40 | 4.65 | 6.42 |
| Total(a+b) | 1174.22 | 16.31 | 9.56 | 1180.97 | 894.67 | 52.57 | 0.00 | 8.26 | 938.98 | 241.99 | 279.55 |

Rs in lakhs

| Fixed Assets | Gross Block | | | Accumulated Depreciation | | | | | Net Block | | |
|----------------------------|----------------------------|------------------------|-----------|-----------------------------|----------------------------|----------------------------------|--------------------------------|--------------|-----------------------------|-----------------------------|-----------------------------|
| | Balance as at 1 April 2014 | Additions/ (Disposals) | Disposals | Balance as at 31 March 2015 | Balance as at 1 April 2014 | Depreciation charge for the year | Adjustment due to revaluations | On disposals | Balance as at 31 March 2015 | Balance as at 31 March 2015 | Balance as at 31 March 2014 |
| (a) Tangible Assets | | | | | | | | | | | |
| Leasehold Land | 1.02 | 0.00 | 0.00 | 1.02 | 0.53 | 0.12 | 0.00 | 0.00 | 0.65 | 0.37 | 0.49 |
| Building | 42.61 | 0.00 | 0.00 | 42.61 | 40.22 | 0.03 | 0.00 | 0.00 | 40.25 | 2.36 | 2.39 |
| Computers & Peripherals | 276.82 | 12.25 | 8.96 | 280.11 | 262.54 | 8.92 | 9.01 | 8.04 | 272.42 | 7.69 | 14.29 |
| Furniture & Fixture | 75.90 | 2.49 | 1.13 | 77.25 | 65.60 | 3.18 | 0.53 | 0.99 | 68.33 | 8.93 | 10.30 |
| Office Equipments | 21.21 | 2.87 | 1.10 | 22.98 | 19.02 | 0.82 | 1.09 | 1.06 | 19.87 | 3.10 | 2.19 |

| | | | | | | | | | | | |
|-----------------------------|----------------|--------------|--------------|----------------|---------------|--------------|--------------|--------------|---------------|---------------|---------------|
| Plant & Machinery | 489.04 | 17.03 | 2.22 | 503.84 | 303.57 | 36.71 | 2.10 | 1.26 | 341.12 | 162.72 | 185.46 |
| Vehicles | 54.33 | 0.00 | 0.00 | 54.33 | 32.10 | 7.36 | 0.00 | 0.00 | 39.47 | 14.86 | 22.22 |
| | | | | | | | | | | | |
| Total | 960.92 | 34.64 | 13.42 | 982.14 | 723.58 | 57.15 | 12.73 | 11.35 | 782.10 | 200.04 | 237.34 |
| (b)Intangible Assets | | | | | | | | | | | |
| Technical Know-How | 102.01 | 0.00 | 0.00 | 102.01 | 102.01 | 0.00 | 0.00 | 0.00 | 102.01 | 0.00 | 0.00 |
| Trademarks | 0.02 | 0.00 | 0.00 | 0.02 | 0.02 | 0.00 | 0.00 | 0.00 | 0.02 | 0.00 | 0.00 |
| Software | 118.02 | 1.86 | 0.00 | 119.89 | 113.38 | 1.39 | 0.00 | 0.00 | 114.77 | 5.12 | 4.65 |
| Total | 220.05 | 1.86 | 0.00 | 221.91 | 215.40 | 1.39 | 0.00 | 0.00 | 216.80 | 5.12 | 4.65 |
| | | | | | | | | | | | |
| Total(a+b) | 1180.97 | 36.50 | 13.42 | 1204.05 | 938.98 | 58.54 | 12.73 | 11.35 | 998.90 | 205.15 | 241.99 |

Rs in Lakhs

| Fixed Assets | Gross Block | | | | Accumulated Depreciation | | | | | Net Block | |
|--------------|----------------------------|-----------|------------------------|-----------------------------|----------------------------|------------------------------------|---|---------------------------|-----------------------------|-----------------------------|-----------------------------|
| | Balance as at 1 April 2015 | Additions | Dispos al/ Adjust ment | Balance as at 31 March 2016 | Balance as at 1 April 2015 | Depreciated on charge for the year | Amount Charged to Reserves (refer Note below) | Deducti ons/ Adjust ments | Balance as at 31 March 2016 | Balance as at 31 March 2016 | Balance as at 31 March 2015 |

| | | | | | | | | | | | |
|------------------------------|---------------|---------------|--------------|----------------|---------------|--------------|-------------|--------------|---------------|---------------|---------------|
| (a) Tangible Assets | | | | | | | | | | | |
| | | | | | | | | | | | |
| Leasehold Land | 1.02 | 0.00 | 0.00 | 1.02 | 0.65 | 0.10 | 0.00 | 0.00 | 0.75 | 0.27 | 0.37 |
| Building | 42.61 | 0.00 | 0.00 | 42.61 | 40.25 | 0.04 | 0.00 | 0.00 | 40.28 | 2.33 | 2.36 |
| Computers & Peripherals | 280.11 | 26.03 | 0.47 | 305.67 | 272.42 | 13.68 | 0.00 | 0.47 | 285.63 | 20.04 | 7.69 |
| Furniture & Fixture | 77.25 | 28.93 | 0.05 | 106.13 | 68.33 | 5.27 | 0.00 | 0.05 | 73.55 | 32.58 | 8.93 |
| Office Equipments | 22.98 | 3.41 | 0.18 | 26.21 | 19.87 | 2.45 | 0.00 | 0.18 | 22.15 | 4.06 | 3.10 |
| Plant & Machinery | 503.84 | 57.15 | 15.04 | 545.95 | 341.12 | 38.59 | 0.00 | 14.61 | 365.10 | 180.85 | 162.72 |
| Vehicles | 54.33 | 0.00 | 0.00 | 54.33 | 39.47 | 5.76 | 0.00 | 0.00 | 45.23 | 9.10 | 14.86 |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| Total | 982.14 | 115.51 | 15.73 | 1081.92 | 782.10 | 65.89 | 0.00 | 15.30 | 832.70 | 249.22 | 200.04 |
| (b) Intangible Assets | | | | | | | | | | | |
| Technical | 102.01 | 0.00 | 0.00 | 102.01 | 102.01 | 0.00 | 0.00 | 0.00 | 102.01 | 0.00 | 0.00 |

| | | | | | | | | | | | |
|-------------------|----------------|---------------|--------------|----------------|---------------|--------------|-------------|--------------|----------------|---------------|---------------|
| Know-How | | | | | | | | | | | |
| Trademarks | 0.02 | 0.00 | 0.00 | 0.02 | 0.02 | 0.00 | 0.00 | 0.00 | 0.02 | 0.00 | 0.00 |
| Software | 119.89 | 2.88 | 0.00 | 122.76 | 114.77 | 1.70 | 0.00 | 0.00 | 116.47 | 6.29 | 5.12 |
| Total | 221.91 | 2.88 | 0.00 | 224.79 | 216.80 | 1.70 | 0.00 | 0.00 | 218.50 | 6.29 | 5.12 |
| | | | | | | | | | | | |
| Total(a+b) | 1204.05 | 118.39 | 15.73 | 1306.71 | 998.90 | 67.59 | 0.00 | 15.30 | 1051.19 | 255.52 | 205.15 |

Rs in Lakhs

| Fixed Assets | Gross Block | | | Accumulated Depreciation | | | | | Net Block | | |
|----------------------------|----------------------------|-----------|---------------------|-----------------------------|----------------------------|----------------------------------|----------------------------|------------------------|-----------------------------|-----------------------------|-----------------------------|
| | Balance as at 1 April 2016 | Additions | Disposal/Adjustment | Balance as at 31 March 2017 | Balance as at 1 April 2016 | Depreciation charge for the year | Amount Charged to Reserves | Deductions/Adjustments | Balance as at 31 March 2017 | Balance as at 31 March 2017 | Balance as at 31 March 2016 |
| (a) Tangible Assets | | | | | | | | | | | |
| Leasehold Land | 1.02 | 0.00 | 0.00 | 1.02 | 0.75 | 0.07 | 0.00 | 0.00 | 0.83 | 0.19 | 0.27 |
| Building | 42.61 | 6.86 | 0.00 | 49.47 | 40.28 | 0.39 | 0.00 | 0.00 | 40.68 | 8.80 | 2.33 |
| Computers & Peripherals | 305.67 | 15.48 | 0.00 | 321.15 | 285.63 | 16.96 | 0.00 | 0.00 | 302.59 | 18.56 | 20.04 |
| Furniture & Fixture | 106.13 | 27.58 | 0.10 | 133.61 | 73.55 | 14.54 | 0.00 | 0.08 | 88.01 | 45.60 | 32.58 |

| | | | | | | | | | | | |
|--------------------------------------|----------------|-------------------------|-------------|----------------|----------------|--------------|-------------|-------------|----------------|---------------|---------------|
| Office Equipme nts | 26.21 | 3.1 4 | 0.00 | 29.34 | 22.15 | 2.82 | 0.00 | 0.00 | 24.97 | 4.37 | 4.06 |
| Plant & Machine ry | 545.95 | 79. 37 | 4.81 | 620.52 | 365.10 | 43.31 | 0.00 | 3.59 | 404.82 | 215.70 | 180.85 |
| Vehicles | 54.33 | 0.0 0 | 0.00 | 54.33 | 45.23 | 3.20 | 0.00 | 0.00 | 48.43 | 5.90 | 9.10 |
| Office Equipme nts | 0.00 | 0.0 0 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Electrifi cations | 0.00 | 0.0 0 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | 1081.92 | 13 2.4 3 | 4.91 | 1209.44 | 832.70 | 81.30 | 0.00 | 3.67 | 910.32 | 299.12 | 249.22 |
| | | | | | | | | | | | |
| (b)Intan gible Assets | | | | | | | | | | | |
| Technic al Know- How | 102.01 | 0.0 0 | 0.00 | 102.01 | 102.01 | 0.00 | 0.00 | 0.00 | 102.01 | 0.00 | 0.00 |
| Tradema rks | 0.02 | 0.0 0 | 0.00 | 0.02 | 0.02 | 0.00 | 0.00 | 0.00 | 0.02 | 0.00 | 0.00 |
| Software | 122.76 | 17. 75 | 0.00 | 140.51 | 116.47 | 3.78 | 0.00 | 0.00 | 120.25 | 20.26 | 6.29 |
| Total | 224.79 | 17. 75 | 0.00 | 242.54 | 218.50 | 3.78 | 0.00 | 0.00 | 222.28 | 20.26 | 6.29 |
| | | | | | | | | | | | |
| Total(a +b) | 1306.71 | 15 0.1 8 | 4.91 | 1451.98 | 1051.19 | 85.08 | 0.00 | 3.67 | 1132.60 | 319.38 | 255.52 |

ANNEXURE- XIV - NON-CURRENT INVESTMENTS
Rs in lakhs

| Particulars | As at | | | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 31st March 2013 | 31st March 2014 | 31st March 2015 | 31st March 2016 | 31st March 2017 |
| (a) Investment in Equity Instruments | | | | | |
| In Unquoted Fully paid up Equity Shares of The Zoroastrian Co-operative Bank Ltd (Number of Shares-4000) | 1.00001 | 1.00001 | 1.00001 | 1.00001 | 1.00001 |
| | | | | | |
| Aggregate amount of unquoted Investments | 1.00001 | 1.00001 | 1.00001 | 1.00001 | 1.00001 |
| | | | | | |
| Aggregate Cost of Quoted Investment | 0 | 0 | 0 | 0 | |
| Aggregate Cost of Unquoted Investment | 1.00001 | 1.00001 | 1.00001 | 1.00001 | 1.00001 |
| Aggregate Market Value of Quoted | 0 | 0 | 0 | 0 | 0 |
| | | | | | |
| Total | 1.00001 | 1.00001 | 1.00001 | 1.00001 | 1.00001 |

ANNEXURE- XV - LONG TERM LOANS AND ADVANCES
Rs in lakhs

| Particulars | As at | | | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 31st March 2013 | 31st March 2014 | 31st March 2015 | 31st March 2016 | 31st March 2017 |
| (Unsecured and Considered Good) | | | | | |
| a. long term loans and advances recoverable from Directors/Promoters/Promoter Group/ Associates/ Relatives of Directors/Group Company | 0 | 0 | 0 | 0 | 0 |
| | | | | | |
| b. Other Long Term Loans & Advances | | | | | |
| Security Deposits | 14.16 | 18.02 | 19.04 | 34.75 | 33.43 |
| Advance Tax (Net of Provision for Income Tax) | 0 | 0 | 0 | 9.69 | 22.21 |
| Advance against Capital Expenditure | 0 | 0 | 0 | 0 | 0 |
| Other Advances | 0 | 0 | 0 | 0 | 0 |
| (recoverable in cash or kind or for value to be received) | 0 | 0 | 0 | 0 | 0 |
| Total | 14.16 | 18.02 | 19.04 | 34.75 | 33.43 |

ANNEXURE- XVI - CURRENT INVESTMENTS
Rs in lakhs

| Particulars | As on | | | | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 31st March 2013 | 31st March 2014 | 31st March 2015 | 31st March 2016 | 31st March 2017 |
| Unquoted Investments | | | | | |
| Aggregate amount of unquoted Investments | 0 | 0 | 0 | 0 | 0 |
| | | | | | |
| Quoted Investments | | | | | |
| (a) Investments in Mutual Funds: | 0 | 0 | 0 | 0 | |
| Reliance Money Manager Fund | 12.56 | 8.92 | 6.75 | 7.13 | 7.51 |
| Reliance Liquid Plus Fund | 0.00 | 0.00 | 3.12 | 3.29 | 3.46 |
| | | | | | |
| Aggregate amount of Quoted Investments | 12.56 | 8.92 | 9.87 | 10.42 | 10.97 |
| | | | | | |
| Aggregate Cost of Quoted Investment | 12.56 | 8.92 | 9.87 | 10.42 | 10.97 |
| Aggregate Cost of Unquoted Investment | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Aggregate Market Value of Quoted | 12.56 | 8.93 | 9.88 | 10.45 | 11.03 |
| Total | 12.56 | 8.92 | 9.87 | 10.42 | 10.97 |

ANNEXURE- XVII - INVENTORIES
Rs in lakhs

| Particulars | As at | | | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 31st March 2013 | 31st March 2014 | 31st March 2015 | 31st March 2016 | 31st March 2017 |
| a. Raw Materials and components (Valued at Cost as per FIFO Method) | 276.00 | 495.32 | 557.37 | 553.32 | 503.97 |
| | | | | | |
| b. Work-in-progress (Valued at Estimated Cost) | 165.76 | 189.44 | 181.99 | 112.35 | 91.31 |
| | | | | | |
| c. Finished goods (Valued at Lower of Cost or NRV) | 25.66 | 0 | 16.46 | 79.04 | 63.24 |
| | | | | | |
| d. Stock-in Trade | 397.04 | 367.22 | 285.45 | 297.37 | 280.99 |

| | | | | | |
|---|---------------|----------------|----------------|----------------|---------------|
| (Valued at Lower of Cost or NRV) | | | | | |
| e. Stores and spares & Packing Materials | 1.67 | 1.61 | 5.39 | 44.68 | 2.16 |
| (Valued at Lower of Cost or NRV as per FIFO Method) | | | | | |
| Total | 866.14 | 1053.60 | 1046.67 | 1086.77 | 941.66 |

ANNEXURE- XVIII - TRADE RECEIVABLES

| | Rs in lakhs | | | | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Particulars | 31st March 2103 | 31st March 2014 | 31st March 2015 | 31st March 2016 | 31st March 2017 |
| (Unsecured and Considered Good) | | | | | |
| a. From Directors/Promoters/Promoter Group/Associates/Relatives of Directors / Group Companies | | | | | |
| Over Six Months | 4.89 | 0.00 | 0.00 | 0.00 | 0.00 |
| Others | 12.77 | 0.37 | 0.44 | 0.12 | 0.00 |
| b. From Others | | | | | |
| a) Over Six Months | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Considered good | 921.92 | 884.01 | 485.08 | 687.11 | 563.53 |
| Considered doubtful | 73.95 | 57.60 | 62.01 | 63.40 | 82.46 |
| Less: Provision for doubtful debts | 73.95 | 57.60 | 62.01 | 63.40 | 82.46 |
| Sub-total | 921.92 | 884.01 | 485.08 | 687.11 | 563.53 |
| b) Others | 1473.70 | 1478.67 | 2071.27 | 2080.40 | 2476.95 |
| Total | 2413.28 | 2363.05 | 2556.80 | 2767.64 | 3040.48 |

Annexure- XIX - CASH AND BANK BALANCES

| | Rs in lakhs | | | | |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Particulars | 31st March 2103 | 31st March 2014 | 31st March 2015 | 31st March 2016 | 31st March 2017 |
| a. Cash & Bank Equivalent | | | | | |
| Cash on hand* | 3.50 | 1.17 | 1.33 | 2.47 | 1.36 |
| Balances with banks | | | | | |
| - in current accounts | 152.86 | 100.44 | 129.50 | 80.05 | 63.15 |
| Balances held for unpaid dividends | 13.49 | 14.99 | 15.60 | 15.62 | 14.46 |

| | | | | | |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|
| | | | | | |
| b. Balance in Deposit Accounts | | | | | |
| Bank Deposits as Margin money | 123.44 | 130.47 | 93.87 | 113.86 | 133.56 |
| Total | 293.29 | 247.07 | 240.29 | 212.00 | 212.53 |

ANNEXURE- XX - SHORT TERM LOANS AND ADVANCES

Rs in lakhs

| Particulars | 31st March 2013 | 31st March 2014 | 31st March 2015 | 31st March 2016 | 31st March 2017 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| (Unsecured and Considered Good) | | | | | |
| a. Loans and advances to Directors/Promoters/Promoter Group/ Associates/ Relatives of Directors/Group Company | 0 | 0 | 0 | 0 | 0 |
| b. Balance with Government Authorities | 38.41 | 153.66 | 259.34 | 428.93 | 324.24 |
| c. Others (specify nature) | | | | | |
| | | | | | |
| i) Prepaid Expenses | 8.62 | 6.65 | 8.64 | 9.09 | 17.97 |
| ii) Advances Recoverable in cash or in kind | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Considered good | 269.94 | 158.17 | 118.66 | 122.45 | 133.38 |
| Considered doubtful | 17.07 | 11.59 | 5.63 | 43.97 | 9.09 |
| Less: Provision for doubtful advances | 17.07 | 11.59 | 5.63 | 43.97 | 9.09 |
| Sub-total | 269.94 | 158.17 | 118.66 | 122.45 | 133.38 |
| Total | 316.97 | 318.49 | 386.64 | 560.47 | 475.59 |

ANNEXURE- XXI - OTHER CURRENT ASSETS

(Rs in Lakhs)

| Particulars | As at | | | | |
|-----------------------------------|-----------------------|-----------------------|-----------------------|--------------------|--------------------|
| | 31st March 2013 | 31st March 2014 | 31st March 2015 | 31st March 2016 | 31st March 2017 |
| Interest Accrued on Bank Deposits | 5.67 | 5.19 | 3.74 | 5.93 | 6.50 |
| Total | 5.67 | 5.19 | 3.74 | 5.93 | 6.50 |

ANNEXURE- XXII - CONTINGENT LIABILITIES AND COMMITMENTS
Rs in lakhs

| Particulars | As at | | | | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 31st March 2013 | 31st March 2014 | 31st March 2015 | 31st March 2016 | 31st March 2017 |
| (a) Contingent Liabilities | | | | | |
| a. Claims against the company not acknowledged as debts | | | | | |
| Disputed Sales Tax matters | 647.24 | 669.67 | 548.94 | 1391.75 | 1263.04 |
| Disputed Service Tax matters | 5.52 | 12.11 | 12.11 | 10.53 | 10.53 |
| Disputed Income Tax matters | 0.00 | 54.70 | 54.70 | 21.11 | 0.00 |
| Claim under Central Excise Act, 1944 | 164.60 | 1287.50 | 1413.83 | 1602.22 | 1602.22 |
| Other Disputed Sales Tax matters | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other Disputed matters | 8.50 | 8.50 | 8.50 | 8.50 | 8.50 |
| (Future cash flow in respect of the above, if any, is determinable only on receipt of judgements/ decisions pending with the relevant authorities.) | | | | | |
| b. Guarantees | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Bank Guarantees for performance contracts | 546.99 | 479.22 | 420.31 | 573.45 | 683.11 |
| c. Other Money for which the company is contingently liable | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| (b) Commitments | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | 1372.85 | 2511.70 | 2458.39 | 3607.56 | 3567.40 |

ANNEXURE- XXIII - REVENUE FROM OPERATION
Rs in lakhs

| Particulars | For the period ended 31st March | | | | |
|---|---------------------------------|----------------|----------------|----------------|----------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 |
| Revenue from Operation | | | | | |
| (I) Sale of goods/services as applicable | | | | | |
| Sales of goods | | | | | |
| Sale of manufactured goods | 4341.23 | 5007.60 | 5193.89 | 5590.48 | 6566.87 |
| Less: Excise duty | 422.14 | 469.39 | 588.63 | 633.18 | 764.38 |
| Sale of manufactured goods (net of excise) | 3919.09 | 4538.22 | 4605.26 | 4957.31 | 5802.49 |
| Sale of traded goods | 2510.91 | 1708.31 | 2031.53 | 2379.80 | 1491.54 |
| Total | 6430.00 | 6246.52 | 6636.78 | 7337.10 | 7294.03 |

| | | | | | |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|
| | | | | | |
| Sale of services | 413.59 | 392.59 | 354.48 | 402.94 | 478.18 |
| TOTAL | 6843.60 | 6639.12 | 6991.26 | 7740.05 | 7772.21 |
| (ii) Other Operating Revenue | | | | | |
| Commission Income | 758.65 | 582.43 | 519.72 | 412.21 | 539.36 |
| Scrap & sundry sales | 11.33 | 8.53 | 6.75 | 13.37 | 9.94 |
| Other operating income | 7.01 | 0.00 | 9.21 | 2.88 | 2.82 |
| TOTAL | 776.99 | 590.96 | 535.68 | 428.47 | 552.12 |
| | | | | | |
| GROSS TOTAL | 7620.59 | 7230.08 | 7526.94 | 8168.52 | 8324.33 |

ANNEXURE- XXIV - OTHER INCOME

| | Rs in lakhs | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| Particulars | 2013 | 2014 | 2015 | 2016 | 2017 |
| Interest Income | 9.42 | 10.71 | 9.35 | 10.92 | 9.63 |
| Dividend Income | 2.26 | 1.52 | 1.09 | 0.70 | 0.70 |
| Net gain/loss on foreign currency transactions and translation (NET) | 0.00 | 1.45 | 0.00 | 18.66 | 0.00 |
| Net gain/loss on sale of fixed assets (NET) | 0.00 | 0.05 | 0.39 | 8.39 | 1.09 |
| Gross Total | 11.68 | 13.73 | 10.83 | 38.67 | 11.41 |

ANNEXURE- XXV - COST OF MATERIAL CONSUMED

| | Rs in lakhs | | | | |
|--|----------------|----------------|----------------|----------------|----------------|
| PARTICULARS | 2013 | 2014 | 2015 | 2016 | 2017 |
| Mat cost - Sale of Manufactured Goods | 2707.27 | 3159.22 | 3239.58 | 3477.44 | 4027.04 |
| Add: Closing stock of Mfrd Finished Goods | 25.66 | 0.00 | 16.46 | 79.04 | 63.24 |
| Add: Closing stock of WIP | 165.76 | 189.44 | 181.99 | 112.35 | 91.31 |
| Less: Opening stock of Manufactured Finished Goods | 17.91 | 25.66 | 0.00 | 16.46 | 79.04 |
| Less: Opening stock of WIP | 25.16 | 165.76 | 189.44 | 181.99 | 112.35 |
| Total | 2855.63 | 3157.23 | 3248.59 | 3470.38 | 3990.19 |

ANNEXURE- XXVI - PURCHASE OF STOCK IN TRADE

| | Rs in lakhs | | | | |
|---|-------------|---------|---------|---------|---------|
| PARTICULARS | 2013 | 2014 | 2015 | 2016 | 2017 |
| Mat cost - Sale of Traded Goods | 1990.25 | 1364.09 | 1620.40 | 1838.29 | 1098.18 |
| Add: Closing stock of Traded Finished Goods | 397.04 | 367.22 | 285.45 | 297.37 | 280.99 |

| | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|
| Less: Opening stock of Traded Finished Goods | 310.96 | 397.04 | 367.22 | 285.45 | 297.37 |
| Total | 2076.33 | 1334.27 | 1538.63 | 1850.21 | 1081.80 |

ANNEXURE-XXVII - CHANGES IN INVENTORY OF FINISHED GOODS, WORK-IN-PROGRESS, STOCK IN TRADE

Rs in lakhs

| PARTICULARS | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|-----------------|---------------|---------------|---------------|---------------|
| (a) Inventories at the end of year | | | | | |
| Finished Goods | 0 | 0 | 0 | 0 | 0 |
| Finished Goods - Manufactured | 25.66 | 0.00 | 16.46 | 79.04 | 63.24 |
| Finished Goods - Traded | 397.04 | 367.22 | 285.45 | 297.37 | 280.99 |
| Work-in-Progress | 165.76 | 189.44 | 181.99 | 112.35 | 91.31 |
| | 588.47 | 556.67 | 483.90 | 488.77 | 435.53 |
| (b) Inventories at the Beginning of the Year | | | | | |
| Finished Goods | 0 | 0 | 0 | 0 | 0 |
| Finished Goods - Manufactured | 17.91 | 25.66 | 0.00 | 16.46 | 79.04 |
| Finished Goods - Traded | 310.96 | 397.04 | 367.22 | 285.45 | 297.37 |
| Work-in-Progress | 25.16 | 165.76 | 189.44 | 181.99 | 112.35 |
| | 354.04 | 588.47 | 556.67 | 483.90 | 488.77 |
| Net (Increase)/Decrease | (234.43) | 31.80 | 72.76 | (4.86) | 53.23 |

ANNEXURE-XXVIII - EMPLOYEE BENEFIT EXPENSES

Rs in lakhs

| PARTICULARS | 2013 | 2014 | 2015 | 2016 | 2017 |
|--|----------------|----------------|----------------|----------------|----------------|
| Salaries and incentives | 1154.13 | 1057.62 | 1146.20 | 1339.68 | 1465.88 |
| Contributions to provident and other funds | 102.63 | 105.05 | 88.12 | 108.16 | 91.95 |
| Staff welfare expenses | 40.66 | 41.32 | 37.30 | 48.62 | 50.05 |
| | | | | | |
| Gross Total | 1297.42 | 1203.99 | 1271.62 | 1496.46 | 1607.87 |

ANNEXURE- XXIX - FINANCE COST

Rs in lakhs

| PARTICULARS | 2013 | 2014 | 2015 | 2016 | 2017 |
|-------------------------------|--------------|--------------|--------------|--------------|---------------|
| (a) Interest expense - Banks | 26.90 | 23.74 | 23.21 | 80.25 | 118.82 |
| | | | | | |
| (b) Interest expense - Others | 0.00 | 0.00 | 2.03 | 11.07 | 4.50 |
| | | | | | |
| Total | 26.90 | 23.74 | 25.24 | 91.31 | 123.32 |

ANNEXURE- XXX -OTHER EXPENSES

Rs in Lakhs

| PARTICULARS | 2013 | 2014 | 2015 | 2016 | 2017 |
|--|----------------|----------------|----------------|----------------|----------------|
| Sub contract and labour charges | 105.22 | 70.46 | 67.28 | 86.20 | 90.61 |
| Stores and spare parts consumed (indigenous) | 14.06 | 11.63 | 13.43 | 15.38 | 21.47 |
| Fuel and power | 35.31 | 35.85 | 35.98 | 41.08 | 36.89 |
| Repairs to buildings | 0.42 | 0.02 | 2.18 | 3.60 | 0.18 |
| Repairs to machinery | 6.29 | 4.96 | 5.57 | 11.47 | 21.28 |
| Rent | 94.85 | 90.17 | 96.62 | 101.20 | 96.55 |
| Rates and taxes | 11.08 | 18.33 | 43.91 | 47.00 | 43.08 |
| Insurances | 12.92 | 12.68 | 14.24 | 13.75 | 13.27 |
| Travelling expenses | 135.47 | 118.52 | 135.08 | 162.08 | 144.33 |
| Postage, telephone and internet | 40.07 | 36.33 | 39.51 | 42.36 | 46.94 |
| Printing and stationery | 13.55 | 13.59 | 12.59 | 14.30 | 11.62 |
| Legal and professional charges | 114.51 | 129.77 | 164.07 | 197.60 | 129.22 |
| Conveyance expenses | 75.20 | 75.26 | 80.89 | 100.95 | 118.29 |
| Provision for doubtful debts | 49.05 | 42.79 | 40.79 | 39.23 | 55.32 |
| Provision for doubtful advances & Deposits | 7.57 | 0.00 | 4.48 | 40.89 | 0.28 |
| Bad debts written off | | | | | |
| Freight on sales | 114.78 | 155.00 | 154.67 | 199.32 | 185.72 |
| Commission expense | 33.47 | 50.33 | 55.14 | 52.12 | 106.55 |
| Motor vehicle expense | 8.75 | 9.31 | 10.98 | 11.51 | 11.83 |
| Commission to directors | 13.00 | 9.00 | 4.50 | 0.00 | 0.00 |
| Net gain/loss on sale of fixed assets (NET) | 3.92 | 0.00 | 0.00 | 0.00 | 0.00 |
| Directors fees | 1.15 | 1.45 | 2.65 | 4.75 | 10.70 |
| Net gain/loss on foreign currency transactions and translation (NET) | 0.01 | 0.00 | 31.31 | 0.00 | 2.36 |
| Miscellaneous expenses | 139.63 | 165.75 | 202.26 | 245.89 | 230.46 |
| Gross Total | 1030.27 | 1051.21 | 1218.13 | 1430.68 | 1376.96 |

ANNEXURE- XXXI - SUMMARY OF ACCOUNTING RATIOS

Rs in lakhs

| Ratios | 31st March 2013 | 31st March 2014 | 31st March 2015 | 31st March 2016 | 31st March 2017 |
|----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Restated PAT as per P& L Account | 332.45 | 268.99 | 54.26 | (194.59) | (199.43) |
| | | | | | |

| | | | | | |
|---|---------|---------|---------|----------|----------|
| Weighted Average Number of Equity Shares at the end of the Year/Period | 764650 | 764650 | 764650 | 764650 | 764650 |
| Impact of issue of Bonus Shares before stub period | 0 | 0 | 0 | 0 | 0 |
| Impact of issue of Bonus Shares after stub period | 0 | 0 | 0 | 0 | 0 |
| Weighted Average Number of Equity Shares at the end of the Year/Period after adjustment for issue of bonus shares | 764650 | 764650 | 764650 | 764650 | 764650 |
| No. of equity shares at the end of the year/period | 764650 | 764650 | 764650 | 764650 | 764650 |
| Impact of issue of Bonus Shares before stub period | 0 | 0 | 0 | 0 | 0 |
| Impact of issue of Bonus Shares after December 31, 2015 | 0 | 0 | 0 | 0 | 0 |
| No. of equity shares at the end of the year/period after adjustment for issue of bonus shares | 764650 | 764650 | 764650 | 764650 | 764650 |
| | | | | | |
| Net Worth | 1365.14 | 1523.04 | 1518.35 | 1314.55 | 1115.13 |
| | | | | | |
| Earnings Per Share | | | | | |
| Basic & Diluted - before bonus | 43.48 | 35.18 | 7.10 | (25.45) | (26.08) |
| Basic & Diluted - after bonus | 43.48 | 35.18 | 7.10 | (25.45) | (26.08) |
| Return on Net Worth (%) | 24.35% | 17.66% | 3.57% | (14.80)% | (17.88)% |
| Net Asset Value Per Share (Rs) - before bonus | 178.53 | 199.18 | 198.57 | 171.91 | 145.84 |
| Net Asset Value Per Share (Rs) - after bonus | 178.53 | 199.18 | 198.57 | 171.91 | 145.84 |
| Nominal Value per Equity share (Rs.) | 10 | 10 | 10 | 10 | 10 |

ANNEXURE- XXXII - STATEMENT OF TAX SHELTERS

| PARTICULARS | Rs in lakhs | | | | |
|---------------------------------|------------------|------------------|------------------|------------------|------------------|
| | March 31st, 2013 | March 31st, 2014 | March 31st, 2015 | March 31st, 2016 | March 31st, 2017 |
| Restated Profit before tax (A) | 512.45 | 388.99 | 104.26 | (194.59) | 17.30 |
| Tax Rate (%) | 32.45% | 32.45% | 32.45% | 33.06% | 33.06% |
| Tax at notional rate on profits | 166.27 | 126.21 | 33.83 | (64.33) | 5.71 |
| Adjustments: | | | | | |
| Permanent Differences(B) | | | | | |
| Donation(A) | 0.28 | 0.10 | 0.24 | 0.25 | |

| | | | | | |
|---|--------|---------|--------|----------|-------|
| Disallowance u/s 14A(B) | 0.07 | 0.22 | 0.10 | 0.22 | |
| Interest on delay payment on TDS | | 0.28 | | 0.01 | |
| Expenses disallowed under Income Tax Act, 1961 | 0.35 | 0.60 | 0.34 | 0.48 | |
| Income not taxable as per Income-tax Act, 1961 | 2.26 | 1.52 | 1.09 | 0.70 | |
| Total Permanent Differences(B) | (1.92) | (0.92) | (0.76) | (0.23) | |
| Income considered separately (C) | 9.42 | 10.71 | 9.35 | 10.88 | |
| Total Income considered separately (C) | 9.42 | 10.71 | 9.35 | 10.88 | |
| Timing Differences (D) | | | | | |
| Difference between tax depreciation and book depreciation | (7.93) | 5.58 | 8.87 | 0.66 | |
| Disallowed u/s 43B (1) | 65.22 | 58.28 | 93.93 | 47.61 | |
| Allowed u/s 43B (2) | 47.37 | 59.21 | 94.95 | 46.41 | |
| Loss on sale of Assets (3) | 3.92 | 0.08 | 0.08 | | |
| Provision for Doubtful Debts (4) | 49.05 | 42.79 | 4.41 | 39.23 | |
| Provision for Doubtful Advances (5) | 7.57 | | 4.48 | 40.89 | |
| Bad debts written off against Provision for Doubtful Debts (6) | 40.82 | 59.13 | 10.44 | 40.39 | |
| Contribution by employees towards provident fund (7) | 0.09 | | | | |
| Profit on sale of assets (8) | | 0.14 | 0.39 | 8.39 | |
| Adjustments u/s 145A (9) | | 19.18 | | | |
| Total of difference due to any other items of addition u/s 28 to 44DA [1-2+3+4+5-6+7-8-9] | 37.66 | (36.50) | (2.88) | 32.54 | |
| Total Timing Differences (D) | 29.73 | (30.92) | 5.99 | 33.20 | |
| Net Adjustments E = (B+D) | 18.40 | (42.55) | (4.11) | 22.09 | |
| Tax expense / (saving) thereon | 5.97 | (13.81) | (1.33) | 7.30 | |
| Income from Other Sources (F) | 9.42 | 10.71 | 9.35 | 10.88 | |
| Loss of P.Y. Brought Forward & Adjusted(G) | 0 | | | 0 | 0 |
| Taxable Income/(Loss) (A+E+F+G) | 540.26 | 357.15 | 109.50 | (161.62) | 17.30 |
| Taxable Income/(Loss) as per MAT | 510.26 | 387.85 | 103.27 | (155.35) | 17.30 |
| Tax as per MAT | 102.09 | 77.60 | 20.66 | | |

| | | | | | |
|--------------------------------------|--------|--------|--------|--------|--------|
| Tax as per Normal Calculation | 175.29 | 115.88 | 35.53 | | 5.71 |
| MAT credit entitlement | 73.20 | 38.28 | 14.87 | | |
| Tax paid | 175.29 | 115.88 | 35.53 | | |
| Tax paid as per normal or MAT | Normal | Normal | Normal | Normal | Normal |

ANNEXURE- XXXIII - CAPITALIZATION STATEMENT AS AT LAST AUDITED PERIOD

| Rs in lakhs | | |
|---|------------------|-------------------|
| Particulars | Pre-Issue | Post Issue |
| Borrowings | | |
| Short term debt (A) | 1316.99 | - |
| Long Term Debt (B) | 20.29 | - |
| Total debts (C) | 1337.28 | - |
| | | |
| Shareholders' funds | | |
| | | |
| Equity share capital | 76.465 | - |
| Reserve and surplus - as restated | 1038.66 | - |
| | | |
| Total shareholders' funds | 1115.13 | - |
| | | |
| Long term debt / shareholders' funds | 0.02 | - |
| Total debt / shareholders' funds | 1.20 | - |

ANNEXURE- XXXIV - RELATED PARTY TRANSACTIONS

| Name | Nature of Transaction | Amount of transaction during 2012-13 | Amount outstanding as on 31.03.2013 (Payable/receivable) | Amount of transaction during 2013-14 | Amount outstanding as on 31.03.2014 (Payable/receivable) | Amount of transaction during 2014-15 | Amount outstanding as on 31.03.2015 (Payable/receivable) | Amount of transaction during 2015-16 | Amount outstanding as on 31.03.2016 (Payable/receivable) | Amount of transaction during 2016-17 | Amount outstanding as on 31.03.2017 (Payable/receivable) |
|---|-----------------------|--------------------------------------|--|--------------------------------------|--|--------------------------------------|--|--------------------------------------|--|--------------------------------------|--|
| Bullo ws Paint Equip ment Privat e Limite d | Sale of Goods | 14.45 | 0.06 | 1.70 | 0.05 | 0.02 | 0.53 | | -2.13 | | |
| Phiroz e Sethn a Privat e Limite d | Sale of Goods | 1.60 | 17.39 | 0.34 | | 0.65 | | | | | |
| Cham bal Fertili ser and | Sale of Goods | | | | | | | 0.53 | | 1.95 | |

| | | | | | | | | | | | |
|---|----------------------------------|-------|--|-------|--|-------|--|-------|--|-------|--|
| Chemicals Limited | | | | | | | | | | | |
| Stovec Industries Ltd. | Sale of Goods | | | | | | | 4.85 | | 1.02 | |
| Bullows Paint Equipment Private Limited | Amount Received Against Expenses | 3.27 | | | | 2.46 | | 1.01 | | | |
| Phiroze Sethna Private Limited | Amount Received Against Expenses | | | | | | | | | | |
| Gramos | Amount Paid | 33.71 | | 36.40 | | 46.01 | | 20.28 | | 28.07 | |

| | | | | | | | | | | | |
|---|------------------------------|------|--|------|--|------|--|------|--|--------|--|
| Chemicals (India) Pvt. Ltd. | against Expenses | | | | | | | | | | |
| Phiroze Sethna Private Limited | Amount Paid against Expenses | 3.22 | | | | | | | | | |
| Bullows Paint Equipment Private Limited | Purchase of Machinery /Goods | | | | | | | 2.14 | | | |
| | | | | 0.45 | | 0.02 | | | | | |
| Dotch Sales Pvt Ltd. | Loan Given by | | | | | | | | | 103.08 | |
| Mr. Vishal Jain | Loan Given by | | | | | | | | | 50.48 | |

| | | | | | | | | | | | |
|----------------------|--------------------------|-------|--|------|--|------|--|--|--|--------|--|
| | | | | | | | | | | | |
| Dotch Sales Pvt Ltd. | Loan repaid to | | | | | | | | | 103.08 | |
| Mr. Vishal Jain | Loan repaid to | | | | | | | | | 50.48 | |
| Burjor H. Reporter | Key Management Personnel | 10.26 | | 8.30 | | 2.59 | | | | | |

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the chapter entitled 'Forward Looking Statements' for discussion of the risks and uncertainties related to those statements and also the section "Risk Factors" for discussion of certain factors that may affect our business, financial condition and results of operations.

Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our Company's Financial Year commences on April 1 and ends on March 31 of the following year, so all references to a particular Financial Year or Fiscal are to the twelve months ended March 31 of that year.

In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to Jost's Engineering Company Limited, our Company. Unless otherwise indicated, financial information included herein are based on our Restated Financial Statements for Financial Years 2013, 2014, 2015, 2016 and 2017 included in this Draft Letter of Offer beginning on page 167

BUSINESS OVERVIEW

Our Company is engaged in business of manufacturing, marketing and sale of material handling, industrial finishing and engineered products. We have been partnering growth over a range of business verticals across India for over a hundred years now.

We manufacture a comprehensive range of material handling equipments in our ISO 9001:2008 certified plant, comprising of fully equipped fabrication, machining and assembly shop at Thane near Mumbai and Alandi near Pune. Our fundamental focus is to innovate, collaborate and enhance the process of serving products to the market and our customers. Our belief is providing solutions that help customers improve their processes and/ or performance of their products.

The manufacturing process is supported by a fully integrated ERP System. Lean manufacturing systems and other Total Quality Management (TQM) techniques are adopted to assure the quality in all aspects. Our all India sales and service network enables us to respond to customer needs with quality and value added solutions. Our products are sold under the brand name "JUMBO, PYGMY and JOTRUK.

Our product range consists of Industrial Platform Trucks, Tow Trucks, Hand Pallet Trucks, Electric Pallet Trucks, Electric Pallet Stackers, Reach Trucks, Forklifts, Racking Systems, Scissor Lifts, Dock Levelers, Pneumatic Sample Transport Systems, Battery Operated Passenger Carriers and various other customised products

Factors that may affect the results of operations

The business of our Company is subject to various risks and uncertainties including those discussed in section titled "Risk Factors" on page 15 of this Draft Letter of Offer. Our financial condition and results of operations are affected by various factors of which the following are of particular importance

- Changes in government regulations, tax regimes, laws and regulations that apply to our Industry;
- Changes in fiscal, economic or political conditions in India;
- Increasing competition in the Industry in which we operate;
- Any major fluctuation in the prices of our raw materials may affect our business operations and profitability

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO LAST FINANCIAL YEAR

Subsequent to the end of Financial Year 2016-17, the Company has acquired 60% (6000 equity shares of Rs. 10/- each) of MHE Rentals Private Limited (MHE Rentals). As a result, MHE Rentals has become a subsidiary Company. MHE Rentals is engaged in material handling rental business.

RESULTS OF OUR OPERATIONS

| Rs in lakhs | | | |
|---|-----------------------------------|-----------------------------------|-----------------------------------|
| Particulars | For the year ended March 31, 2015 | For the year ended March 31, 2016 | For the year ended March 31, 2017 |
| INCOME | | | |
| Revenue from Operations | 7526.94 | 8168.52 | 8324.33 |
| Less: excise duty | 0.00 | 0.00 | 0.00 |
| Net Revenue | 7526.94 | 8168.52 | 8324.33 |
| % of total income | 99.86% | 99.53% | 99.86% |
| Other Income | 10.83 | 38.67 | 11.41 |
| % of total income | 0.14% | 0.47% | 0.14% |
| Total Income (A) | 7,537.76 | 8,207.19 | 8,335.75 |
| EXPENDITURE | | | |
| Purchases of Traded goods | 1538.63 | 1850.21 | 1081.80 |
| % of total income | 20.41% | 22.54% | 12.98% |
| Changes in inventories of finished goods, traded goods and work-in-progress | 72.76 | -4.86 | 53.23 |
| % of total income | 0.97% | -0.06% | 0.64% |
| Variance | 128.79% | -106.68% | 1194.37% |
| Cost of Goods Consumed | 3248.59 | 3470.38 | 3990.19 |
| Employee benefit expenses | 1271.62 | 1496.46 | 1607.87 |
| % of total income | 16.87% | 18.23% | 19.29% |
| Finance costs | 25.24 | 91.31 | 123.32 |
| % of total income | 0.33% | 1.11% | 1.48% |
| Depreciation and amortization expense | 58.54 | 67.59 | 85.08 |
| % of total income | 0.78% | 0.82% | 1.02% |
| Other Expenses | 1218.13 | 1430.68 | 1376.96 |
| % of total income | 16.16% | 17.43% | 16.52% |
| Total Expenses (B) | 7433.50 | 8401.78 | 8318.45 |
| % of total income | 98.62% | 102.37% | 99.79% |
| Profit before tax | 104.26 | -194.59 | 17.30 |
| % of total income | 1.38% | -2.4% | 0.21% |
| PBT margin | 1.38% | -2.37% | 0.21% |
| Profit before exceptional, extraordinary items and tax (A-B) | 104.26 | -194.59 | 17.30 |

| | | | |
|---|--------------|----------------|----------------|
| Exceptional items | 0.00 | 0.00 | 216.72 |
| Profit before extraordinary items and tax | 104.26 | -194.59 | -199.43 |
| Extraordinary items | 0.00 | 0.00 | 0.00 |
| Profit before tax | 104.26 | -194.59 | -199.43 |
| PBT margin | 1.38% | -2.37% | -2.39% |
| Tax expense: | | | |
| (i) Current tax | 50.00 | 0.00 | 0.00 |
| % of total income | 0.66% | 0.00% | 0.00% |
| Short/(Excess) Provision of Earlier Year | | | |
| (iii) Deferred tax (Asset)/Liability | 0.00 | 0.00 | 0.00 |
| % of total income | 0.00% | 0.00% | 0.00% |
| (iv) MAT credit | 0.00 | 0.00 | 0.00 |
| Income Tax Paid for earlier years | - | - | - |
| Total Tax Expense | 50.00 | 0.00 | 0.00 |
| % of total income | 0.66% | 0.00% | 0.00% |
| Profit for the year | 54.26 | -194.59 | -199.43 |
| % of total income | 0.72% | -2.37% | -2.39% |
| PAT Margin | 0.72% | -2.37% | -2.39% |

COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2017 COMPARED TO FINANCIAL YEAR ENDED MARCH 31, 2016

Revenue from Operations (Net of Excise Duty)

Our total revenue from operations increased to Rs 8324.33 lakhs for the year ended on March 31, 2017, as compared to Rs 8168.52 lakhs for the year ended on March 31, 2016, representing an increase of 1.91%. This was due to increase in our business operations and sales.

Other Income

Our other income decreased to Rs 11.41 lakhs for the year ended on March 31, 2017, as compared to Rs 38.67 lakhs for the year ended on March 31, 2016, representing a decrease of 70.48%. This is due to reduction in foreign exchange fluctuation gain.

Expenditure

Our total expenses decreased to Rs 8318.45 lakhs for the year ended on March 31, 2017, as compared to Rs 8401.78 lakhs for the year ended on March 31, 2016, representing a decrease of 0.99% due to better control and management.

Purchase of traded goods

Our purchase of traded goods have decreased to Rs 1081.80 Lakhs for the year ended March 31, 2017 as compared to Rs 1850.21 Lakhs for the year ended on March 31, 2016, representing a decrease of 41.53% due to reduction in sales of traded goods compare to March, 2016. As sale of traded goods for the year ended March, 16 was Rs.2379.80 Lakh as compare to Rs.1491.54 Lakh for the year ended March, 2017.

Cost of Materials Consumed

Cost of materials consumed increased to Rs 3990.19 lakhs for the year ended on March 31, 2017, as compared to Rs 3470.38 lakhs for the year ended on March 31, 2016, representing an Increase of 14.98% due to price increase of the raw materials as well as other components.

Employee Benefit Expenses

Employee benefit expenses was Rs 1607.87 lakhs for the year ended on March 31, 2017 as compared to Rs 1496.46 lakhs for the year ended on March 31, 2016, representing an increase of 7.44%. Our employee benefits includes salaries and incentives, contribution to provident & other funds and staff welfare expenses because of yearly increment to our employees as well as new recruitments.

Depreciation and Amortization expense

The depreciation and amortization expense was Rs 85.08 lakhs for the year ended on March 31, 2017 as compared to Rs 67.59 lakhs for the year ended on March 31, 2016, representing an increase of 25.87% due to increase in our Fixed Assets by Rs.63.83 Lakh.

Finance Cost

Our finance cost was Rs 123.32 lakhs for the year ended on March 31, 2017 as compared to Rs 91.31 lakhs for the year ended on March 31, 2016, representing an increase of 35.04%. This is was due to levy of bank charges and interest as OD limit is reinstated for additional working capital requirement for the year ended on March, 2017.

Other expenses

Our other expense was Rs 1376.96 lakhs for the year ended on March 31, 2017 as compared to Rs1430.68 lakhs for the year ended on March 31, 2016, representing a decrease of 3.75%. This reduction was primarily due to travelling expenses, printing and stationery and freight on sales.

Net profit / loss after Tax

Our net Profit before tax and exceptional items was Rs 17.31 lakhs for the year ended on March 31, 2017 as compared to net Loss after tax expenses of Rs 194.59 lakhs for the year ended on March 31, 2016, representing decrease of net loss by 211.89 Lakh.

Net loss after exceptional item during the year ended 31st March, 2017 was Rs.199.41 Lakh due to exceptional item includes payment of arrears in dispute- Central Sales Tax amount of Rs. 194.98 Lakhs & Interest amount of Rs. 21.74 Lakhs in respect of earlier assessment year pursuant to Government of Maharashtra Amnesty Scheme, 2016.

COMPARISON OF RESULTS OF OPERATIONS YEAR ENDED ON MARCH 31, 2016 COMPARED TO YEAR ENDED ON MARCH 31, 2015

Revenue from Operations (Net of Excise Duty)

Our total revenue from operations increased to Rs 8168.52 lakhs for the year ended on March 31, 2016, as compared to Rs 7526.94 lakhs for the year ended on March 31, 2015, representing an increase of 8.52% due to increase in our business operations and sales.

Other Income

Our Other Income increased to Rs 38.67 lakhs for the year ended on March 31, 2016, as compared to Rs 10.83 lakhs for the year ended on March 31, 2015, representing an increase of 257.19%. This was due to gain in foreign currency transactions and net gain on sales of fixed assests.

Expenditure

Our total expenses increased to Rs 8401.78 lakhs for the year ended on March 31, 2016, as compared to Rs 7433.50 lakhs for the year ended on March 31, 2015, representing an increase of 13.03% due to increase in our turnover by 8.52% compare to previous year and also increased in our Finance cost.

Purchase of traded goods

Our purchase of traded goods have increased to Rs 1850.21 lakhs for the year ended March 31, 2016 as compared to Rs 1538.63 lakhs for the year ended on March 31, 2015, representing an increase of 20.25% due to increase in sales of traded goods.

Cost of Materials Consumed

The cost of materials consumed increased to Rs 3470.38 lakhs for the year ended on March 31, 2016, as compared to Rs 3248.59 lakhs for the year ended on March 31, 2015, representing an increase of 6.83% because of increase in our sales turnover.

Employee Benefit Expenses

Our aggregate expenditure on employee benefit expenses was Rs 1496.46 lakhs for the year ended on March 31, 2016 as compared to Rs 1271.62 lakhs for the year ended on March 31, 2015, representing an increase of 17.68%, Our employee benefits includes superannuation, gratuity and leave encashment expenses. Our employee benefits include salaries and incentives, contribution to provident & other funds and staff welfare expenses due to settlement of workers union agreement and annual increment to our employees.

Depreciation and Amortization expense

Our depreciation and amortization expense was Rs 67.59 lakhs for the year ended March 31, 2016 as compared to Rs 58.54 lakhs for the year ended on March 31, 2015, representing an increase of 15.47 % due to increase in our fixed assets.

Finance Cost

Our finance cost was Rs 91.31 lakhs for the year ended on March 31, 2016 as compared to Rs 25.24 lakhs for the year ended on March 31, 2015, representing an Increase of 261.83%. This was due to increase in interest expenses and other finance costs because of sanctioned new limit for execution of BHEL order.

Other expenses

Our other expense was Rs 1430.68 lakhs for the year ended on March 31, 2016 as compared to Rs 1218.13 lakhs for the year ended on March 31, 2015, representing an increase of 17.45%. This was due to increase in travelling expenses, postage and telephone expenses, printing & stationery, freight on sales and other miscellaneous expenses.

Net profit / loss after Tax

The net loss after tax expenses was Rs 194.59 lakhs for the year ended on March 31, 2016 as compared to net profit after tax expenses of Rs 54.26 lakhs for the year ended on March 31, 2015, representing loss of 458.61% because of increase in total expenses in FY 2015-16

COMPARISON OF RESULTS OF OPERATIONS YEAR ENDED ON MARCH 31, 2015 COMPARED TO YEAR ENDED ON MARCH 31, 2014

Revenue from Operations (Net of Excise Duty)

Our total revenue from operations increased to Rs 7526.94 lakhs for the year ended on March 31, 2015, as compared to Rs 7230.08 lakhs for the year ended on March 31, 2014, representing an increase of 4.11%. This was due to increase in our business operations.

Other Income

Our Other Income decreased to Rs 10.83 lakhs for the year ended on March 31, 2015, as compared to Rs 13.73 lakhs for the year ended on March 31, 2014, representing a decrease of 21.13%. This was due to reduction in interest income and foreign currency transactions.

Expenditure

Our total expenses increased to Rs 7433.50 lakhs for the year ended on March 31, 2015, as compared to Rs 6854.82 lakhs for the year ended on March 31, 2014, representing an increase of 8.44% due to increase of other expenses.

Purchase of traded goods

Our Purchase of traded goods have increased to Rs 1538.63 lakhs for the year ended March 31, 2015 as compared to Rs 1334.27 lakhs for the year ended on March 31, 2014, representing an increase of 15.32% due to also increase of turnover for the year ended on March, 2015.

Cost of Materials Consumed

Cost of materials consumed increased to Rs 3248.59 lakhs for the year ended on March 31, 2015, as compared to Rs 3157.23 lakhs for the year ended on March 31, 2014, representing an increase of 2.89% due to also increase of turnover for the year ended on March, 2015.

Employee Benefit Expenses

The employee benefit expenses was Rs 1271.62 lakhs for the year ended on March 31, 2015 as compared to Rs 1203.99 lakhs for the year ended on March 31, 2014, representing an increase of 5.62%. Our employee benefits include salaries and incentives, contribution to provident & other funds and staff welfare expenses because of annual increment to our employees.

Depreciation and Amortization expense

Our depreciation and amortization expense was Rs 58.54 lakhs for the year ended on March 31, 2015 as compared to Rs 52.57 lakhs for the year ended on March 31, 2014, representing an increase of 11.35% due to change in depreciation method as per schedule II to the Companies Act.

Finance Cost

Our finance cost was Rs 25.24 lakhs for the year ended on March 31, 2015 as compared to Rs 23.74 lakhs for the year ended on March 31, 2014, representing an increase of 6.32%. This was primarily due to other interest expenses.

Other expenses

Our other expense was Rs 1218.13 lakhs for the year ended on March 31, 2015 as compared to Rs 1051.21 lakhs for the year ended on March 31, 2014, representing an increase of 15.88%. This was due to repairs to buildings, payments of Rent and taxes, legal and professional fees.

Net profit / loss after Tax

Our net profit after tax expenses was Rs 54.26 lakhs for the year ended on March 31, 2015 as compared to net profit after tax expenses of 268.99 lakhs for the year ended on March 31, 2014, representing a decrease of 79.83% because of increase of total expenses by 8.44% for the year ended March, 2015.

An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:

1) Unusual or infrequent events or transaction

There have been no events to the best of our knowledge, other than as described in this document, which may be called “unusual” or “infrequent”.

2) Significant economic changes that materially affected or are likely to affect income from continuing operations

Other than as mentioned under the heading entitled ‘*Factors that may affect the results of operations*’ in this chapter, to the knowledge of the management of our Company, there are no other significant economic changes that materially affect or are likely to affect income from continuing operations.

3) Income and Sales on account of major product/main activities

Income and sales of our Company on account of major products/ main activities derives from manufacturing and trading of material handling activities.

4) Whether the company has followed any unorthodox procedure for recording sales and revenues

Our Company has not followed any unorthodox procedure for recording sales and revenues

5) Nature of miscellaneous income and miscellaneous expenditure.

Our miscellaneous income includes incomes such as interest income, dividend income, income from foreign currency transactions and sale of fixed assets and miscellaneous expenditure includes business development expenses, calibration expenses, administrative tender expense, conference and seminar expenses, computer service etc.

6) Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Other than as mentioned under the heading entitled ‘*Factors that may affect the results of operations*’ in this chapter, to the knowledge of the management of our Company, there are no other known trends or uncertainties that are likely to have material adverse impact on sales, revenue or income from continuing operations.

7) Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known

Other than as described elsewhere in this document, particularly in this chapter, to the knowledge of the management of our Company, there are no known factors that might affect the future relationship between costs and revenues.

8) The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices

Increase in revenue is by and large linked to increases in volume of business activity by the Company.

Changes in revenues during the last three years are as explained in the part ‘Year ended on March 31, 2017 compared to year ended on March 31, 2016’, ‘Year ended on March 31, 2016 compared to year ended on March 31, 2015’ and ‘Year ended on March 31, 2015 compared to year ended on March 31, 2014’ in this chapter.

9) Total turnover of each major industry segment in which the issuing company operated

Our Company is engaged in business of manufacturing, marketing and sale of material handling, industrial finishing and engineered products. Relevant Industry data, as available, has been included in the chapter titled “Industry Overview” on page 90.

10) Status of any publicly announced new products or business segment

Our Company has recently acquired MHE Rentals India Private Limited (“MHE”). MHE is incorporated on December 12, 2016 and is engaged in the business of providing material handling equipments on rental basis. Through MHE, our company intends to provide material handling equipments on rent.

11) The extent to which business is seasonal

None of our businesses are seasonal in nature.

12) Any significant dependence on a single or few suppliers or customers

Our Company is not dependent on a single or few suppliers or customers as on the date of this Draft Letter of Offer

13) Competitive conditions

We face competition from existing and potential competitors which is common for any business. We have, over a period of time, developed certain competitive strengths which have been discussed in the chapter titled “Our Business” beginning on page 104.

FINANCIAL INDEBTEDNESS

Our Company utilises various credit facilities from banks for conducting its business.

A summary of outstanding secured borrowings together with a brief description of certain significant terms of such financing arrangements is as under:

Secured Loans

Our one of the object of the issue is repayment of secured loans. For further details, please see chapter titled “Objects of the Issue” on page 70 of this draft letter of offer.

1. Term Loan for Vehicle of Rs. 13.90 lakhs from The Zoroastrian Co-operative Bank Limited

| | |
|---------------------------|---|
| Facility | Term Loan |
| Amount | Rs. 13.90 lakhs |
| Interest Rate | 3.75% below minimum lending rate with minimum of 8.75% per annum with monthly rests |
| Repayment Schedule | 36 Equated monthly Installments |
| Security | Secured by hypothecation of the Vehicle |

2. Term Loan of Rs. 74.00 lakhs from The Zoroastrian Co-operative Bank Limited

| | |
|---------------------------|--|
| Facility | Term Loan |
| Amount | Rs. 74.00 lakhs |
| Interest Rate | 12.50% |
| Repayment Schedule | On demand/ Repayable in 36 Equated monthly instalments |
| Security | Exclusive Hypothecation charge on Environmental Test Chamber, ETC with ESS chamber, Industrial Chiller and CNC Plasma cutting Machine with hypertherm make PMAX 105 Plasma |

3. Bank Guarantee of Rs. 783.00 lakhs from HDFC Bank Limited

| | |
|---------------------------|---|
| Facility | Bank Guarantee |
| Amount | Rs. 783.00 Lakhs |
| Interest Rate | As may be communicated by the Bank from time to time |
| Repayment Schedule | On demand |
| Security | Fixed Deposits / Cash Deposits of the Company aggregating Rs.117.45 Lakhs |

4. Fund based and Non-fund based facility of Rs. 2433.00 lakhs from HDFC Bank Limited and The Zoroastrian Co-operative Bank Limited

| Bank | Nature of facility | Security | Guarantors | Interest Rate | Amount (Rs. in lakhs) | | Total |
|---|---|--|--------------------------|--|-----------------------|----------------------|---------|
| | | | | | Fund based limit | Non fund based limit | |
| The Zoroastrian Co-operative Bank Limited | Cash Credit/Import LC/ (90 days DA)/BG | <ul style="list-style-type: none">Cash Credit – Stocks and Book debtsLC – Stocks imported under the LC and BDs | Nil | CC- 12.50% (floating) LC – as per FEDAI BG – 3.00% | 500.00 | | |
| | Overdraft | | | 11.50 % | 1000.00 | | 1500.00 |
| | | | | | | | |
| HDFC Bank Limited | Bank Guarantee (Existing) | <ul style="list-style-type: none">BG - Stocks and book debts | | 1.25 % p. a | | 600.00 | |
| | Cash Credit (Sub limit of BG existing) | <ul style="list-style-type: none">Company’s factory land & building situated at Plot No. C- 7, Road No.12, Near Old Passport Office, Wagle Industrial Estate, Thane – 400604 | | 12.10% (MCLR + 3.95%) | (50.00) | | |
| | Letter of Credit (Sub limit of BG) existing | | 1.25% p. a | | (340.00) | | |
| | Bank Guarantee (Adhoc) | | 1.25 % p. a | | 183.00 | | |
| | Invoice discounting | | 10.75% (MCLR plus 2.60%) | 150.00 | | 933.00 | |
| TOTAL LIMITS | | | | | | | 2433.00 |

Key Conditions as per Sanction letter dated January 04, 2017 of HDFC Bank

1. The credit facilities are not available for investments in shares, debentures, to make advances by way of inter-corporate loans / deposits to other companies (including subsidiary/associated companies). The facilities are being extended on sole discretion of HDFC bank and terms and conditions as well as pricing would be subject to periodic review, amendment or cancellation.
2. The bank would levy annual charges, pre closure charges, in case of an event of default, as per the facility documents / master facility agreement / term loan agreement.
3. Borrower is liable to be charged a commitment fees of 0.5% per annum on the shortfall amount, in case the quarterly utilisation is less than 60% of cash credit / overdraft against Property (ODAP) facilities sanctioned
4. Any overdrawn / temporary overdraft in the CC/ ODAP/ dropline OD/ Working Capital Demand Loan Accounts will be charged an interest rate of 18% per annum.
5. The bank reserves an unconditional right to cancel the undrawn/unused/unavailed portion of the loan/facility sanctioned at any time during the currency of loan/facility, without any prior notice to the borrower. Such instances will be notified within thirty days. If such a changes is to disadvantage, may within sixty days and without notice close the account or switch it without having to pay any extra charges or interest.
6. The Company shall not transfer, sell, lease, grant on license or create any third party interest of any nature whatsoever on the Security without the prior written consent of the Bank.
7. In case of takeover of facilities from the other bank, the Company would submit No Charge / No Dues / Satisfaction of charge certificate from the existing Bank within thirty days of the disbursement, failing which an additional interest of 2% on the outstanding amount would be payable.

Specific Conditions

1. Company to raise turnover upto Rs. 1600 lakhs (excluding profits for the year 2016-17) by 31st March, 2017 and further maintain the same during currency of bank finance
2. Net Working Capital to be maintained at 31.11 % as at March 31st, 2015 and during currency of bank finance Company to bring new level upto 25% latest by March 30, 2017. Balance cash credit limit to be converted to Id if net working capital is not met/ delayed by 31st March, 2017.

Shareholding

1. Company to subscribe to the share capital of the Bank in accordance with the Bye-laws of the Bank to the extent 100 shares of Rs. 25 each.

5. Facility of Rs. 933.00 lakhs from HDFC Bank Limited

| | |
|-----------------|--------------------------------|
| Facility | Funded and Non Funded Facility |
| Amount | Rs. 933.00 Lakhs |

| | |
|---------------------------|---|
| Interest Rate | As may be communicated by the Bank from time to time |
| Repayment Schedule | On demand |
| Security | Stock-in-trade, consisting of raw materials, goods in process of manufacturing finished goods, and other merchandise whatsoever and All the Debts, that is, all the book debts, outstandings, monies receivable, claims, bills, invoice documents, contracts, guarantees. |

6. Loan of Rs. 500.00 lakhs from The Zoroastrian Co-operative Bank Limited

| | |
|---------------------------|---|
| Facility | Loan |
| Amount | Rs. 500.00 Lakhs |
| Interest Rate | As may be communicated by the Bank from time to time |
| Repayment Schedule | On demand |
| Security | Hypothecation of Stock and Book Debts and Hypothecation of Plant and Machinery. |

As on the date of this Draft Letter of Offer, the total outstanding amount of borrowings as on March 31, 2017 is Rs.1337.28 lakhs

Unsecured Loans

Our Company has not taken any unsecured loans

SECTION VII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND DEFAULTS

Except as stated in this section, there are no outstanding: (i) criminal proceedings; (ii) actions taken by statutory/regulatory authorities; (iii) indirect and direct tax proceedings; (iv) material litigation(s) involving our Company, our Directors, our Promoter, our Subsidiaries, our Group Companies and (v) any litigation involving our Company, our Directors, our Promoter, our Subsidiaries or any other person whose outcome could have a material adverse effect on the operations or financial position of our Company.

Our Board, vide circular resolution dated February 13, 2017, adopted a “Policy on Determination of Materiality of Events” (“**Materiality Policy**”).

As per the Materiality Policy, for the purposes of (iv) above, all the outstanding litigation(s) involving our Company, where the amounts involved in such litigation exceed 10% of the turnover or net worth of our Company, whichever is lower (as per the audited standalone financial statements for the Financial Year 2016-17 of our Company for the Financial year 2017), are considered material by our Board.

All outstanding litigation(s) involving our Promoter, where the amount involved in such litigation exceeds 111.51 lakhs is considered material by our Promoter and have been disclosed in this section.

Further, all outstanding litigation(s) involving our Subsidiaries and our unlisted Group Companies, where the amounts involved in such litigation exceed 10% of the turnover or net worth of our Company, whichever is lower (as per the audited standalone financial statements for the Financial Year 2016-17 of our Company for the Financial year 2017) are considered material by our Board and have been disclosed in this section.

All outstanding litigation(s) involving our Directors, an adverse outcome of which would materially and adversely affect the reputation, operations or financial position of our Company are considered material by our Board and have been disclosed in this section.

Except as given in this section, there are no proceedings initiated against our Company and our Directors for economic offences or adverse findings against any persons/entities connected with our Company as regards non-compliance with securities laws.

Our Company does not have any materiality policy for considering material outstanding dues. Accordingly, all outstanding dues have been disclosed in a standalone manner in this section.

All terms defined in a particular litigation are for that particular litigation only.

Pre-litigation notices: Notices received by our Company, our Directors, our Promoter, our Subsidiaries, or our Group Companies, from third parties (excluding statutory/regulatory/tax authorities or notices threatening criminal action) shall, not be evaluated for materiality until such time that our Company, our Directors, our Promoter, our Subsidiaries or our Group Companies are impleaded as defendants in litigation proceedings before any judicial forum.

A. LITIGATION INVOLVING OUR COMPANY

(i) Litigation against our Company

(a) Criminal Proceedings

There are no criminal proceedings filed against our Company.

(b) Actions by statutory/regulatory authorities

There are no actions initiated by statutory/regulatory authorities against our Company.

(c) Tax proceedings

Except as disclosed below, there are no tax proceedings involving our Company, our Subsidiaries, our Joint Venture, our Promoter, our Directors or our Group Entities:

| Particulars | Direct Tax Matters | | Indirect Tax Matters | |
|----------------------------------|--------------------|-----------------|----------------------|----------------------------|
| | Number of cases | Amount involved | Number of cases | Amount involved (in lakhs) |
| Company | | | | |
| Company | Nil | Nil | 20 | 2,713.15 |
| Promoter | | | | |
| Promoter | Nil | Nil | Nil | Nil |
| Directors | | | | |
| Directors | Nil | Nil | Nil | Nil |
| Group Companies/ Subsidiaries | | | | |
| | Nil | Nil | Nil | Nil |

(d) Material pending litigations:

- 1) Our Company has received Show Cause Notice dated 21st January 2013 vide reference no. F.No. V/PI/M-III/Gr.I/27/JECL/2012-13/423 (“SCN”) from the Office of the Commissioner of Central Excise, Mumbai-III, 4th Floor, Vardaan Trade Centre, MIDC, Wagle Industrial Estate, Thane (W)-400604 alleging contravention of Rule 5, Rule 6, Rule 10, and Rule 25 of Central Excise Rules, 2002 for wrongly availing concessional rate of duty since 27th February 2010 under Notification No. 06/2006-CE dated 1st March 2006 and Notification No. 12/2012-CE dated 17th March 2012 for our products namely Jowalk, Jotruck and Jumbo Electric. The SCN has asked us to show cause as to why an amount of Rs. 1,57,93,226 (Rupees One Crore Fifty-Seven Lakhs Ninety-Three Thousand Two Hundred and Twenty-Six Only) should not be demanded under Section 11A (4) of Central Excise Act, 1944 towards short payment of Central Excise duty. The said SCN was replied on 21st February 2013 by us denying all the allegations and stating that there has been no short payment of any duty, whatsoever, and therefore the SCN must be discharged. The Office of the Commissioner of Central Excise, Mumbai III, 4th Floor, Vardaan Trade Center, MIDC, Wagle Estate, Thane (W) – 400604 in its Order in Original dated 24th May 2013 vide Order No. 01/COMMR/M-III/WLH/2013-14 wherein the Commissioner of Central Excise dismissed the argument of the Company and confirmed a demand of Rs. 1,57,93,226/- (Rupees One Crore Fifty-Seven lakhs Ninety Three Thousand Two Hundred and Twenty Six Only) under Section 11A (10) of the Central Excise Act, 1944 and imposed a penalty of Rs. 1,57,93,226/- (Rupees One Crore Fifty-Seven lakhs Ninety-Three Thousand Two Hundred and Twenty-Six Only) 11AC of the Central Excise Act, 1944 read with Rule 25 of Central Excise Rules, 2002 and redemption fine of Rs. 13,25,000/- (Thirteen lakhs Twenty-Five Thousand Only) under Section 34 of Central Excise Act, 1944. Aggrieved by the Order in Original dated 24th May 2013 vide Order No. 01/COMMR/M-III/WLH/2013-14, Company has filed an Appeal No. E/88248/13 of 2013 on 27th August 2013 before the Customs, Excise & Service Tax Appellate Tribunal under Section 35B of the Central Excise Act, 1944 for

quashing and setting aside the Order-In Original dated 24th May 2013. Further, our Company has filed a Stay Application No. E/S/87443/13 of 2013 in Appeal No. E/88248/13 of 2013 for dispensing with the condition of pre-deposit if impugned amount and penalty and seeking stay against recovery till the disposal of the appeal. The matter is currently pending.

- 2) Our Company has received a Show Cause Cum Demand Notice dated 25th July 2014 vide reference no. F.No. DGCEI/MZU/I&IS 'B'/12(4)65/13/5785 ("SCN") from the Directorate General of Central Excise Intelligence, Mumbai Zonal Unit alleging contravention of Rule 4 for manufacturing and clearing the finished goods without payment and non-payment of Central Excise duty, Rule 6 for clearing the goods without determining the Central Excise duty, Rule 10 for failing to maintain proper records for manufactured and cleared goods, Rule 11 for clearing excisable goods without cover of proper and valid Central Excise invoices and Rule 12 for failing to file returns showing the correct quantity of goods manufactured and cleared and duty payable/paid thereon. The SCN has asked us to show cause as to why (a) Central Excise Duty amounting to Rs. 49,06,878 (Rupees Forty-Nine lakhs Six Thousand Eight Hundred Seventy-Eight) should not be demanded and recovered under Section 11A (4) of Customs Excise Act, 1944 for non-payment and short payment of Central Excise Duty on the goods, (b) an amount of Rs. 2,36,203 voluntarily deposited should not be appropriated against the said Central Excise Duty, (c) penalty should not be imposed under provisions of Section 11AC of Central Excise Act, 1944 and Rule 25 of Central Excise Rules, 2002 and (d) an amount of Rs. 44,187 (Rupees Forty-Four Thousand One Hundred Eighty-Seven) voluntarily deposited should not be appropriated against the Interest liability. The said SCN was replied on 10th June 2015 by us denying all the allegations and stating that there has been no undervaluation while paying duty on the part of the Thane Unit contravention of Section 11A (4) of Central Excise Act 1944 and Rule 25 of Central Excise Rules, 2002, and therefore the question of imposing any demand and penalty does not arise. The Office of the Commissioner of Central Excise, Mumbai III, 4th Floor, Vardaan Trade Center, MIDC, Wagle Estate, Thane (W) – 400604 in its Order in Original dated 16th July 2015 vide Order No. 26-27/MSA/2015-16 wherein the Joint Commissioner dismissed the Company's argument and imposed a demand for an amount of Rs. 49,06,878 (Rupees Forty-Nine lakhs Six Thousand Eight Hundred Seventy-Eight) under Section 11A (10) of Customs Excise Act, 1944, (b) appropriation of an amount of Rs. 2,36,203 against the demand raised, (c) imposed penalty of Rs. 49,06,878 (Rupees Forty-Nine lakhs Six Thousand Eight Hundred Seventy-Eight) under provisions of Section 11AC of Central Excise Act, 1944 and Rule 25 of Central Excise Rules, 2002, (d) an amount of Rs. 44,187 (Rupees Forty-Four Thousand One Hundred Eighty-Seven) to be appropriated against the Interest liability (e) Imposed a penalty of Rs. 49,06,878 (Rupees Forty-Nine lakhs Six Thousand Eight Hundred Seventy-Eight) on the Company's Alandi Factory office under Rule 26(1) of Customs Excise Rules, 2002 and (f) Imposed a penalty of Rs. 49,06,878 (Rupees Forty-Nine Lakhs Six Thousand Eight Hundred Seventy-Eight) on Shri Samkara Subramani, General Manager of the Company under Rule 26(1) of Customs Excise Rules, 2002. The Company has filed Appeal No. CD/236to238/M-III/16 on 29th September 2015 before the Office of the Commissioner of Central Excise (Appeals), Mumbai-II for quashing and setting aside the Order-In-Original passed by the Joint Commissioner, Central Excise, Mumbai-III. The Office of the Commissioner of Central Excise (Appeals), Mumbai-II vide its Order-In-Appeal No. CD/236to238/M-III/16 dated 31st March 2016 upheld the Order-In-Original passed by the Joint Commissioner and thereby rejected the Appeal filed by the Company. Aggrieved by the Order-In-Appeal, Company has filed an Appeal on 27th June 2016 before the Customs, Excise & Service Tax Appellate Tribunal for quashing and setting aside the Order-In-Appeal passed by the Office of the Commissioner of Central Excise (Appeals), Mumbai-II. The matter is currently pending.

- 3) Our Company has received a Show Cause Notice dated 6th February 2015 vide reference no. F.No.V.Adj (SCN)15-45/ADC/W-I/M-III/2014-15/8808 on 6th February 2015 (“SCN”) from the Office of the Commissioner of Central Excise, Mumbai-III, 4th Floor, Vardhaan Trade Centre, MIDC, Wagle Industrial Estate, Thane (W) - 400604 alleging contravention of Rule 4 for clearing the goods in lesser value which resulted in short payment of Central Excise Duty, Rule 6 for clearing the goods without determining appropriate Central Excise Duty and without debiting the duty and Rule 12 for failing to file the returns showing correct valuation of goods cleared an duty payable/paid. The SCN has asked us to show cause as to why (a) an amount of Rs. 25,76,084 (Twenty-Five lakhs Seventy-Six Thousand Eighty-Four) towards short payment for the period April 2013 to October 2014 should not be demanded and recovered under Section 11A (4) of Central Excise Act, 1944, (b) interest should not be charged under Section 11AA of Central Excise Act, 1944 and penalty should not be imposed under Rule 25 of Central Excise Rules, 2002 read with Section 11AC of Central Excise Act, 1944 and (c) goods valued Rs. 2,98,35,517 (Rupees Two Crore Ninety-Eight lakhs Thirty-Five Thousand Five Hundred Seventeen) which were cleared without appropriate duty should not be confiscated under Rule 25 of Central Excise Rules, 2002. The said SCN was replied on 10th June 2015 by us denying all the allegations and stating that there has been no contravention of Section 11A (4) of Central Excise Act 1944 and Rule 25 of Central Excise Rules, 2002, and therefore the question of imposing any demand and penalty does not arise. The Office of the Commissioner of Central Excise, Mumbai III, 4th Floor, Vardaan Trade Center, MIDC, Wagle Estate, Thane (W) – 400604 in its Order In Original dated 16th July 2015 vide Order No. 26-27/MSA/2015-16 wherein the Joint Commissioner dismissed the Company’s argument and imposed a demand for an amount of 25,76,084 (Twenty Five lakhs Seventy Six Thousand Eighty Four) under Section 11A(10) of Customs Excise Act, 1944, (b) imposed interest as applicable under Section 11AA of Central Excise Act, 1944 and(c) imposed penalty for an amount of 25,76,084 (Twenty Five lakhs Seventy Six Thousand Eighty Four) under Rule 25 of Central Excise Rules, 2002 read with Section 11AC of Central Excise Act, 1944. The Company has filed Appeal No. CD/236to238/M-III/16 on 29th September 2015 before the Office of the Commissioner of Central Excise (Appeals), Mumbai-II for quashing and setting aside the Order-In-Original passed by the Joint Commissioner, Central Excise, Mumbai-III. The Office of the Commissioner of Central Excise (Appeals), Mumbai-II vide its Order-In-Appeal No. CD/236to238/M-III/16 dated 31st March 2016 upheld the Order-In-Original passed by the Joint Commissioner and thereby rejected the Appeal filed by the Company. Aggrieved by the Order-In-Appeal, Company has filed an Appeal on 27th June 2016 before the Customs, Excise & Service Tax Appellate Tribunal for quashing and setting aside the Order-In-Appeal passed by the Office of the Commissioner of Central Excise (Appeals), Mumbai-II. The matter is currently pending.
- 4) Our Company has received a Show Cause Notice dated 3rd May 2013 vide reference no. F. No. V. Adj. (SCN)15-94/ADC/MDN/M-III/12-13/2536 on 3rd May 2013 (“SCN”) from the office of the Commissioner of Central Excise, Mumbai-III, 4th Floor, Vardhaan Trade Centre, MIDC, Wagle Industrial Estate, Thane (W) - 400604 alleging contravention of Section 11A (1) of Central Excise Act 1944. The SCN has asked us to show cause as to why (a) an amount of Rs. 31,81,234 (Rupees Thirty-One lakhs Eighty-One Thousand Two Hundred Thirty-Four Only) i.e. 10% on the total value of Rs. 3,18,12,336 (Three Crores Eighteen lakhs Twelve Thousand Three Hundred Thirty Six) of exempted goods should not be demanded and recovered under Proviso to the then Section 11A(1) of Central Excise Act, 1944 read with Rule 14 of Cenvat Credit Rules 2004, (b) interest at appropriate rate should not be demanded and recovered under the then Section 11AB of the Central Excise Act, 1944 read with Rule 14 of Cenvat Credit Rules, 2004; and (c) penalty should not be imposed under the then Section 11AC of the Central Excise Act, 1944. The said SCN was replied on 11th July 2014 by us denying all the allegations and stating that there has been no contravention of Section 11A (1) of

Central Excise Act 1944, and therefore the question of imposing any penalty does not arise. The Office of the Commissioner of Central Excise, Mumbai III, 4th Floor, Vardaan Trade Center, MIDC, Wagle Estate, Thane (W) – 400604 in its Order in Original dated 7th August 2014 vide Order No. 23/PCB/2014-15 wherein the Additional Commissioner dismissed the Company's argument and imposed a demand for an amount of (a) Rs. 31,81,234 (Rupees Thirty-One lakhs Eighty-One Thousand Two Hundred Thirty-Four Only) on the exempted goods under Proviso to the then Section 11A (1) of Central Excise Act, 1944 read with Rule 14 of Cenvat Credit Rules 2004, (b) ordered recovery of interest at appropriate rate under the then Section 11AB of the Central Excise Act, 1944 read with Rule 14 of Cenvat Credit Rules, 2004; and (iii) imposed penalty of Rs. 31,81,234 (Rupees Thirty-One lakhs Eighty-One Thousand Two Hundred Thirty-Four Only) under the then Section 11AC of the Central Excise Act, 1944. The Company has filed Appeal No. F.No. V3/(A)187/M-III/14-15 on 14th October 2014 before the Office of the Commissioner of Central Excise (Appeals), Mumbai-II for quashing and setting aside the Order-In-Original passed by the Additional Commissioner, Central Excise, Mumbai-III. The Office of the Commissioner of Central Excise (Appeals), Mumbai-II vide its Order-In-Appeal No. CD/576/M-III/2015 dated 20th August 2015 upheld the Order-In-Original passed by the Additional Commissioner and thereby rejected the Appeal filed by the Company. Aggrieved by the Order-In-Appeal, Company has filed an Appeal on 19th October 2015 before the Customs, Excise & Service Tax Appellate Tribunal for quashing and setting aside the Order-In-Appeal passed by the Office of the Commissioner of Central Excise (Appeals), Mumbai-II. The matter is currently pending.

- 5) Our Company has received a Show Cause Cum Demand Notice dated 31st May 2013 vide reference no. F.No. DGCEI/MZU/I&IS 'B'/12(4)24/13/4213 ("SCN") from the Directorate General of Central Excise Intelligence, Mumbai Zonal Unit, III Floor, N.T.C. House, 15, N.M. Road, Ballard Estate, Mumbai - 400001 alleging contravention of Rule 4, Rule 6, Rule 8, Rule 9, Rule 10, Rule 11, Rule 12 and Rule 25 of Central Excise Rules, 2002 for evading the payment of duty on the goods. The SCN has asked us to show cause as to why (a) Central Excise duty amounting to Rs. 3,33,01,675/- (Rs. Three Crores Thirty-Three lakhs One Thousand Six Hundred and Seventy-Five Only) should not be demanded and recovered under Section 11A(4) of the Central Excise Act, 1944, (b) such goods valued at Rs. 30,97,15,609 (Rs. Thirty Crores Ninety-Seven lakhs Fifteen Thousands Six Hundred and Nine Only) should not be held liable to confiscation under Rule 25 of Central Excise Rules, 2002, (c) the excisable goods valued at Rs. 1,23,36,538 which were seized should not be confiscated under Rule 25 of the Central Excise Rules, 2002, (d) penalty should not be imposed under provisions of Section 11AC of Central Excise Act, 1944, (e) penalty should not be imposed under Rule 25 of the Central Excise Rules, 2002, (f) interest at the appropriate rate should not be charged and recovered under Section 11AA of Central Excise Act, 1944, (g) penalty should not be imposed on our Company's Thane office under Rule 26(1) of Central Excise Rules, 2002, (h) penalty should not be imposed on Shri Samkara Subramani, General Manager of our Company under Rule 26(1) of Central Excise Rules, 2002. The said SCN was replied on 14th August 2013 by us denying all the allegations and stating that there has been no contravention of Rule 4, Rule 6, Rule 8, Rule 9, Rule 10, Rule 11, Rule 12 and Rule 25 of Central Excise Rules, 2002 and other provisions of Central Excise Act, 1944, and therefore the question of imposing any demand or penalty does not arise. The Office of the Commissioner of Central Excise, Thane-I in its Order in Original dated 22nd November 2013 vide Order No. 10/ANS-10/JOST's/DGCEI/K-1/Th-1/2013/ wherein the Commissioner dismissed the Company's argument and imposed (a) demand of Central Excise duty amounting to Rs. 3,33,01,675/- (Rs. Three Crores Thirty-Three lakhs One Thousand Six Hundred and Seventy-Five Only) on excisable goods under Section 11A (1) of the Central Excise Act, 1944 for period upto 7th April 2011 and Section 11A (4) of the Central Excise Act, 1944 from 8th April 2011 onwards, (b) a penalty of Rs. 3,33,01,675/- (Rs. Three Crores Thirty-Three lakhs One Thousand Six Hundred and Seventy-Five Only) under Section 11AC of

Central Excise Act, 1944 read with Rule 25 of Central Excise Rules, 2002, (c) interest at the appropriate rate on the Central Excise duty of Rs. 3,33,01,675/- (Rs. Three Crores Thirty-Three lakhs One Thousand Six Hundred and Seventy-Five Only) under Section 11AA of Central Excise Act, 1944 for the period upto 7th April 2011 and Section 11AA of Central Excise Act, 1944 from 8th April 2011 onwards, (d) ordered confiscation of goods valued at Rs. 1,23,36,538 which were seized under Rule 25 of the Central Excise Rules, 2002 and a redemption fee of Rs. 12,50,000/- (Rupees Twelve lakhs Fifty Thousand Only), (e) penalty of Rs. 15,00,000/- (Rupees Fifteen lakhs only) under Rule 26(1) of Central Excise Rules, 2002 on Shri Samkara Subramani, General Manager of our Company, and (f) penalty of Rs. 50,00,000/- (Rupees Fifty lakhs only) under Rule 26(1) of Central Excise Rules, 2002 on our Company's Thane office. Aggrieved by the Order-In-Original, Company has filed an Appeal No. E/85865/14-MUM of 2014 and E/85866/14-MUM of 2014 on 20th March 2014 before the Customs, Excise & Service Tax Appellate Tribunal for quashing and setting aside the Order-In-Appeal passed by the Commissioner of Central Excise, Thane-I. Our Company has further filed two Stay Applications in Appeal No. E/85865/14-MUM of 2014 and in Appeal No. E/85866/14-MUM of 2014 on 20th March 2014 before the Customs, Excise & Service Tax Appellate Tribunal for dispensing with the condition of pre-deposit of Rs. 50,00,000/- (Rupees Fifty lakhs only) and Rs. 15,00,000/- (Rupees Fifteen lakhs only) respectively towards penalty and for seeking stay against recovery of such amount. Our Company has further filed one more Stay Application No. E/Stay/93900/14-MUM of 2014 in Appeal No. E/85866/14-MUM of 2014 for dispensing with the condition of pre-deposit of Rs. 3,33,01,675/- (Rs. Three Crores Thirty-Three lakhs One Thousand Six Hundred and Seventy-Five Only), interest and penalty and for seeking stay against recovery of the said amount. The matter is currently pending.

- 6) Our Company has received a Show Cause Notice dated 3rd December 2013 vide reference no. F. No. V. Adj. (SCN)15-47/Commr/MDN/M-III/2013-14/6933 on 3rd December 2013 ("SCN") from the Office of the Commissioner of Central Excise, Mumbai-III, 4th Floor, Vardhaan Trade Centre, MIDC, Wagle Industrial Estate, Thane (W) - 400604 alleging contravention of Rule 5, Rule 6, Rule 8 and Rule 10 and Rule 25 of Central Excise Rules, 2002. The SCN has asked us to show cause as to why (a) an amount of Rs. 1,08,21,040 (Rupees One Crore Eight lakhs Twenty-One Thousand Forty Only) should not be demanded and recovered under Section 11A(1)(a) of Central Excise Act, 1944 towards short payment of duty, (b) Interest on the duty demanded should not be recovered under Section 11AA of the Central Excise Act, 1944 and (c) penalty should not be imposed under Rule 25 of Central Excise Rule, 2002. The said SCN was replied on 6th May 2014 by us denying all the allegations and stating that there has been no contravention of Rule 5, Rule 6, Rule 8 and Rule 10 and Rule 25 of Central Excise Rules, 2002, and therefore the question of imposing any demand and penalty does not arise. The Office of the Commissioner of Central Excise, Mumbai III, 4th Floor, Vardaan Trade Center, MIDC, Wagle Estate, Thane (W) – 400604 in its Order in Original dated 21st May 2014 vide Order No. 02/COMMR/M-III/DRN/2014-15 wherein the Commissioner dismissed the Company's argument and imposed (a) a demand for an amount of Rs. 1,08,21,040 (Rupees One Crore Eight lakhs Twenty-One Thousand Forty Only) being Central Excise Duty short paid under Section 11A (10) of Central Excise Act, 1944, (b) demand for interest on the duty is confirmed under Section 11AA of the Central Excise Act, 1944 and (c) a penalty for an amount of Rs. 1,00,000 (Rupees One Lac Only) under Rule 25 of Central Excise Rule, 2002. Aggrieved by the Order-In-Original, Company has filed an Appeal on 27th August 2014 before the Customs, Excise & Service Tax Appellate Tribunal for quashing and setting aside the Order-In-Original passed by the Office of the Commissioner of Central Excise, Mumbai III. The matter is currently pending.

(ii) Litigation by our Company

(a) Criminal Proceedings

There are no criminal proceedings filed by our Company.

(b) Actions by statutory/regulatory authorities

There are no actions initiated by statutory/regulatory authorities by our Company.

(c) Tax proceedings

There are no tax proceedings filed by our Company.

(d) Material pending litigations

There are no material pending litigations filed by our Company.

B. LITIGATION INVOLVING OUR PROMOTERS/GROUP COMPANIES

(i) Litigation against our Promoters/Group Companies/Subsidiaries

(a) Criminal Proceedings

There are no criminal complaint or proceeding pending against our Promoters/Group Companies/ Subsidiaries.

(b) Actions by statutory/regulatory authorities

There are no actions initiated by statutory/regulatory authorities against our Promoters/Group Companies/Subsidiaries.

(c) Tax proceedings

There are no tax proceedings pending litigations against our Promoters/Group Companies/Subsidiaries.

(d) Material pending litigations

There are no other material pending litigations against our Promoters/Group Companies/Subsidiaries.

(ii) Litigation by our Promoters/Group Companies/Subsidiaries

(a) Criminal Proceedings

There are no criminal complaint or proceeding pending by our Promoters/Group Companies/Subsidiaries.

(b) Actions by statutory/regulatory authorities

There are no actions initiated by statutory/regulatory authorities by our Promoters/Group Companies//Subsidiaries.

(c) Tax proceedings

There are no tax proceedings pending litigations by our Promoters/Group Companies//Subsidiaries.

(d) Material pending litigations

There are no other material pending litigations by our Promoters/Group Companies//Subsidiaries.

C. LITIGATION INVOLVING OUR DIRECTORS

(i) Mr. Farokh Banatwalla along with his family were having 50% lessors rights in a property located at Shuklaji Street, Grant Road, Mumbai. In 2013, 50% share in the property was sold to a partnership firm called Sirsiwala Realty. Sirsiwala Realty has filed for a partition suit against 25% lessor Mr. Giasuddin Zariwalla. Mr. Giasuddin Zariwalla contested civil suit claiming 100% lessor rights and has filed Criminal Complaint No. 116/SW of 2014 against Sirsiwalla Realty and Farokh Banatwalla and his family before the 38th Ballard Estate Court, Mumbai. Mr. Farokh Banatwalla and his family has filed discharge application which is pending for hearing. The said criminal complaint is currently ongoing.

(ii) Except Mr. Farokh Banatwalla, there is no litigation involving our Directors.

OUTSTANDING DUES TO CREDITORS

As of March 31st 2017, our Company had [●] creditors, to whom an aggregate amount of Rs. 1660.90 lakhs was outstanding. Further the said amount is outstanding to creditors other than micro enterprises and small enterprises based on available information.

FURTHER CONFIRMATION

Except as disclosed above, there are no regulatory actions initiated/taken against our Company, any of our Subsidiaries, our Group Companies, our Promoter and our Directors in their individual capacities by various agencies/regulatory bodies. Further, except as disclosed above there are no show cause notices received by our Company, our Subsidiary, our Group Companies, our Promoter, or our Directors in their individual capacities (pending any investigation) for any regulatory lapse.

CHANGE IN ACCOUNTING POLICIES IN THE LAST THREE YEARS

There has been no change in accounting policies in the last three years.

SIGNIFICANT DEVELOPMENTS

For details of significant developments, refer page 214.

GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has received the necessary consents, licenses, permissions registrations and approvals from the Government, various Government agencies and other statutory and/or regulatory authorities required for carrying out our present business activities and except as mentioned below, no further material approvals are required for carrying on our present business activities. Unless otherwise stated, these approvals or licenses are valid as of the date of this Draft Letter of Offer and in case of licenses and approvals, which have expired, we have either made an application for renewal or are in the process of making an application for renewal.

Approvals in relation to the Issue

Approval of the Company

1. Resolution of our Board dated February 13, 2017, pursuant to section 62 of the Companies Act, authorizing the issue.

Approval of Stock Exchange

1. In-principle approval from the BSE dated [•]

Approval from Depositories

1. CDSL: ISIN No.: INE636D01017 vide Tripartite Agreement among CDSL, our Company and Computech Sharecap Ltd dated May 26, 2001
2. NSDL: ISIN No.: INE636D01017 vide Tripartite Agreement among NSDL, our Company and Computech Sharecap Ltd dated 4th March, 2003

Material Approvals in Relation to the Business of our Company

We have received the following significant government and other approvals pertaining to our business

| Sr. No | Nature of Licence/ Approval Granted | Issuing Authority | Registration/ License No | Date of Granting/ Renewal of License/ Approval | validity |
|--------|-------------------------------------|-------------------|--------------------------|--|----------|
|--------|-------------------------------------|-------------------|--------------------------|--|----------|

A. Corporate Approvals

| | | | | | |
|----|---|------------------------------------|-----------------------|-------------------|----------------------------------|
| 1. | Certificate of Incorporation as “Josts Fans Supply and Engineering Company Limited | The Registrar of Companies, Bombay | -- | May 09, 1907 | Until Cancellation or Winding up |
| 2. | Certificate of Change of Name from “Jost’s Fans Supply and Engineering Company Limited to “Jost’s | The Registrar of Companies, Bombay | A/1182 – A 15-3-18- - | February 25, 1918 | Until Cancellation or Winding up |

| | | | | | |
|----|--|--|------------|----------------|--------------------------------|
| | Engineering Company Limited” | | | | |
| 3. | Certificate of Importer- Exporter Code (IEC) | Foreign Trade Development Officer, Ministry of Commerce and Industry | 0388058307 | April 01, 1988 | Until cancelled or surrendered |

B. Tax Related Approvals

| | | | | | |
|-----|--|---|-----------------|-------------------|--------------------------------|
| 4. | Allotment of Permanent Account Number (PAN) under the provisions of Income Tax Act, 1961 | Income Tax Department, Govt. of India | AAACJ1658A | -- | Until cancelled or surrendered |
| 5. | Allotment of Tax Deduction Account No. (TAN) | Income Tax Department, Govt. of India | MUMJ08367C | May 11, 2004 | Until cancelled or surrendered |
| 6. | Certificate for Central Excise Registration (Thane facility) | Assistant Commissioner Central Excise & Customs | AAACJ1658AXM001 | May 22, 2007 | Until cancelled or surrendered |
| 7. | Certificate for Central Excise Registration (Mumbai facility) | Assistant Commissioner Central Excise & Customs | AAACJ1658AXD001 | October 09, 2007 | Until cancelled or surrendered |
| 8. | Certificate for Central Excise Registration (Pune facility) | Deputy Commissioner Central Excise | AAACJ1658AEM003 | August 29, 2011 | Until cancelled or surrendered |
| 9. | Certificate for Central Excise Registration (Bhiwandi facility) | Assistant Commissioner Central Excise & Customs | AAACJ1658AEM004 | April 08, 2014 | Until cancelled or surrendered |
| 10. | Service Tax Registration (Form ST-2) (Thane facility) | Superintendent (Service Tax Customs and Central Excise) | AAACJ1658AST001 | January 08, 2014 | Until cancelled or surrendered |
| 11. | Service Tax Registration (Form ST-2) (Mumbai facility) | Superintendent (Service Tax Customs and Central Excise) | AAACJ1658AST002 | November 18, 2013 | Until cancelled or surrendered |
| 12. | Service Tax Registration (Form ST-2) (Pune facility) | Superintendent (Service Tax Customs and Central Excise) | AAACJ1658ASD004 | October 04, 2011 | Until cancelled or surrendered |
| 13. | Service Tax Registration (Form ST-2) | Superintendent (Service Tax) | AAACJ1658ASD005 | April 22, 2016 | Until cancelled or surrendered |

| | | | | | |
|-----|--|--|--------------|------------------|--------------------------------|
| | (Bhiwandi facility) | Customs and Central Excise) | | | |
| 14. | Certificate of Registration under Central Sales Tax Act, 1956 (Mumbai facility) | Commercial Tax Officer, The Central Sales Tax (Registrations & Turnover) Rules, 1957 | 27290330801C | April 01, 2006 | Until cancelled or surrendered |
| 15. | Certificate of Registration under Maharashtra Value Added Tax Act, 2002 | Sales Tax Officer, Sales Tax Department, Maharashtra | 27290330801V | April 01, 2006 | Until cancelled or surrendered |
| 16. | Certificate of Registration under Central Sales Tax Act, 1956 and Karnataka Value Added Tax Act, 2003 | Assistant Commissioner of Commercial Taxes, Bengaluru | 29940136168 | April 01, 2005 | Until cancelled or surrendered |
| 17. | Certificate of Registration under Central Sales Tax Act, 1956 and West Bengal Value Added Tax Act, 2003 | Joint Commissioner, Sales Tax | 19452873052 | June 23, 2011 | Until cancelled or surrendered |
| 18. | Certificate of Registration Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 | Profession Tax Officer, Mumbai | 27290330801P | January 18, 2013 | Until cancelled or surrendered |

C. Approvals relating to Factory Operations

| | | | | | |
|-----|---|---|--|--|--------------------------------|
| 19. | License to Work a factory (Mumbai facility) | Directorate Industrial Safety & Health, Maharashtra | Registration No:- PLMVAM/2951/2009 License No: 091009 | November 06, 2009 | Until cancelled or surrendered |
| 20. | ISO 9001:2008 Certification for Design Manufacturing, Supply and Servicing of Internal material handling equipment's, | BUREAU VERITAS Certification | IND16.3006U | Original Certificate dated - January 07, 1998 Renewal date: | September 14, 2018 |

| | | | | | |
|-----|--|--|-------------------|-------------------|--------------------------------|
| | warehouse systems including heavy duty storage racks, Sales & service of Scissor lifts, Hand pallet trucks, Manual hand stacker and semi electric hand stacker | | | January 15, 2016 | |
| 21. | Entrepreneurs Memorandum for setting up Micro, Small or Medium Enterprise (Part-II) (Mumbai facility - MHE) | District Industries Center, Government of Maharashtra | 27-021-12-05326 | April 17, 2013 | Until cancelled or surrendered |
| 22. | Entrepreneurs Memorandum for setting up Micro, Small or Medium Enterprise (Part-II) (Mumbai facility – EPD) | District Industries Center, Government of Maharashtra | 27-021-22-01624 | February 21, 2015 | Until cancelled or surrendered |
| 23. | Registration for Employees State Insurance under Employees State Insurance Act, 1948 | Employees State Insurance Corporation, Regional Office, Mumbai | 31310074730010699 | July 07, 2011 | Until cancelled or surrendered |
| 24. | Registration certificate of Establishment | Inspector, Maharashtra Shops and Establishments Act, 1948 | A002312 | November 07, 2014 | December 31, 2017 |

D. Approvals relating to Environmental Laws

| | | | | | |
|-----|--|-------------------------------------|---------------------|----------------|-------------------|
| 25. | Consent to Operate under section 26 of the Water (Prevention & Control of Pollution) Act, 1974 and Under Section 21 of the Air (Prevention & Control of Pollution) Act, 1981 and Authorization/ Renewal of Authorization under rule 5 of the | Maharashtra Pollution Control Board | MPCB/ROT/TH-I/93/22 | March 21, 2016 | February 28, 2018 |
|-----|--|-------------------------------------|---------------------|----------------|-------------------|

| | | | | | |
|--|--|--|--|--|--|
| | Hazardous Wastes (Management, Handling & Transboundary Movement) Rules 2008 | | | | |
|--|--|--|--|--|--|

Licenses / Approvals which have been applied for but yet not been approved / granted

1. Company has made an application for Enrollment of Existing Tax Payer under Goods and Service Tax. The date of filing the application is March 21, 2017 and provisional Id number allotted is 27AAACJ1658A1ZZ

Intellectual Property related approvals /registrations

| Sr. No | Word Mark | Application No. | Class | Applicant | Date of Application | Date of Expiry | Registration Status |
|--------|---------------|-----------------|-------|------------------------------------|---------------------|--------------------|---------------------|
| 1. | JUMBO | 217376 | 12 | Jost's Engineering Company Limited | August 29, 1963 | August 29, 2025 | Registered |
| 2. | JUMBO* | 1148 | 12 | Jost's Engineering Company Limited | June 17, 1962 | June 17, 2016 | Applied for renewal |
| 3. | PYGMY | 212374 | 12 | Jost's Engineering Company Limited | November 20, 1962 | November 20, 2024 | Registered |
| 4. | JUMBOELECTRIC | 224281 | 12 | Jost's Engineering Company Limited | September 11, 1964 | September 11, 2026 | Registered |

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorized by a resolution passed by the Board of Directors under Section 62(1)(a) and other applicable provisions of the Companies Act, at their meeting held on February 13th, 2017.

The Board of Directors at their meeting held on [●] have determined the Issue Price at Rs. [●] per Equity Share and the Rights Entitlement as [●] Rights Share(s) for every [●] fully paid up Equity Share(s) held on the Record Date. The Issue Price has been arrived at in consultation with the Lead Manager.

Our Company has received in-principle approval from the BSE under Regulation 28 of SEBI Listing Regulations for listing of the Rights Equity Shares to be allotted in the Issue pursuant to BSE's letter dated [●].

RBI Approval for Renunciation

Our Company may apply to the RBI for seeking its approval for renunciation of the Rights Entitlement in the event (a) an Equity Shareholder resident in India, in favour of any person resident outside India (other than OCBs); (b) an Equity Shareholder resident outside India (other than OCBs), in favour of any person resident in India; and (c) an Equity Shareholder resident outside India (other than OCBs), in favour of any other person resident outside India (other than OCBs).

Prohibition by SEBI or governmental authorities

Our Company, our Promoters, the members of our Promoter Group, our Group Companies, our Directors and the persons in control of our Company have not been prohibited from accessing or operating the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies with which the Promoters, the Group Companies and the Directors are or were associated as promoters, directors or persons in control have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

Except Jai Prakash Agarwal, none of the Directors of the Company are associated with the capital market in any manner. SEBI has not initiated action against any entity with which the Directors are associated.

Further neither our Company, the Promoter, the Promoter Group, the Group Companies nor the relatives of the Promoter, the Promoter Group, the Group Companies have been declared wilful defaulters by the RBI or any other authority and no violations of securities laws have been committed by them in the past and no proceedings in relation to such violations are currently pending against them.

Eligibility for the Issue

Our Company is a listed company and has been incorporated under the Indian Companies Act, 1882. Our Equity Shares are presently listed on BSE. Our Company is eligible to make the Issue in terms of Chapter IV of the SEBI ICDR Regulations.

Pursuant to Clause 3(a) of Part E of Schedule VIII of the SEBI ICDR Regulations, our Company is required to make disclosures as per Part A of Schedule VIII of the SEBI ICDR Regulations.

Disclaimer Clause of SEBI

AS REQUIRED, A COPY OF THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI, IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT LETTER OF OFFER TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. THE LEAD MANAGER, FEDEX SECURITIES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN DRAFT LETTER OF OFFER, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, FEDEX SECURITIES LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED JULY 20, 2017, WHICH READS AS FOLLOWS

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC., AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT LETTER OF OFFER PERTAINING TO THE SAID ISSUE;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**
 - a) THE DRAFT LETTER OF OFFER FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
 - b) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE, AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ ISSUED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
 - c) THE DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.
4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS - **NOT APPLICABLE**
5. WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF THE PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF THE PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT LETTER OF OFFER WITH SEBI TILL THE DATE OF COMMENCEMENT OF THE LOCK-IN PERIOD AS STATED IN THE DRAFT LETTER OF OFFER - **NOT APPLICABLE**
6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER - **NOT APPLICABLE**
7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITOR'S CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE – **NOT APPLICABLE**
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION – **COMPLIED WITH.**
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM THE STOCK EXCHANGE MENTIONED IN THE DRAFT LETTER OF OFFER. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS

CONDITION – NOT APPLICABLE. THIS BEING A RIGHTS ISSUE, SECTION 40(3) OF THE COMPANIES ACT 2013 IS NOT APPLICABLE. FURTHER, TRANSFER OF MONIES RECEIVED PURSUANT TO THE ISSUE SHALL BE RELEASED TO THE COMPANY AFTER FINALISATION OF THE BASIS OF ALLOTMENT IN COMPLIANCE WITH REGULATION 56 OF THE ICDR REGULATIONS.

10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT LETTER OF OFFER THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE EQUITY SHARES IN DEMAT OR PHYSICAL MODE - **COMPLIED WITH**
11. WE CERTIFY THAT ALL APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL-INFORMED DECISION - **COMPLIED WITH**
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER:
 - a) “AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND
 - b) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.”
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE - **NOTED FOR COMPLIANCE.**
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, RISK FACTORS, PROMOTERS EXPERIENCE ETC - **COMPLIED WITH**
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT LETTER OF OFFER WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY - **COMPLIED WITH**
16. WE ENCLOSE STATEMENT ON ‘PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER BELOW (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)’, AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR DATED SEPTEMBER 27, 2011 – **NOT APPLICABLE FOR RIGHTS ISSUE**
17. WE CERTIFY THAT THE PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS - **COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED, IN**

ACCORDANCE WITH ACCOUNTING STANDARD 18, IN THE FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THIS DRAFT LETTER OF OFFER

- 18. WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y(1)(a) OR (b) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THESE REGULATIONS (IF APPLICABLE) – NOT APPLICABLE**

THE FILING OF THIS DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER SECTION 34 AND SECTION 36 OF THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI, FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT LETTER OF OFFER.

Disclaimer from the Company and the Lead Manager

Our Company and the Lead Manager accept no responsibility for statements made otherwise than in this Draft Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company and anyone placing reliance on any other source of information would be doing so at his own risk.

Investors who invest in the Issue will be deemed to have been represented by our Company and Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company, and are relying on independent advice/ evaluation as to their ability and quantum of investment in this Issue.

Our Company, the Lead Manager and their directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any Applicant on whether such Applicant is eligible to acquire any Rights Equity Shares under this Draft Letter of Offer.

Caution

Our Company and the Lead Manager shall make all information available to the Eligible Equity Shareholders and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Draft Letter of Offer with SEBI.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Equity Shares and rights to purchase the Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Draft Letter of Offer is current only as of its date.

Disclaimer with respect to jurisdiction

This Draft Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, India only.

Designated Stock Exchange

Since the Equity Shares of our Company are listed on BSE only, BSE shall be the Designated Stock Exchange.

Disclaimer Clause of the BSE

As required, a copy of this Draft Letter of Offer will be submitted to BSE. The Disclaimer Clause as intimated by the BSE to us, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to filing the Letter of Offer with the Stock Exchange.

Filing

This Draft Letter of Offer has been filed with Corporate Finance Department of SEBI, located at Plot No. C 4-A, G Block, Near Bank of India, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra 400051 for its observations. After SEBI gives its observations, this Draft Letter of Offer shall be filed with the Stock Exchange as per the provisions of the Companies Act and Registrar of Companies as per SEBI ICDR Regulations.

Selling Restrictions

The distribution of this Draft Letter of Offer and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch the Letter of Offer/ Abridged Letter of Offer and CAF only to Eligible Equity Shareholders who have provided an Indian address.

No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of this Draft Letter of Offer or any other material relating to our Company, the Rights Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Draft Letter of Offer has been filed with SEBI for observations. Accordingly, the Rights Equity Shares or Rights Entitlement may not be offered or sold, directly or indirectly, and none of the Draft Letter of Offer or any offering materials or advertisements in connection with the Rights Equity Shares or Rights Entitlement may be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Draft Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. If this Draft Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlement referred to in the Draft Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Rights Equity Shares or accepting any provisional allotment of Rights Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Rights Equity Shares or Rights Entitlement.

Neither the delivery of the Draft Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information.

Each person who exercises Rights Entitlement and subscribes for Rights Equity Shares or excess Rights Equity Shares, or who purchases Rights Entitlement or Rights Equity Shares shall do so in accordance with the restrictions set out below.

IMPORTANT INFORMATION FOR INVESTORS – ELIGIBILITY AND TRANSFER RESTRICTIONS

As described more fully under the caption “Notice to Overseas Investors” on page 10, there are certain restrictions regarding the Rights Entitlements and Rights Equity Shares that affect potential investors. These restrictions are restrictions on the ownership of Equity Shares by such persons following the offer.

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act or any other applicable law of the U.S. and, unless so registered, may not be offered or sold within the U.S. or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) (“U.S. Persons”) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered, listed or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Until the expiry of forty days after the commencement of the Issue, an offer or sale of Rights Entitlement or Rights Equity Shares within the U.S. by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Eligible Investors

The Rights Entitlements and the Rights Equity Shares are being offered and sold only to persons who are outside the U.S. and are not U.S. Persons, nor persons acquiring for the account or benefit of U.S. Persons, in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. All persons who acquire the Rights Entitlement or Rights Equity Shares are deemed to have made the representations set forth immediately below.

Rights Equity Shares and Rights Entitlement Offered and Sold in this Issue

Each purchaser acquiring the Rights Entitlement or Rights Equity Shares, by its acceptance of this Draft Letter of Offer and of the Rights Entitlement or Rights Equity Shares, will be deemed to have acknowledged, represented to and agreed with us and the Lead Manager that it has received a copy of this Draft Letter of Offer and such other information as it deems necessary to make an informed investment decision and that:

- (1) the purchaser is authorized to consummate the purchase of the Rights Entitlement or Rights Equity Shares in compliance with all applicable laws and regulations;
- (2) the purchaser acknowledges that the Rights Entitlements and Rights Equity Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the U.S. and, accordingly, may not be offered or sold within the U.S. or to, or for the account or benefit of, U.S. Persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;
- (3) the purchaser is purchasing the Rights Entitlements and Rights Equity Shares in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the Securities Act;
- (4) the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Rights Entitlement or Rights Equity Shares, is a non-U.S. Person and was located outside the U.S. at each time (i) the offer was made to it and (ii) when the buy order for such Rights Entitlement or

Rights Equity Shares was originated, and continues to be a non-U.S. Person and located outside the U.S. and has not purchased such Rights Entitlement or Rights Equity Shares for the account or benefit of any U.S. Person or any person in the United States or entered into any arrangement for the transfer of such Rights Entitlement or Rights Equity Shares or any economic interest therein to any U.S. Person or any person in the U.S.;

- (5) the purchaser is not an affiliate of our Company or a person acting on behalf of an affiliate;
- (6) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Rights Entitlement or Rights Equity Shares, or any economic interest therein, such Rights Entitlement or Rights Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) outside the U.S. in an offshore transaction complying with Rule 903 or Rights Entitlement or Rights Equity Shares Rule 904 of Regulation S under the Securities Act and (B) in accordance with all applicable laws, including the securities laws of the states of the U.S.. The purchaser understands that the transfer restrictions will remain in effect until our Company determines, in its sole discretion, to remove them, and confirms that the proposed transfer of the Rights Entitlement or Rights Equity Shares is not part of a plan or scheme to evade the registration requirements of the Securities Act;
- (7) the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any “directed selling efforts” as defined in Regulation S under the Securities Act in the U.S. with respect to the rights or the Rights Equity Shares;
- (8) the purchaser understands that such Rights Entitlement or Rights Equity Shares (to the extent they are in certificated form), unless our Company determine otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

THE RIGHTS EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

- (9) the purchaser agrees, upon a proposed transfer of the rights or the Rights Equity Shares, to notify any purchaser of such Rights Entitlement or Rights Equity Shares or the executing broker, as applicable, of any transfer restrictions that are applicable to the Rights Entitlement or Rights Equity Shares being sold;
- (10) our Company will not recognize any offer, sale, pledge or other transfer of such Rights Entitlements or Rights Equity Shares made other than in compliance with the above-stated restrictions; and
- (11) the purchaser acknowledges that our Company, the Lead Manager, its respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Rights Entitlements or Rights Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of such Rights Entitlements or Rights Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has

full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Each person in a Member State of the EEA which has implemented the Prospectus Directive (each, a “Relevant Member State”) who receives any communication in respect of, or who acquires any Rights Entitlement or Rights Equity Shares under, the offers contemplated in this Draft Letter of Offer will be deemed to have represented, warranted and agreed to and with the Lead Manager and our Company that in the case of any Rights Entitlement or Rights Equity Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive:

- (i) the Rights Entitlements or Rights Equity Shares acquired by it have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the Lead Manager has been given to the offer or resale; or
- (ii) where Rights Entitlements or Rights Equity Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Rights Entitlement or Rights Equity Shares to it is not treated under the Prospectus Directive as having been made to such persons.

For the purposes of this provision, the expression an “offer of Equity Shares to the public” in relation to any of the Rights Entitlement or Rights Equity Shares in any Relevant Member States means the communication in any form and by any means of sufficient information on the terms of the offer and the Rights Entitlement or Rights Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Rights Entitlement or Rights Equity Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

Listing

The existing Equity Shares of our Company are listed on BSE. We will apply to BSE for obtaining in-principle approval in respect of the Rights Equity Shares being issued in terms of this Draft Letter of Offer. We will apply to the BSE for obtaining listing and trading approvals of the Rights Equity Shares to be issued pursuant to this Issue.

If the listing and trading approvals for the Rights Equity Shares to be issued pursuant to this Issue is not granted by the BSE, we shall forthwith repay, without interest, all monies received from applicants in pursuance of the Letter of Offer.

Our Company will issue and dispatch Allotment Advice / share certificates/ demat credit and/ or letters of regret along with refund order or credit the allotted Equity Shares to the respective beneficiary accounts, if any, within a period of fifteen days from the Issue Closing Date. If in case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

Consents

Consents in writing of our Directors, Auditor, Lead Manager, Legal Advisor, Registrar to the Issue and Experts to act in their respective capacities have been obtained and such consents have not been withdrawn up to the date of this Draft Letter of Offer. The consent of Bankers to the Issue shall be obtained upon their appointment for the Issue.

M/s. Sorab S. Engineer & Company, Chartered Accountants, our Statutory Auditors, have given their written consent for the inclusion of their report in the form and content appearing in this Draft Letter of Offer and such consent and report have not been withdrawn up to the date of this Draft Letter of Offer.

Expert Opinion

We have not obtained any other expert opinion in relation to this Issue, except:

- a. Report of M/s. Sorab S. Engineer & Company, Chartered Accountants on the audited financial statements of our Company in the form and context it appears in this Draft Letter of Offer,
- b. the report on the statement of tax benefits dated July 17, 2017 received from M/s. Sorab S. Engineer & Company, Chartered Accountants in the form and context it appears in this Draft Letter of Offer.

Issue related expenses

The Issue related expenses include, inter alia, Lead Manager's fees, Registrar's fees, fees of the other advisors, commission payable to SCSBs, printing and stationery expenses, advertising, travelling and marketing expenses and other expenses and are estimated to be approximately Rs. [•] lakhs and will be met out of the proceeds of the Issue.

The estimated Issue expenses are as under

| (Rs in lakhs) | | | |
|--|---------|-------------------------------------|--------------------------------|
| Particulars | Amount* | As a percentage, of total expenses* | As a percentage of Issue size* |
| Fees of the Lead Manager, Registrar to the Issue, Legal Advisor, Auditor's fees etc. | [•] | [•] | [•] |
| Statutory Advertising, Marketing, Printing & Distribution and ASBA processing fees | [•] | [•] | [•] |
| Regulatory fees, filing fees, Stamp Duty, Listing Fees, Depository Fees and other miscellaneous expenses | [•] | [•] | [•] |
| Total estimated Issue expenses | [•] | [•] | [•] |

**Will be incorporated at the time of filing of the Letter of Offer with Stock Exchange*

Public or rights issue by our Company during the last five years

Our Company has not made any public issue or rights issue of Equity Shares in the last five years preceding the date of this Draft Letter of Offer.

Previous issues of securities otherwise than for Cash

Except as disclosed in "Capital Structure" on page 56 of this Draft Letter of Offer, our Company has not made any issue of securities for consideration otherwise than cash.

Commission or Brokerage on previous issues

No sum has been paid or is being payable as commission or brokerage for any of our previous issue(s).

Previous capital issue during the previous three years by listed Subsidiaries, Group Companies and associates of our Company

None of our subsidiaries, Group Companies, and Associates are listed and have undertaken any public or rights issue in the three years preceding the date of this Draft Letter of Offer.

Performance vis-à-vis objects

Our Company has not undertaken any public or rights issue during the last 10 years immediately preceding the date of this Draft Letter of Offer. Accordingly, the requirement to disclose performance vis-à-vis objects in respect of earlier offerings does not apply to our Company.

Performance vis-à-vis – Last issue by Listed Group Companies or Subsidiaries or Joint Venture or Associates

None of our Group Companies, Subsidiaries, Joint Venture or Associates are listed and have undertaken any public or rights issue in the ten years preceding the date of this Draft Letter of Offer. Accordingly, the requirement to disclose performance vis-à-vis objects of Listed Group Companies or Subsidiaries or Joint Venture or Associates in respect of earlier issue does not apply to our Company.

Outstanding debentures/bonds and redeemable preference shares or other instruments

Our Company does not have any outstanding debentures, bonds, redeemable preference shares or other instruments as on the date of this Draft Letter of Offer.

Stock Market Data for Equity Shares

The Equity Shares of our Company are currently listed on the BSE. For details of listing of our Equity Shares, please refer to the chapter titled “History and Certain Other Corporate Matters” on page 133 of this Draft Letter of Offer.

The following table set forth the reported high, low and average market prices of the Equity Shares of our Company on the BSE for the years 2016, 2015 and 2014.

| Financial Year | Date of High | High (Rs.) | Volume on the date of High (No. of equity shares) | Date of Low | Low (Rs.) | Volume on the date of Low (No. of equity shares) | Average Price (Rs.) |
|-----------------------|---------------------|-------------------|--|--------------------|------------------|---|----------------------------|
| 2016-17 | November 09, 2016 | 788.00 | 117 | April 12, 2016 | 470.00 | 1,119 | 646.30 |
| 2015-16 | August 3, 2015 | 1034.00 | 2362 | March 30, 2016 | 480.00 | 1597 | 738.25 |
| 2014-15 | January 22, 2015 | 1240.00 | 7,035 | April 02, 2014 | 260.00 | 210 | 547.64 |

(Source: www.bseindia.com)

Monthly high and low prices and trading volumes on BSE for the six months preceding the date of filing of the Draft Letter of Offer are stated below:

| Month | Date of High | High (Rs.) | Volume on the date of High | Date of Low | Low (Rs.) | Volume on the date of Low (No. | Average price (Rs.) |
|--------------|---------------------|-------------------|-----------------------------------|--------------------|------------------|---------------------------------------|----------------------------|
|--------------|---------------------|-------------------|-----------------------------------|--------------------|------------------|---------------------------------------|----------------------------|

| | | | (No. of equity shares) | | | of equity shares) | |
|----------------|-------------------|---------|------------------------|-------------------|--------|-------------------|--------|
| June, 2017 | June 28, 2017 | 1344.00 | 2,776 | June 05, 2017 | 767.00 | 128 | 966.46 |
| May, 2017 | May 30, 2017 | 829.00 | 757 | May 02, 2017 | 681.05 | 559 | 747.81 |
| April, 2017 | 17 April, 2017 | 725.00 | 778 | 06 April, 2017 | 607.10 | 241 | 682.44 |
| March, 2017 | 07, March, 2017 | 655.00 | 526 | 01 March, 2017 | 575.00 | 233 | 612.83 |
| February, 2017 | 01 February, 2017 | 704.00 | 50 | 20 February, 2017 | 581.05 | 342 | 634.97 |
| January, 2017 | 02 January, 2017 | 719.00 | 1 | 27 January, 2017 | 599.45 | 69 | 657.71 |

(Source: www.bseindia.com)

NOTE:

In case of two days with the same price, the date with higher volume has been considered.

The closing price of Equity Shares as on Tuesday, February 14, 2017 (the trading day immediately following the day on which the resolution of the Board was passed approving the Rights Issue) on the BSE was Rs. 642.20.

Investor Grievances and Redressal System

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements under the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

Our Company has constituted a Stakeholders Relationship Committee to look into the redressal of Shareholder/ Investor complaints such as Issue of duplicate/split/consolidated share certificates, allotment and listing of Equity Shares and review of cases for refusal of transfer/transmission of Equity Shares and debentures, complaints for non-receipt of dividends etc. For further details on Stakeholders Relationship Committee, please refer paragraph titled “*Stakeholders Relationship Committee*” of the chapter titled “Our Management” on page 142 of the Draft Letter of Offer. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, Application Money blocked, ASBA account number and the Designated Branch or the collection centre of the SCSB where the application form was submitted by the ASBA Investor.

| Particulars | Complaints Received | Complaints Resolved | Complaints Pending |
|-------------|---------------------|---------------------|--------------------|
| 2014-15 | Nil | Nil | Nil |
| 2015-16 | Nil | Nil | Nil |
| 2016-17 | Nil | Nil | Nil |

As on the date of Draft Letter of Offer, there are no investor complaints pending against our Company.

Investor Grievances arising out of the Issue

Our Company's investor grievances arising out of the Issue will be handled by Bigshare Services Private Limited, the Registrar to the Issue. The Registrar will have a separate team of personnel handling only post- Issue correspondence.

The agreement between our Company and the Registrar will provide for retention of records with the Registrar for a period of at least one year from the last date of dispatch of Allotment Advice/ demat credit/ refund order to enable the Registrar to redress grievances of Investors. All grievances relating to the Issue may be addressed to the Registrar or the SCSB in case of ASBA Applicants giving full details such as folio no., name and address, contact telephone / cell numbers, e-mail id of the first Applicant, number and type of Securities applied for, CAF serial number, amount paid on application and the name of the bank and the branch where the application was deposited, along with a photocopy of the acknowledgement slip. In case of renunciation, the same details of the Renouncee should be furnished.

The average time taken by the Registrar for attending to routine grievances will be seven to ten days from the date of receipt of complaints. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavour of the Registrar to attend to them as expeditiously as possible. Our Company undertakes to resolve the investor grievances in a time bound manner.

The contact details of the Registrar and Share Transfer agent to our Company for the purpose of this Issue is as follows:

Bigshare Services Private Limited

1st Floor, Bharat Tin Works Building,
Opp Vasant Oasis, Makwana Road, Marol,
Andheri East, Mumbai - 400059
Tel No: +91 22- 62628200
Fax No: +91 22 – 62638299
E-mail: rightissue@bigshareonline.com
Website: www.bigshareonline.com
Contact Person: Jibu John
SEBI Registration No: INR000001385
Investor Grievance Id : investor@bigshareonline.com

Investors may contact the Compliance Officer or the Registrar in case of any pre-Issue/ post – Issue related problems such as non-receipt of Allotment Advice/ demat credit/refund orders etc. The contact details of the Compliance Officer are as follows:

Chandrakant Bhalchandra Sagvekar

Jost's Engineering Company Limited,
Great Social Building,
60, Sir Phirozeshah Mehta Road, Mumbai 400001
Tel No: 022 -62378200
Fax No: 022 62378201
E-mail: cbsagvekar@josts.in

Change in Auditors in last 3 years

There has been no change in the Auditors of our Company during the last three years

Capitalization of Reserves or Profits

Our Company has not capitalized any of its reserves or profits in the last five years.

Revaluation of Assets

There has been no revaluation of assets of our Company during the last five years.

Minimum Subscription

If our Company does not receive minimum subscription of 90% of the Issue including subscription of any undersubscribed portion by our Promoters, our Company shall refund the entire subscription amount within the prescribed time. In the event that there is a delay of making refunds beyond such period as prescribed by applicable laws, our Company shall pay interest for the delayed period at rates prescribed under applicable laws. The above is subject to the terms mentioned under “Terms of the Issue” on page 252.

SECTION VIII – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Rights Equity Shares are subject to the terms and conditions contained in this Draft Letter of Offer, the Abridged Letter of Offer, including the CAF, SAF, the Memorandum of Association and Articles of Association, the provisions of the Companies Act, applicable guidelines and regulations issued by SEBI and RBI or other statutory and regulatory authorities from time to time, the uniform Equity Listing Agreement entered into by our Company with the Bombay Stock Exchange, terms and conditions as stipulated in the allotment advice or security certificate and rules as may be applicable and introduced from time to time.

Please note that in accordance with the provisions of the SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011 all QIB Applicants, Non-Institutional Investors and Non-Retail Individual Investors complying with the eligibility conditions prescribed under the SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009 can participate in the Issue only through the ASBA process. All Retail Individual Investors complying with the above conditions may optionally apply through the ASBA process. The Investors who are not (i) QIB Applicants, (ii) Non-Institutional Investors, or (iii) Investors whose application amount is more than Rs. 2,00,000 can participate in the Issue either through the ASBA process or the non ASBA process. Renouncees are not eligible ASBA Investors and must only apply for the Rights Equity Shares through the non ASBA process irrespective of the application value. ASBA Investors should note that the ASBA process involves application procedures that may be different from the procedure applicable to non-ASBA process. ASBA Investors should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please see “Procedure for Application through the Applications Supported by Blocked Amount (“ASBA”) Process” on page 266. Notwithstanding anything contained hereinabove, all Renouncees (including Renouncees who are individuals) shall apply in the Issue only through the non-ASBA process.

Please note that subject to SCSBs complying with the requirements of SEBI Circular CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at all branches of the SCSBs.

Further, in terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public issues / rights issues and clear demarcated funds should be available in such account for ASBA applications. SCSBs applying in the Issue using the ASBA facility shall be responsible for ensuring that they have a separate account in its own name with any other SCSB having clear demarcated funds for applying in the Issue and that such separate account shall be used as the ASBA Account for the application, for ensuring compliance with the applicable regulations.

Please note that in terms of the SEBI (Foreign Portfolio Investors) Regulations, 2014 (“**SEBI FPI Regulations**”), foreign institutional investor or qualified foreign investor who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995.

All rights / obligations of the Eligible Shareholders in relation to application and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

Authority for the Issue

The Issue has been authorized by a resolution of our Board passed at its meetings held on February 13, 2017 pursuant to Section 62(1) (a) of the Companies Act, 2013.

Basis for the Issue

The Equity Shares are being offered for subscription for cash to those existing Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories for the purpose of this Rights Issue in respect of the Equity Shares held in the electronic form and on the Register of Members in respect of the Equity Shares held in physical form at the close of business hours on the Record Date, fixed in consultation with BSE.

PRINCIPAL TERMS OF THE ISSUE

Face Value

Each Equity Share will have the face value of Rs.10 each.

Issue Price

Each Equity Share shall be offered at an Issue Price of Rs. [•]/- for cash at a premium of Rs.[•]/- per Equity Share. The Issue Price has been arrived at, by us and in consultation with the Lead Manager and has been decided prior to the determination of the Record Date.

Rights Entitlement

Eligible Equity Shareholders whose name appears as a beneficial owner in respect of the Equity Shares held in the electronic form or in the register of members as an Eligible Equity Shareholder as on the Record Date, are entitled to the number of Equity Shares as set out in Part A of the CAFs.

The distribution of this Draft Letter of Offer, Abridged Letter of Offer and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, Abridged Letter of Offer or CAF may come, are required to inform themselves about and observe such restrictions. Our Company is making the issue of the Rights Equity Share to the Eligible Equity Shareholders and this Draft Letter of Offer, the Abridged Letter of Offer and the CAFs will be dispatched only to those Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address. Any person who acquires Rights Entitlements or Rights Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer / Abridged Letter of Offer / CAF that such person is not and that at the time of subscribing for the Equity Shares or the Rights Entitlements, will not be, in the U.S and in any other restricted jurisdictions.

Rights Entitlement Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of [•] Equity Shares for every [•] Equity Shares held on the Record Date.

Terms of Payment

The full amount of Issue Price Rs. [•] per Equity Share is payable on application.

1. Rs. [•] per Rights Equity Share towards Equity Share Capital
2. Rs. [•] per Rights Equity Share towards securities premium account of our Company

Where an applicant has applied for Additional Rights Shares and is allotted lesser number of Rights Equity Shares than applied for, the excess Application Money paid shall be refunded. The monies would be refunded within fifteen days from the Issue Closing Date. In the event that there is a delay of making

refunds beyond such period as prescribed by applicable laws, our Company shall pay interest for the delayed period at rates prescribed under applicable laws.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of [•] Rights Equity Shares for every [•] Equity Shares held as on the Record Date. For Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [•] Equity Shares or is not in a multiple of [•] Equity Shares, the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, Eligible Equity Shareholders whose fractional entitlements are being ignored will be given preference in the allotment of one additional Equity Share each, if such Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any.

For example, if an Equity Shareholder holds [•] Equity Shares, he will be entitled to [•] Equity Shares on a rights basis. He will also be given a preferential consideration for the Allotment of one additional Equity Share if he has applied for the same.

Also, those Equity Shareholders holding less than [•] Equity Shares and therefore entitled to 'Zero' Equity Shares under this Issue shall be dispatched a CAF with 'Zero' entitlement. Such Eligible Equity Shareholders are entitled to apply for additional Equity Shares and would be given preference in the allotment of one additional Rights Issue Equity Share if, such Equity Shareholders have applied for the additional Equity Shares. However, they cannot renounce the same to third parties. CAF's with zero entitlement will be non-negotiable/non-renounceable.

Ranking

The Equity Shares being issued shall be subject to the provisions of our Memorandum of Association and Articles of Association. The Equity Shares issued under this Issue shall rank *pari passu*, in all respects including dividend, with our existing Equity Shares.

The voting rights in a poll, whether present in person or by representative or by proxy shall be in proportion to the paid-up value of the Shares held, and no voting rights shall be exercisable in respect of moneys paid in advance, if any.

Mode of payment of dividend

In the event of declaration of dividend, we shall pay dividend to Equity Shareholders as per the provisions of the Companies Act and the provisions of our Articles of Association.

For further details regarding our dividend policy, please refer to the chapter titled "Dividend Policy" on page 166 of this Draft Letter of Offer.

Listing and trading of Equity Shares proposed to be issued

Our Company's existing Equity Shares are currently listed and traded on BSE (Scrip Code: 505750 under the ISIN – INE636D01017). The fully paid-up Rights Equity Shares proposed to be issued pursuant to the Issue shall, in terms of SEBI Circular No. CIR/MRD/DP/21/2012 dated August 2, 2012, be Allotted under a temporary ISIN shall be frozen till the time final listing and trading approval is granted by the Stock Exchange. Upon receipt of such listing and trading approval, the Rights Equity Shares proposed to be issued pursuant to the Issue shall be debited from such temporary ISIN and credited in the existing ISIN and thereafter be available for trading.

The listing and trading of the Equity Shares shall be based on the current regulatory framework applicable thereto. Accordingly, any change in the regulatory regime would affect the listing and trading

schedule. Upon Allotment, the Equity Shares shall be traded on Stock Exchanges in the demat segment only.

The Rights Equity Shares allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of the necessary formalities for listing and commencement of trading of the Rights Equity Shares shall be taken within seven Working Days of finalization of Basis of Allotment. We have made an application for “in-principle” approval for the listing of the Equity Shares to the BSE and received such approval from the BSE pursuant to letter no. [•] dated [•]. We will apply to the BSE for final approval for the listing and trading of the Equity Shares. No assurance can be given regarding the active or sustained trading in the Equity Shares or that the price at which the Equity Shares offered under the Issue will trade after listing on the Stock Exchange. All steps for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares to be allotted pursuant to the Issue shall be taken as soon as possible from the finalization of the basis of allotment but not later than seven Working Days of finalization of basis of allotment. The Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the BSE under the existing ISIN for Equity Shares.

If permissions to list, deal in and for an official quotation of the Equity Shares are not granted by the Stock Exchange, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Letter of Offer. If such money is not repaid beyond eight days after our Company becomes liable to repay it, i.e., the date of refusal of an application for such a permission from a Stock Exchange, or on expiry of fifteen days from the Issue Closing Date in case no permission is granted, whichever is earlier, then our Company and every Director who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest as per applicable laws.

Rights of the Equity Shareholders

Subject to applicable laws, the Eligible Equity Shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on poll, either in person or proxy and exercise voting power, unless prohibited by law;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right to free transferability of Equity Shares; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act and our Memorandum of Association and Articles of Association.

General Terms and Conditions of the Issue for ASBA and Non-ASBA Investors

Market Lot

The Equity Shares of our Company are tradable only in dematerialized form. The market lot for the Equity Shares in dematerialized mode is one Equity Share. In case an Eligible Equity Shareholder holds Equity Shares in physical form, our Company would issue to the allottees one certificate for the Equity Shares allotted to each folio (“**Consolidated Certificate**”). In respect of Consolidated Certificates, we will upon receipt of a request from the respective Eligible Equity Shares, split such Consolidated Certificates into smaller denominations within one week’s time from the receipt of the request in respect thereof. We shall not charge a fee for splitting any of the Consolidated Certificates.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association. CAF would be required to be signed by all the joint holders. In case of renunciation, joint holders will sign Part B of the CAF.

Nomination facility to Investor

Nomination facility is available in respect of the Equity Shares in accordance with the provisions of the Section 72 of the Companies Act read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. An Investor can nominate any person by filling the relevant details in the CAF in the space provided for this purpose.

In case of Eligible Equity Shareholders who are individuals, a sole Eligible Equity Shareholder or the first named Eligible Equity Shareholder, along with other joint Eligible Equity Shareholders, if any, may nominate any person(s) who, in the event of the death of the sole holder or all the joint-holders, as the case may be, shall become entitled to the Equity Shares. A person, being a nominee, becoming entitled to the Equity Shares by reason of the death of the original Eligible Equity Shareholder(s), shall be entitled to the same advantages to which he would be entitled if he were the registered holder of the Equity Shares. Where the nominee is a minor, the Eligible Equity Shareholder(s) may also make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s), in the event of death of the said holder, during the minority of the nominee. A nomination shall stand rescinded upon the sale of the Equity Shares by the person nominating. A transferee will be entitled to make a fresh nomination in the manner prescribed. When the Equity Share is held by two or more persons, the nominee shall become entitled to receive the amount only on the demise of all the holders. Fresh nominations can be made only in the prescribed form available on request at our Registered Office or such other person at such addresses as may be notified by us. The investor can make the nomination by filling in the relevant portion of the CAF. In terms of Section 72 of the Companies Act read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014, any person who becomes a nominee 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.

If the person being a nominee, so becoming entitled, elects to be registered as holder of the Equity Share himself, he shall deliver to our 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 holder.

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.

Only one nomination would be applicable for one folio. Hence, in case the Equity Shareholder(s) has already registered the nomination with us, no further nomination needs to be made for Equity Shares that may be allotted in this Issue under the same folio.

In case the allotment of Equity Shares is in dematerialized form, there is no need to make a separate nomination for the Equity Shares to be allotted in this Issue. Nominations registered with respective Depository Participant (“DP”) of the Applicant would prevail. Any Applicant desirous of changing the existing nomination is requested to inform their respective DP.

Where the Rights Equity Shares are held by more than one person jointly, the nominee shall become entitled to all the rights in the Rights Equity Shares only in the event of death of all the joint holders.

Offer to Non Resident Eligible Equity Shareholders/ Investors

Applications received from NRs for Equity Shares under the Issue shall be *inter alia*, subject to the conditions imposed from time to time by the RBI under FEMA. General permission has been granted to any person resident outside India to purchase shares offered on a rights basis by an Indian company in terms of FEMA and Regulation 6 of notification No. FEMA 20/2000-RB dated May 3, 2000. Our Board of Directors may, at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Issue. The Equity Shares purchased on a rights basis by NR's shall be subject to the same conditions including restrictions in regard to the repatriability as are applicable to the original equity shares against which equity shares are issued on a right basis.

Notices

All notices to the Eligible Equity Shareholder(s) required to be given by our Company shall be published in one English national daily newspaper with wide circulation, one Hindi national daily newspaper with wide circulation and one regional language daily newspaper with wide circulation in the state where our registered office is located and/ or will be sent by ordinary post/ registered post/ speed post to the registered address of the Eligible Equity Shareholders in India or the Indian address provided by the Eligible Equity Shareholders, from time to time. However, the distribution of the Draft Letter of Offer/Abridged Letter of Offer and the issue of Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue of the Rights Equity Shares being offered under the Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within fifteen days from the Issue Closing Date. If there is any delay in the refund of the subscription amount of more than eight days after our Company becomes liable to pay the subscription amount (i.e. fifteen days after the Issue Closing Date), our Company shall pay interest for the delayed period, at such rates as prescribed under the Companies Act

Subscription by the Promoter and Promoter Group

The Promoter and the Promoter Group of our Company vide their letters dated June 29, 2017 (the "Subscription Letters") have confirmed that they intend to subscribe to their Rights Entitlement in full in the Issue and further intend to subscribe to Rights Equity Shares renounced by any person, whether or not belonging to the Promoter Group (including any unsubscribed portion of the Issue). Further, the Promoter and Promoter Group may also apply for Additional Rights Shares along with their Rights Entitlement and/or renunciation.

Such subscriptions of Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such acquisition of Additional Rights Shares (including any unsubscribed portion of the Issue) shall not result in change of control of the management of the Company in accordance with provisions of the SEBI Takeover Regulations and shall be exempt subject to fulfillment of the conditions of Regulation 10(4)(a) and (b) of the SEBI Takeover Regulations. The Promoter and Promoter Group acknowledge and undertake that their investment would be restricted to ensure that the public shareholding in the Company after the Issue does not fall below the permissible minimum level as specified in Regulation 38 of SEBI Listing Regulations read with SCRR.

In case the rights issue remains unsubscribed and/ or minimum subscription is not achieved, the Board of Directors may dispose of such unsubscribed portion in the best interest of the Company and in compliance with the applicable laws.

Underwriting to the Issue

This Issue is not underwritten and our Company has not entered into any underwriting arrangement.

Arrangements for Disposal of Odd Lots

Our Company's Equity Shares are traded in dematerialized form only and therefore the marketable lot is 1 (One) share and hence, no arrangements for disposal of odd lots are required.

Procedure for Application

The CAF for Rights Equity Shares offered as a part of the Issue would be printed for all Eligible Equity Shareholders. In case the original CAFs are not received by the Eligible Equity Shareholders or is misplaced by the Eligible Equity Shareholders, the Eligible Equity Shareholders may request the Registrar to the Issue, for issue of a duplicate CAF, by furnishing the registered folio number, DP ID Number, Client ID Number and their full name and address. In case the signature of the Eligible Equity Shareholder(s) does not match with the specimen registered with us, the application is liable to be rejected.

Please note that neither our Company nor the Lead Manager nor the Registrar to the Issue shall be responsible for delay in the receipt of the CAF/ duplicate CAF attributable to postal delays or if the CAF/ duplicate CAF are misplaced in the transit. Eligible Shareholders should note that those who are making the application in such duplicate CAF should not utilize the original CAF for any purpose, including renunciation, even if the original CAF is received or found subsequently. If any Eligible Shareholder violates any of these requirements, he/she shall face the risk of rejection of both applications.

Please note that in accordance with the provisions of the SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011 all QIBs, Non-Institutional Investors and Non-Retail Individual Investors complying with the eligibility conditions prescribed under the SEBI circular no. SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009 must mandatorily invest through the ASBA process. All Retail Individual Investors complying with the conditions prescribed under the SEBI circular dated December 30, 2009 may optionally apply through the ASBA process. The Investors who are not (i) QIBs, (ii) Non- Institutional Investors, or (iii) Investors whose Application Money is more than Rs. 2,00,000 can participate in the Issue either through the ASBA process or the non ASBA process. Renouncees and Eligible Equity Shareholders holding Equity Shares in physical form are not eligible ASBA Investors and must only apply for Equity Shares through the non-ASBA process, irrespective of the Application Money.

Please also note that by virtue of the circular No. 14 dated September 16, 2003 issued by the RBI, erstwhile Overseas Corporate Bodies ("OCBs") have been derecognized as an eligible class of Investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Eligible Shareholder being an erstwhile OCB is required to obtain prior approval from RBI for applying to the Issue.

Composite Application Form ("CAF")

The Registrar will dispatch the CAF to all Eligible Equity Shareholders as per their Rights Entitlement on the Record Date. Those Eligible Equity Shareholders who must apply or who wish to apply through the ASBA process and have complied with the parameters mentioned above will have to select the relevant mechanism in Part A of the CAF and provide necessary details.

Application in electronic mode will only be available with SCSBs. The Eligible Equity Shareholder shall submit the CAF to the SCSB for authorising such SCSB to block an amount equivalent to the amount payable on the Application in the said bank account maintained with the same SCSB.

Please note that no more than five Applications (including CAF and plain paper) can be submitted per bank account in the Issue. ASBA Investors are also advised to ensure that the CAF is correctly filled up, stating therein the bank account number maintained with the SCSB in which an amount equivalent to the amount payable on Application as stated in the CAF will be blocked by the SCSB.

The CAF consists of four parts:

- Part A: Form for accepting the Equity Shares offered as a part of this Issue, in full or in part, and for applying for Additional Rights Shares;
- Part B: Form for renunciation of Equity Shares;
- Part C: Form for application for renunciation of Equity Shares by Renouncee(s);
- Part D: Form for request for split Application forms.

Option available to the Equity Shareholders

The CAFs will clearly indicate the number of Equity Shares that the Shareholder is entitled to.

If the Eligible Equity Shareholder applies for an investment in the Equity Shares, then he/she can:

- Apply for his Rights Entitlement of Equity Shares in full;
- Apply for his Rights Entitlement of Equity Shares in part (without renouncing the other part);
- Apply for his Rights Entitlement of Equity Shares in part and renounce the other part of the Equity Shares;
- Apply for his Rights Entitlement in full and apply for Additional Rights Shares;
- Renounce his Rights Entitlement in full.

Acceptance of the Issue

You may accept the offer to participate and apply for the Rights Equity Shares, either in full or in part without renouncing the balance by filling Part A of the CAFs and submit the same along with the application money payable to the collection branches of the Banker to the Issue as mentioned on the reverse of the CAFs before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by our Board in this regard. Investors at centres not covered by the branches of the Banker to the Issue can send their CAFs together with the cheque drawn at par on a local bank at Mumbai, demand draft payable at Mumbai to the Registrar to the Issue by registered post/speed post so as to reach the Registrar to the Issue prior to the Issue Closing Date. Please note that neither our Company nor the Lead Manager nor the Registrar to the Issue shall be responsible for delay in the receipt of the CAF attributable to postal delays or if the CAF is misplaced in transit. Such applications sent to anyone other than the Registrar to the Issue are liable to be rejected. For further details on the mode of payment, please see the headings “Mode of Payment for Resident Eligible Equity Shareholders/ Investors” and “Mode of Payment for Non-Resident Eligible Equity Shareholders/ Investors” on page 288

Additional Rights Shares

You are eligible to apply for Additional Rights Shares over and above your Rights Entitlement, provided that you are eligible to apply under applicable law and have applied for all the Rights Equity Shares offered without renouncing them in whole or in part in favour of any other person(s). Applications for Additional Rights Shares shall be considered and allotment shall be made at the sole discretion of the Board, subject to sectoral caps and in consultation if necessary with the Designated Stock Exchange and in the manner prescribed under “Terms of the Issue” on page 252

If you desire to apply for Additional Rights Shares, please indicate your requirement in the place provided for Additional Rights Shares in Part A of the CAF. The Renouncees applying for all the Equity Shares renounced in their favour may also apply for Additional Rights Shares by indicating the details of Additional Rights Shares applied in place provided for Additional Rights Shares in Part C of CAF. In terms of Regulation 6 of Notification No. FEMA 20 12000-RB dated May 3, 2000, as amended from time to time, only the existing Non-Resident shareholders may subscribe for additional equity shares over and above the equity shares offered on rights basis by our Company.

Where the number of Additional Rights Shares applied for exceeds the number available for Allotment, the Allotment would be made on a fair and equitable basis in consultation with the BSE.

Renunciation

This Issue includes a right exercisable by you to renounce the Rights Equity Shares offered to you either in full or in part in favour of any other person or persons. Your attention is drawn to the fact that we shall not Allot and/ or register the Rights Equity Shares in favour of more than three persons (including joint holders), partnership firm(s) or their nominee(s), minors, HUF, any trust or society (unless the same is registered under the Societies Registration Act, 1860 or the Indian Trust Act, 1882 or any other applicable law relating to societies or trusts and is authorized under its constitution or bye-laws to hold Equity Shares, as the case may be). Additionally, existing Eligible Equity Shareholders may not renounce in favour of persons or entities in the U.S., or to, or for the account or benefit of a "U.S. Person" (as defined in Regulation S), or who would otherwise be prohibited from being offered or subscribing for Rights Equity Shares or Rights Entitlement under applicable securities laws.

In terms of Regulation 6 of FEMA 20, only the existing Non-Resident shareholders may subscribe for additional equity shares over and above the equity shares offered on rights basis by our Company. Any renunciation other than as stated above is subject to the renouncer(s)/renouncee(s) obtaining the approval of and/or necessary permission of the RBI under the FEMA and such permissions should be attached to the CAF or SAF. In case of Applications which are not accompanied by the aforesaid approvals, our Board reserves the right to reject such CAF or SAF.

Renunciations by OCBs

By virtue of the Circular No. 14 dated September 16, 2003 issued by the RBI, OCBs have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Accordingly, the existing Eligible Equity Shareholders who do not wish to subscribe to the Rights Equity Shares being offered but wish to renounce the same in favour of Renouncee shall not renounce the same (whether for consideration or otherwise) in favour of OCB(s).

The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/ 2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. Shareholders renouncing their rights in favour of OCBs may do so provided such Renouncee obtains a prior approval from the RBI. On submission of such approval to us at our Registered Office, the OCB shall receive the Abridged Letter of Offer and the CAF.

Part 'A' of the CAF must not be used by any person(s) other than those in whose favour this Issue has been made. If used, this will render the application invalid. Submission of the CAF to the Banker to the Issue at its collecting branches specified on the reverse of the CAF with the form of renunciation (Part 'B' of the CAF) duly filled in shall be conclusive evidence for us of the fact of renouncement to the person(s) applying for Rights Equity Shares in Part 'C' of the CAF for the purposes of Allotment of

such Rights Equity Shares. The Renouncees applying for all the Rights Equity Shares renounced in their favour may also apply for Additional Rights Shares. Part 'A' of the CAF must not be used by the Renouncee(s) as this will render the application invalid. Renouncee(s) will have no further right to renounce any Rights Equity Shares in favour of any other person. In terms of Regulation 6 of Notification No. FEMA 20 12000-RB dated May 3, 2000, as amended from time to time, only the existing Non-Resident shareholders may subscribe for additional equity shares over and above the equity shares offered on rights basis by our Company.

The right of renunciation is subject to the express condition that our Board shall be entitled in its absolute discretion to reject the application from the Renouncees without assigning any reason thereof.

Procedure for renunciation

To renounce all the Rights Equity Shares offered to an Eligible Equity Shareholder in favour of one Renouncee

If you wish to renounce the offer indicated in Part 'A', in whole, please complete Part 'B' of the CAF. In case of joint holding, all joint holders must sign Part 'B' of the CAF. The person in whose favour renunciation has been made should complete and sign Part 'C' of the CAF. In case of joint Renouncees, all joint Renouncees must sign Part 'C' of the CAF.

To renounce in part/or renounce the whole to more than one person(s)

If you wish to either (i) accept this offer in part and renounce the balance, or (ii) renounce the entire offer under this Issue in favour of two or more Renouncees, the CAF must be first spilt into requisite number of forms. Please indicate your requirement of SAFs in the space provided for this purpose in Part 'D' of the CAF and return the entire CAF to the Registrar to the Issue so as to reach them latest by the close of business hours on the last date of receiving requests for SAFs as provided herein. On receipt of the required number of SAFs from the Registrar, the procedure as mentioned in paragraph above shall have to be followed.

In case the signature of the Eligible Equity Shareholder(s), who has renounced the Equity Shares, does not match with the specimen registered with our Company/Depositories, the application is liable to be rejected.

Renouncee(s)

The person(s) in whose favour the Equity Shares are renounced should fill in and sign part 'C' of the CAF and submit the entire CAF to the Bankers to the Issue or any of the collection branches as mentioned on the reverse of the CAFs on or before the Issue Closing Date along with application money in full. The Renouncee cannot further renounce.

Change and/or introduction of additional holders

If an Applicant wishes to apply for the Rights Equity Shares jointly with other person(s), not more than three (including the Applicant), who is/are not already a joint holder with such person, it shall amount to renunciation and the procedure as stated above for renunciation shall have to be followed. Even a change in the sequence of the name of joint holders shall amount to renunciation and the procedure, as stated above shall have to be followed.

However, this right of renunciation is subject to the express condition that the Board of Directors of our Company shall be entitled in its absolute discretion to reject the request for Allotment from the Renouncee(s) without assigning any reason thereof.

Instructions for Options

The summary of options available to the Eligible Equity Shareholder is presented below. You may exercise any of the following options with regard to the Rights Equity Shares offered, using the CAF:

| Sr. No | Options Available | Action Required |
|--------|--|---|
| 1. | Accept whole or part of your Rights Entitlement without renouncing the balance. | Fill in and sign Part A (All joint holders must sign in the same sequence) |
| 2. | Accept your Rights Entitlement in full and apply for Additional Rights Shares | Fill in and sign Part A including Block III relating to the acceptance of Rights Entitlement and Block IV relating to additional Equity Shares (All joint holders must sign in the same sequence) |
| 3. | Accept a part of your Rights Entitlement and renounce the balance to one or more Renouncee(s) | Fill in and sign Part D (all joint holders must sign in the same sequence) requesting for SAFs. Send the CAF to the Registrar to the Issue so as to reach them on or before the last date for receiving requests for SAFs. Splitting will be permitted only once. |
| | OR | On receipt of the SAF take action as indicated below. |
| | Renounce your Rights Entitlement of all the Rights Equity Shares offered to you to more than one Renouncee | For the Equity Shares you wish to accept, if any, fill in and sign Part A. For the Rights Equity Shares you wish to renounce, fill in and sign Part B indicating the number of Equity Shares renounced and hand it over to the Renouncee. Each of the Renouncee should fill in and sign Part C for the Equity Shares accepted by them. |
| 4. | Renounce your Rights Entitlement in full to one person (Joint Renouncees are considered as one) | Fill in and sign Part B (all joint holders must sign in the same sequence) indicating the number of Equity Shares renounced and hand it over to the Renouncee. The Renouncee must fill in and sign Part C (All joint Renouncees must sign) |
| 5. | Introduce a joint holder or change the sequence of joint holders | This will be treated as a renunciation. Fill in and sign Part B and the Renouncee must fill in and sign Part C. |

In case of Rights Equity Shares held in physical form, applicants must provide information in the CAF as to their respective bank account numbers, name of the bank, to enable the Registrar to print the said details on the refund order. Failure to comply with this may lead to rejection of application. In case of Rights Equity Shares held in demat form, bank account details furnished by the Depositories will be printed on the refund order.

Please note that:

- Options (iii), (iv) and (v) will not be available for Eligible Equity Shareholders applying through ASBA process.
- Part 'A' of the CAF must not be used by any person(s) other than the Eligible Equity Shareholder to whom this Draft Letter of Offer has been addressed. If used, this will render the application invalid.
- Applicants must provide information in the CAF as to their account number and the name of the bank, to enable Registrar to print the information on the refund orders where equity shares are held in physical form.

- Request for SAF should be made for a minimum of one Equity Share or, in either case, in multiples thereof, and one SAF for the balance corresponding Rights Equity Shares, if any.
- Request by the Eligible Equity Shareholder for the SAFs should reach the Registrar on or before [•].
- Only the Eligible Equity Shareholder to whom this Draft Letter of Offer has been addressed shall be entitled to renounce and to apply for SAFs. Forms once split cannot be split further.
- SAFs will be sent to the Eligible Equity Shareholder(s) by post at the Applicant's sole risk.
- Eligible Equity Shareholders may not renounce in favour of persons or entities in the restricted jurisdictions including the U.S. or to or for the account or benefit of a "U.S. Person" (as defined in Regulation S), or who would otherwise be prohibited from being offered or subscribing for Rights Equity Shares or Rights Entitlement under applicable securities laws.
- Submission of the CAF to the Banker to the Issue at its collecting branches specified on the reverse of the CAF with the form of renunciation (Part 'B' of the CAF) duly filled in shall be conclusive evidence for us of the person(s) applying for Rights Equity Shares in Part 'C' of the CAF to receive Allotment of such Rights Equity Shares.
- While applying for or renouncing their Rights Entitlement, joint Equity Shareholders must sign the CAF in the same order as per specimen signatures recorded with our Company/Depositories.
- Applicants must write their CAF numbers at the back of the cheque / demand draft.
- *Non-resident Eligible Equity Shareholders:* Application(s) received from Non-Resident/ NRIs, or persons of Indian origin residing abroad for allotment of Rights Equity Shares allotted as a part of this Issue shall, inter alia, be subject to conditions, as may be imposed from time to time by the RBI under FEMA in the matter of refund of application money, allotment of Rights Equity Shares, subsequent issue and allotment of Rights Equity Shares, interest, export of share certificates, etc. In case a Non-Resident or NRI Eligible Equity Shareholder has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF. Applications not accompanied by the aforesaid approvals are liable to be rejected.
- The RBI has mandated that CTS 2010 compliant cheques can only be presented in clearing hence the CAFs accompanied by non-CTS cheques could get rejected.

Availability of duplicate CAF

In case the original CAF is not received, or is misplaced by the Eligible Equity Shareholder, the Registrar to the Issue will issue a duplicate CAF on the request of the Eligible Equity Shareholder who should furnish the registered folio number/ DP and Client ID number and his/ her full name and address to the Registrar to the Issue. Please note that the request for duplicate CAF should reach the Registrar to the Issue at least seven days prior to the Issue Closing Date. Please note that those who are making the application in the duplicate form should not utilize the original CAF for any purpose including renunciation, even if it is received/ found subsequently. If the Eligible Equity Shareholder violates such requirements, he/ she shall face the risk of rejection of either original CAF or both the applications.

Neither the Registrar nor the Lead Manager or our Company, shall be responsible for postal delays or loss of duplicate CAFs in transit, if any.

Application on Plain Paper (Non – ASBA)

An Eligible Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an application to subscribe to the Issue on plain paper, along with account payee cheque drawn on a bank payable at par, pay order/demand draft (after deducting banking and

postal charges) payable at Mumbai which should be drawn in favour of “Jost’s Engineering Company Limited – Rights Issue - R” in case of resident shareholders and non-resident shareholders applying on non-repatriable basis and in favour of “Jost’s Engineering Company Limited – Rights Issue – NR” in case of non-resident shareholders applying on repatriable basis and send the same by registered post directly to the Registrar to the Issue so as to reach Registrar to the Issue on or before the Issue Closing Date. The envelope should be super scribed “Jost’s Engineering Company Limited – Rights Issue - R” in case of resident shareholders and Non-resident shareholders applying on non-repatriable basis, and “Jost’s Engineering Company Limited – Rights Issue – NR” in case of non-resident shareholders applying on repatriable basis.

The application on plain paper, duly signed by the applicant(s) including joint holders, in the same order as per specimen recorded with us or the Depositories, must reach the office of the Registrar to the Issue before the Issue Closing Date and should contain the following particulars:

1. Name of the issuer, being Jost’s Engineering Company Limited;
2. Name and address of the Eligible Equity Shareholder including joint holders;
3. Registered Folio Number/ DP and Client ID Number.
4. Number of Equity Shares held as on Record Date;
5. Share certificate numbers and distinctive numbers of Equity Shares, if held in physical form;
6. Allotment option preferred – physical or demat form, if held in physical form;
7. Number of Equity Shares entitled to;
8. Number of Equity Shares applied for;
9. Number of additional Equity Shares applied for, if any;
10. Total number of Equity Shares applied for;
11. Total application amount paid at the rate of Rs. [•] per Equity Share;
12. Particulars of cheque / demand draft;
13. Savings/Current Account Number and name and address of the bank where the Applicant will be depositing the refund order. In case of Equity Shares held in dematerialized form, the Registrar shall obtain the bank account details from the information available with the Depositories.
14. Except for applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN number of the Applicant and for each Applicant in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to the Issue. Documentary evidence for exemption to be provided by the applicants;
15. Share certificate numbers and distinctive numbers of Rights Equity Shares, if held in physical form;
16. Allotment option preferred - physical or demat form, if held in physical form;
17. Signatures of Eligible Equity Shareholders to appear in the same sequence and order as they appear in the records of our Company or Depositories;
18. If the payment is made by a draft purchased from NRE/FCNR/NRO account, as the case may be, an account debit certificate from the bank issuing the demand draft confirming that the demand draft has been issued by debiting the NRE/FCNR/NRO account.
19. For ASBA Investors, application on plain paper should have details of their ASBA Account.
20. Additionally, non-resident Applicants shall include the representation in writing that:

“I/We understand that neither the Rights Entitlement nor the Equity Shares have been, and will be, registered under the United States Securities Act of 1933, as amended (“**US Securities Act**”) or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (“United States”). I/ we understand the Equity Shares referred to in this application are being offered in India but not in the United States. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Securities or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we confirm that I/ we are not in the United States and understand that neither us, nor the Registrar, the Lead Manager or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Manager or any other person acting on behalf of us have reason to believe is in the United States or is ineligible to participate in the Issue under the securities laws of their jurisdiction.

I/We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for Applicants in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/ We (i) am/ are, and the person, if any, for whose account I/ we am/ are acquiring such Rights Entitlement and/ or the Rights Equity Shares is/ are, outside the U.S., (ii) am/ are not a “U.S. Person” as defined in Regulation S, and (iii) is/ are acquiring the Rights Entitlement and/ or the Rights Equity Shares in an offshore transaction meeting the requirements of Regulation S.

I/ We acknowledge that we, the Lead Manager, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.”

Please note that those who are making the application otherwise than on original CAF shall not be entitled to renounce their rights and should not utilize the original CAF for any purpose including renunciation even if it is received subsequently. If the Eligible Equity Shareholders violates such requirements, he/she shall face the risk of rejection of both the applications. Our Company shall refund such application amount to the Applicant without any interest thereon and no liability shall arise on part of our Company, Lead Manager and our Directors. In cases where multiple CAFs are submitted, including cases where an investor submits CAFs along with a plain paper application, such applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an application being rejected, with our Company, the Lead Manager and the Registrar not having any liability to the Investor. The plain paper application format will be available on the website of the Registrar to the Issue at www.bigshareonline.com.

Last date for Application

The last date for submission of the duly filled in CAF is [•]. The Board of Directors or any authorized committee may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding thirty days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the CAF together with the amount payable is not received by the Banker to the Issue/ Registrar to the Issue on or before the close of banking hours on the aforesaid last date or such date as may be extended by the Board or any authorized committee, the invitation to offer contained in this Draft Letter of Offer shall be deemed to have been declined and the Board or any authorized committee shall be at liberty to dispose of the Rights Equity Shares hereby offered, as provided under paragraph titled “Basis of Allotment” in this chapter titled “Terms of the Issue” on page 252 of this Draft Letter of Offer.

PROCEDURE FOR APPLICATION THROUGH THE APPLICATIONS SUPPORTED BY BLOCKED AMOUNT (“ASBA”) PROCESS

This section is for the information of the ASBA Investors proposing to subscribe to the Issue through the ASBA Process. The Lead Manager and we are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors who are eligible to apply under the ASBA Process are advised to make their independent investigations and to ensure that the CAF is correctly filled up.

The Lead Manager, we, our Directors, affiliates, Associates and their respective directors and officers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to applications accepted by SCSBs, applications uploaded by SCSBs, applications accepted but not uploaded by SCSBs or applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for applications uploaded by SCSBs, the amount payable on application has been blocked in the relevant ASBA Account.

Please note that, in terms of SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011, all QIB Applicants, Non-Institutional Investors and other Applicants whose application amount exceeds Rs. 2,00,000 complying with the eligibility conditions of SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, can participate in the Issue only through the ASBA process. The Investors who are not (i) QIBs, (ii) Non-Institutional Investors or (iii) Investors whose application amount is more than Rs 2,00,000 can participate in the Issue either through the ASBA process or the non ASBA process. Renouncees are not eligible ASBA investors and must only apply for the Rights Equity Shares through the non ASBA process. ASBA Investors should note that the ASBA process involves application procedures that may be different from the procedure applicable to non ASBA process. ASBA Investors should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please see “Terms of the Issue” on page 252.

Further, in terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/rights issues and clear demarcated funds should be available in such account for ASBA applications. SCSBs applying in the Issue using the ASBA facility shall be responsible for ensuring that they have a separate account in their own name with any other SCSB having clear demarcated funds for applying in the Issue and that such separate account shall be used as the ASBA Account for the application, in accordance with the applicable regulations.

Self-Certified Syndicate Banks

The list of banks which have been notified by SEBI to act as SCSBs for the ASBA Process is provided on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html and/or such other website(s)

as may be prescribed by the SEBI or Stock Exchange(s) from time to time. For details on Designated Branches of SCSBs collecting the CAF, please refer the above mentioned SEBI link.

Eligible Equity Shareholders who are eligible to apply under the ASBA Process

The option of applying for Rights Equity Shares through the ASBA Process is available only to the Eligible Equity Shareholders on the Record Date.

To qualify as ASBA Applicants, Eligible Equity Shareholders:

- are required to hold Rights Equity Shares in dematerialized form as on the Record Date and apply for: (i) their Rights Entitlement; or (ii) their Rights Entitlement and Rights Equity Shares in addition to their Rights Entitlement in dematerialized form;
- should not have renounced their Right Entitlement in full or in part;
- should not have split the CAF and further renounced it;
- should not be Renouncees;
- should apply through blocking of funds in bank accounts maintained with SCSBs; and
- are eligible under applicable securities laws to subscribe for the Rights Entitlement and the Rights Equity Shares in the Issue.

CAF

The Registrar will dispatch the CAF to all Eligible Equity Shareholders as per their Rights Entitlement on the Record Date for the Issue. Those Eligible Equity Shareholders who must apply or who wish to apply through the ASBA will have to select this ASBA payment mechanism in Part A of the CAF and provide necessary details.

Eligible Equity Shareholders desiring to use the ASBA Process are required to submit their applications by selecting the ASBA option in Part A of the CAF. Application in electronic mode will only be available with such SCSBs who provide such facility. The Eligible Equity Shareholder shall submit the CAF to the Designated Branch of the SCSB for authorising such SCSB to block an amount equivalent to the amount payable on the application in the ASBA Account.

More than one ASBA Investor may apply using the same ASBA Account, provided that SCSBs will not accept a total of more than five CAFs with respect to any single ASBA Account as provided for under the SEBI Circular dated December 30, 2009.

Acceptance of the Issue

You may accept the Issue and apply for the Rights Equity Shares either in full or in part, by filling Part A of the respective CAFs sent by the Registrar, selecting the ASBA process option in Part A of the CAF and submit the same to the Designated Branch of the SCSB before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by the Board of Directors in this regard.

Mode of payment under the ASBA process

The Eligible Equity Shareholder applying under the ASBA Process agrees to block the entire amount payable on application with the submission of the CAF, by authorizing the SCSB to block an amount, equivalent to the amount payable on application, in an ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the CAF, the SCSB shall block an amount equivalent to the amount payable on application mentioned in the CAF until it receives instructions from the Registrar to the Issue. Upon receipt of intimation from

the Registrar to the Issue, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account. This amount will be transferred in terms of the SEBI Regulations, into a separate bank account maintained by our Company for the purpose of the Issue. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar, the Lead Manager to the respective SCSB.

The Eligible Equity Shareholders applying under the ASBA Process would be required to give instructions to the respective SCSBs to block the entire amount payable on their application at the time of the submission of the CAF. The SCSB may reject the application at the time of acceptance of CAF if the ASBA Account, details of which have been provided by the Investor in the CAF does not have sufficient funds equivalent to the amount payable on application mentioned in the CAF. Subsequent to the acceptance of the application by the SCSB, our Company would have a right to reject the application only on technical grounds.

Please note that in accordance with the provisions of the SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, all QIBs and Non-Institutional Investors complying with the eligibility conditions prescribed under SEBI circular no. SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009 must mandatorily invest through the ASBA process.

A Retail Individual Investor applying for a value of up to Rs.2,00,000, can participate in the Issue either through the ASBA process or non-ASBA process

Options available to the Eligible Equity Shareholders applying under the ASBA Process

The summary of options available to the Eligible Equity Shareholders is presented below. You may exercise any of the following options with regard to the Equity Shares, using the respective CAFs received from Registrar:

| Option Available | Action Required |
|---|---|
| Accept whole or part of your Rights Entitlement without renouncing the balance. | Fill in and sign Part A of the CAF (All joint holders must sign) |
| Accept your Rights Entitlement in full and apply for additional Equity Shares. | Fill in and sign Part A of the CAF including Block III relating to the acceptance of entitlement and Block IV relating to additional Securities (All joint holders must sign) |

The Eligible Equity Shareholders applying under the ASBA Process will need to select the ASBA process option in the CAF and provide required necessary details. However, in cases where this option is not selected, but the CAF is tendered to the designated branch of the SCSBs with the relevant details required under the ASBA process option and the SCSBs block the requisite amount, then that CAF would be treated as if the Eligible Equity Shareholder has selected to apply through the ASBA process option.

Additional Securities

You are eligible to apply for Additional Rights Shares over and above your Rights Entitlement, provided that you are eligible to apply for Rights Equity Shares under applicable law and you have applied for all the Rights Equity Shares offered without renouncing them in whole or in part in favour of any other person(s). Applications for Additional Rights Shares shall be considered and Allotment shall be made at the sole discretion of the Board, in consultation with the BSE and in the manner prescribed under "Terms of the Issue" on page 252 of this Draft Letter of Offer.

If you desire to apply for Additional Rights Shares, please indicate your requirement in the place provided for additional Equity Shares in Part A of the CAF. The Renouncee applying for all the Equity Shares renounced in their favour may also apply for additional Equity Shares.

Renunciation under the ASBA Process

ASBA Investors can neither be Renouncees, nor can renounce their Rights Entitlement

Application on Plain Paper under the ASBA Process

An Eligible Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF and who is applying under the ASBA Process may make an application to subscribe to the Issue on plain paper. Eligible Equity Shareholders shall submit the plain paper application to the Designated Branch of the SCSB for authorising such SCSB to block an amount equivalent to the amount payable on the application in the said bank account maintained with the same SCSB. Applications on plain paper from any address outside India will not be accepted

The envelope should be super scribed “*Jost’s Engineering Company Limited – Rights Issue- R*” or “*Jost’s Engineering Company Limited – Rights Issue- NR*”, as the case may be. The application on plain paper, duly signed by the Investors including joint holders, in the same order as per the specimen recorded with us or the Depositories, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- Name of Issuer, being Jost’s Engineering Company Limited;
- Name and address of the Eligible Equity Shareholder including joint holders;
- Registered Folio Number/ DP and Client ID No.;
- Certificate numbers and distinctive numbers of Equity Shares, if held in physical form;
- Number of Equity Shares held as on Record Date;
- Number of Equity Shares entitled to;
- Number of Equity Shares applied for;
- Number of additional Equity Shares applied for, if any;
- Total number of Equity Shares applied for;
- Total amount paid at the rate of Rs. [•] per Equity Share;
- Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- In case of non-resident investors, details of the NRE/FCNR/NRO account such as the account number, name,
- address and branch of the SCSB with which the account is maintained;
- Except for applications on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Shareholder and for each Eligible Equity Shareholder in case of joint
- names, irrespective of the total value of the Equity Shares applied for pursuant to the Issue;
- Signature of the Eligible Equity Shareholders to appear in the same sequence and order as they appear in our records; and
- Additionally, all such Eligible Equity Shareholders applying through ASBA are deemed to have accepted the following:

“I/ We understand that neither the Rights Entitlement nor the Equity Shares have been, and will be, registered under the United States Securities Act of 1933 (the “**US Securities Act**”) or any U.S. state securities laws, and may not be offered, sold, resold or otherwise transferred within the U.S. or to the territories or possessions thereof (the “U.S.” or to or for the account or benefit of a “U.S. Person” as defined in Regulation S of the US Securities Act (“**Regulation S**”). I/ we understand the Equity Shares referred to in this application are being offered in India but not in the U.S. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or Rights Entitlement for sale in the U.S., or as a solicitation therein of an offer to buy any of the said Equity Shares or Rights Entitlement in the U.S. Accordingly, I/ we understand this application should not be

forwarded to or transmitted in or to the U.S. at any time. I/ we understand that none of we, the Registrar, the Lead Manager or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who, we, the Registrar, the Lead Manager or any other person acting on behalf of we have reason to believe is, a resident of the U.S. or a “U.S. Person” as defined in Regulation S, or is ineligible to participate in the Issue under the securities laws of their jurisdiction.

I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/ We (i) am/ are, and the person, if any, for whose account I/ we am/ are acquiring such Rights Entitlement and/ or the Rights Equity Shares is/ are, outside the U.S., (ii) am/ are not a “U.S. Person” as defined in (“**Regulation S**”), and (iii) is/ are acquiring the Rights Entitlement and/ or the Rights Equity Shares in an offshore transaction meeting the requirements of Regulation S.

I/ We acknowledge that we, the Lead Manager, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.”

Please note that those who are making the application otherwise than on original CAF shall not be entitled to renounce their rights and should not utilize the original CAF for any purpose including renunciation even if it is received subsequently. If the Investor violates such requirements, he/she shall face the risk of rejection of both the applications. We shall refund such application amount to the Investor without any interest thereon.

Option to receive Rights Equity Shares in Dematerialized Form

ELIGIBLE EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES UNDER THE ASBA PROCESS CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE RIGHTS EQUITY SHARES ARE HELD BY SUCH ASBA APPLICANT ON THE RECORD DATE.

General instructions for Eligible Equity Shareholders applying under the ASBA Process

1. Please read the instructions printed on the CAF carefully.
2. Application should be made on the printed CAF only and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/ or which are not completed in conformity with the terms of this Draft Letter of Offer and the Abridged Letter of Offer are liable to be rejected. The CAF must be filled in English. No correction of name, folio/DP client id etc., should be made in the printed CAF sent.

3. ASBA Applicants are required to select this mechanism in Part A of the CAF and provide necessary details, including details of the ASBA Account, authorizing the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the CAF, and including the signature of the ASBA Account holder if the ASBA Account holder is different from the Applicant.
4. The CAF/plain paper application in the ASBA Process should be submitted at a Designated Branch of the SCSB and whose ASBA Account/ bank account details are provided in the CAF and not to the Banker to the Issue/ Collecting Banks (assuming that such Collecting Bank is not a SCSB), to us or Registrar or Lead Manager to the Issue.
5. All applicants, and in the case of application in joint names, each of the joint applicants, should mention his/ her PAN allotted under the IT Act, irrespective of the amount of the application. Except for applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, CAFs without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be “suspended for credit” and no allotment and credit of Rights Equity Shares shall be made into the accounts of such Investors.
6. All payments will be made by blocking the amount in the ASBA Account. Cash payment or payment by cheque/ demand draft/ pay order is not acceptable. In case payment is effected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon.
7. Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/ her official seal. The Eligible Equity Shareholders must sign the CAF as per the specimen signature recorded with us and/ or Depositories.
8. In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with the depository/ us. In case of joint applicants, reference, if any, will be made in the first applicant’s name and all communication will be addressed to the first applicant.
9. All communication in connection with application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar to the Issue prior to the date of Allotment in this Issue quoting the name of the first/ sole applicant Equity Shareholder, folio numbers and CAF number.
10. Only the person or persons to whom the Rights Equity Shares have been offered and not renouncee(s) shall be eligible to participate under the ASBA process.
11. Only persons outside restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Rights Equity Shares under applicable securities laws are eligible to participate.
12. Only the Eligible Equity Shareholders holding shares in demat are eligible to participate through ASBA process.
13. Eligible Equity Shareholders who have renounced their entitlement in part/ full are not entitled to apply using ASBA process.

14. Please note that, in terms of SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011, all QIB Applicants, Non-Institutional Investors and other Applicants whose application amount exceeds Rs 2,00,000, complying with the eligibility conditions of SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, can participate in the Issue only through the ASBA process. The Investors who are not (i) QIBs, (ii) Non-Institutional Investors or (iii) Investors whose application amount is more than Rs. 2,00,000, can participate in the Issue either through the ASBA process or the non ASBA process. Renouncees are not eligible ASBA investors and must only apply for the Rights Equity Shares through the non ASBA process. ASBA Investors should note that the ASBA process involves application procedures that may be different from the procedure applicable to non ASBA process. ASBA Investors should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please see “Terms of the Issue” on page 252.
15. Please note that subject to SCSBs complying with the requirements of SEBI circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at all branches of the SCSBs.
16. Further, in terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on own account using ASBA facility, SCSBs should have a separate account in their own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications. SCSBs applying in the Issue using the ASBA facility shall be responsible for ensuring that they have a separate account in their own name with any other SCSB having clear demarcated funds for applying in the Issue and that such separate account shall be used as the ASBA Account for the application, in accordance with the applicable regulations.
17. In case of non - receipt of CAF, application can be made on plain paper mentioning all necessary details as mentioned under the heading “Application on Plain Paper” on page 269

Do's:

1. Ensure compliance with eligibility conditions prescribed under the SEBI circular no. SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009.
2. Ensure that the ASBA Process option is selected in part A of the CAF and necessary details are filled in.
3. Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as Rights Equity Shares will be allotted in the dematerialized form only.
4. Ensure that the CAFs are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the CAF.
5. Ensure that there are sufficient funds (equal to {number of Rights Equity Shares as the case may be applied for} X {Issue Price of Rights Equity Shares, as the case may be}) available in the ASBA Account mentioned in the CAF before submitting the CAF to the respective Designated Branch of the SCSB.

6. Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the CAF, in the ASBA Account, of which details are provided in the CAF and have signed the same.
7. Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the CAF in physical form.
8. Except for CAFs submitted on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, each applicant should mention their PAN allotted under the Income Tax Act.
9. Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF.
10. Ensure that the Demographic Details are updated, true and correct, in all respects.
11. Ensure that the account holder in whose bank account the funds are to be blocked has signed authorising such funds to be blocked
12. Apply under ASBA process only if you comply with the definition of an ASBA Investor.

Don'ts:

1. Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.
2. Do not apply on duplicate CAF after you have submitted a CAF to a Designated Branch of the SCSB.
3. Do not pay the amount payable on application in cash, by money order, by pay order or by postal order.
4. Do not send your physical CAFs to the Lead Manager/ Registrar/ Collecting Banks (assuming that such Collecting Bank is not a SCSB)/ to a branch of the SCSB which is not a Designated Branch of the SCSB/ Company; instead submit the same to a Designated Branch of the SCSB only.
5. Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
6. Do not apply if the ASBA account has already been used for five Eligible Equity Shareholders.
7. Do not apply through the ASBA Process if you are not an ASBA Investor.
8. Do not instruct the SCSBs to release the funds blocked under the ASBA Process.

Grounds for Technical Rejections under the ASBA Process

In addition to the grounds listed under “Grounds for Technical Rejections for non-ASBA Investors” on page 274, applications under the ASBA Process are liable to be rejected on the following grounds:

- Application on a SAF
- Application for allotment of Rights Entitlements or Additional Rights Shares which are in physical form.
- DP ID and Client ID mentioned in CAF not matching with the DP ID and Client ID records available with the Registrar.
- Submission of an ASBA application on plain paper to a person other than a SCSB.
- Sending CAF to a Lead Manager/ Registrar/ Collecting Bank (assuming that such Collecting Bank is not a SCSB)/ to a branch of a SCSB which is not a Designated Branch of the SCSB/ Company.
- Insufficient funds being available with the SCSB for blocking the amount.
- Funds in the bank account with the SCSB whose details have been mentioned in the CAF / Plain Paper Application having been frozen pursuant to regulatory order.
- ASBA Account holder not signing the CAF or declaration mentioned therein.
- CAFs that do not include the certification set out in the CAF to the effect that the subscriber is not a “U.S. Person” (as defined under Regulation S) and does not have a registered address (and is not otherwise located) in the U.S. or restricted jurisdictions and is authorized to acquire the rights and the securities in compliance with all applicable laws and regulations.
- CAFs which have evidence of being executed in/ dispatched from a restricted jurisdiction or executed by or for the account or benefit of a U.S. Person (as defined in Regulation S).
- Renouncees applying under the ASBA Process.
- Submission of more than five CAFs per ASBA Account.
- QIBs, Non-Institutional Investors and other Eligible Shareholders applying for Rights Equity Shares in the Issue for value of more than Rs. 2,00,000 who hold Equity Shares in dematerialised form and is not a renouncer or a Renouncee not applying through the ASBA process.
- The application by an Eligible Shareholder whose cumulative value of Rights Equity Shares applied for is more than Rs. 2,00,000 but has applied separately through split CAFs of less than Rs. 2,00,000 and has not done so through the ASBA process.
- Multiple CAFs, including cases where an Investor submits CAFs along with a plain paper application.
- Submitting the GIR number instead of the PAN.
- An investor, who is not complying with any or all of the conditions for being an ASBA Investor, applies under the ASBA process.
- Applications by persons not competent to contract under the Contract Act, 1872, as amended, except applications by minors having valid demat accounts as per the demographic details provided by the Depositories.
- Failure to mention an Indian address in the Application. Application with foreign address shall be liable to be rejected.
- If an Investor is (a) debarred by SEBI and/or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlement.

- ASBA Bids by SCSBs applying through the ASBA process on own account, other than through an ASBA Account in its own name with any other SCSB.

Depository account and bank details for Eligible Equity Shareholders applying under the ASBA Process

IT IS MANDATORY FOR ALL THE ELIGIBLE EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE RIGHTS EQUITY SHARES ARE HELD BY THE EQUITY SHAREHOLDER ON THE RECORD DATE. ALL ELIGIBLE EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE CAF. ELIGIBLE EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS MUST ENSURE THAT THE NAME GIVEN IN THE CAF IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE CAF IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE CAF / PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Eligible Equity Shareholders applying under the ASBA Process should note that on the basis of name of these Eligible Equity Shareholders, Depository Participant's name and identification number and beneficiary account number provided by them in the CAF / plain paper applications, as the case may be, the Registrar to the Issue will obtain from the Depository demographic details of these Eligible Equity Shareholders such as address, bank account details for printing on refund orders and occupation ("Demographic Details"). Hence, Eligible Equity Shareholders applying under the ASBA Process should carefully fill in their Depository Account details in the CAF.

These Demographic Details would be used for all correspondence with such Eligible Equity Shareholders including mailing of the letters intimating unblocking of their respective ASBA Accounts. The Demographic Details given by the Eligible Equity Shareholders in the CAF would not be used for any other purposes by the Registrar. Hence, Eligible Equity Shareholders are advised to update their Demographic Details as provided to their Depository Participants.

By signing the CAFs, the Eligible Equity Shareholders applying under the ASBA Process would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Letters intimating Allotment and unblocking the funds would be mailed at the address of the Eligible Equity Shareholder applying under the ASBA Process as per the Demographic Details received from the Depositories. The Registrar to the Issue will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity Shares are not allotted to such Eligible Equity Shareholders. Eligible Equity Shareholders applying under the ASBA Process may note that delivery of letters intimating unblocking of the funds may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Eligible Equity Shareholder in the CAF would be used only to ensure dispatch of letters intimating unblocking of the ASBA Accounts.

Note that any such delay shall be at the sole risk of the Eligible Equity Shareholders applying under the ASBA Process and none of us, the SCSBs or the Lead Manager shall be liable to compensate the Eligible Equity Shareholder applying under the ASBA Process for any losses caused due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, (a) names of the Eligible Equity Shareholders (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such applications are liable to be rejected.

Issue Schedule

| | |
|---|-----|
| Issue Opening Date | [•] |
| Last date for receiving requests for SAFs | [•] |
| Issue Closing Date | [•] |

The Board may however decide to extend the Issue period, as it may determine from time to time, but not exceeding thirty days from the Issue Opening Date.

Basis of Allotment

Subject to the provisions contained in this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, CAF, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to Allot the Rights Equity Shares in the following order of priority:

- Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renouncee (s) who has/ have applied for Equity Shares renounced in their favour, in full or in part.
- Investors whose fractional entitlements are being ignored and Eligible Equity Shareholders with Zero entitlement would be given preference in allotment of one additional Equity Share each if they apply for additional Equity Share. Allotment under this head shall be considered if there are any unsubscribed Equity Shares after allotment under (i) above. If number of Equity Shares required for Allotment under this head are more than number of Equity Shares available after Allotment under (i) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange, as a part of Issue and will not be a preferential allotment.
- Allotment to the Eligible Equity Shareholders who having applied for all the Equity Shares offered to them as part of the Issue and have also applied for additional Equity Shares. The Allotment of such additional Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there is an unsubscribed portion after making full Allotment in (i) and (ii) above. The Allotment of such Equity Shares will be at the sole discretion of our Board/Committee in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.
- Allotment to Renouncees who having applied for all the Equity Shares renounced in their favour, have applied for additional Equity Shares provided there is surplus available after making full Allotment under (i), (ii) and (iii) above. The Allotment of such Equity Shares will be at the sole discretion of our Board/ Committee of Directors in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.
- Allotment to any other person that the Board as it may deem fit provided there is surplus available after making Allotment under (i), (ii), (iii) and (iv) above, and the decision of the Board in this regard shall be final and binding.

The Promoter and the Promoter Group of our Company through their letters dated June 29, 2017 (the "Subscription Letters") have confirmed that they intend to subscribe to their Rights Entitlement in full

in the Issue and further intend to subscribe to Rights Equity Shares renounced by any person, whether or not belonging to the Promoter Group (including any unsubscribed portion of the Issue). Further, the Promoter and Promoter Group may also apply for Additional Rights Shares along with their Rights Entitlement and/or renunciation.

Such subscriptions of Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding above their current percentage shareholding. Any such acquisition of Additional Rights Shares (including any unsubscribed portion of the Issue) shall not result in change of control of the management of the Company in accordance with provisions of the SEBI Takeover Regulations and shall be exempt subject to fulfillment of the conditions of Regulation 10(4)(a) and (b) of the SEBI Takeover Regulations. The members of the Promoter and Promoter Group acknowledge and undertake that their investment would be restricted to ensure that the public shareholding in the Company after the Issue do not fall below the permissible minimum level as specified in Regulation 38 of SEBI Listing Regulations read with SCRR.

After taking into account Allotment to be made under (i) to (iv) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the Controlling Branches, a list of the ASBA Investors who have been allocated Equity Shares in the Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA Investors;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Allotment Advices/ Refund Orders

Our Company will issue and dispatch allotment advice/ share certificates/ demat credit and/ or letters of regret along with refund order or credit the allotted Equity Shares to the respective beneficiary accounts, if any, within fifteen days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

Investors residing at centres where clearing houses are managed by the RBI, payment of refund would be done through NACH except where Investors have not provided the details required to send electronic refunds.

In case of those Investors who have opted to receive their Rights Entitlement in dematerialized form using electronic credit under the depository system, advice regarding their credit of the Rights Equity Shares shall be given separately. Investors to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within fifteen days of the Issue Closing Date.

In case of those Investors who have opted to receive their Rights Entitlement in physical form and our Company issues letter of allotment, the corresponding Rights Equity Share certificates will be kept ready within two months from the date of Allotment thereof under section 56 of the Companies Act or

other applicable provisions, if any. Investors are requested to preserve such letters of allotment, which would be exchanged later for the Rights Equity Share certificates.

The letter of allotment/ refund order would be sent by registered post/ speed post to the sole/ first Investor's registered address in India or the Indian address provided by the Eligible Equity Shareholders from time to time. Such refund orders would be payable at par at all places where the applications were originally accepted. The same would be marked 'Account Payee only' and would be drawn in favour of the sole/ first Investor. Adequate funds would be made available to the Registrar to the Issue for this purpose.

Our Company shall ensure at par facility is provided for encashment of refund orders or pay orders at the places where applications are accepted.

As regards allotment/refund to Non-residents, the following further conditions shall apply:

In the case of Non-resident Shareholders or Investors who remit their Application Money from funds held in NRE/FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts, the details of which should be furnished in the CAF. Subject to the applicable laws and other approvals, in case of Non-resident Shareholders or Investors who remit their application money through Indian Rupee demand drafts purchased from abroad, refund and/or payment of dividend or interest and any other disbursement, shall be credited to such accounts and will be made after deducting bank charges or commission in US Dollars, at the rate of exchange prevailing at such time. Our Company will not be responsible for any loss on account of exchange rate fluctuations for conversion of the Indian Rupee amount into US Dollars. The Share Certificate(s) will be sent by registered post / speed post to the address in India of the Non-Resident Shareholders or Investors.

This Draft Letter of Offer/ Abridged Letter of Offer and the CAF shall be dispatched to only such Non-resident Shareholders who have a registered address in India or have provided an Indian address.

Payment of Refund

Modes of making refunds

The payment of refund, if any, including in the event of oversubscription, would be done through any of the following modes:

1. NACH – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.
2. National Electronic Fund Transfer (“NEFT”) - Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository

Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

3. Direct Credit - Investors having bank accounts with the Banker to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
4. RTGS - If the refund amount exceeds Rs. 2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the CAF. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.
5. For all other Investors the refund orders will be dispatched through Speed Post/ Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Investor and payable at par.
6. Credit of refunds to Investors in any other electronic manner, permissible under the banking laws, which are in force, and is permitted by SEBI from time to time

Refund payment to Non-resident

Where applications are accompanied by Indian rupee drafts purchased abroad and payable at Mumbai, refunds will be made in the Indian rupees based on the U.S. dollars equivalent which ought to be refunded. Indian rupees will be converted into U.S. dollars at the rate of exchange, which is prevailing on the date of refund. The exchange rate risk on such refunds shall be borne by the concerned applicant and our Company shall not bear any part of the risk.

Where the applications made are accompanied by NRE/FCNR/NRO cheques, refunds will be credited to NRE/FCNR/NRO accounts respectively, on which such cheques were drawn and details of which were provided in the CAF.

Printing of Bank Particulars on Refund Orders

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the Investor's bank account are mandatorily required to be given for printing on the refund orders. Bank account particulars, where available, will be printed on the refund orders/ refund warrants which can then be deposited only in the account specified. We will in no way be responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.

Allotment advice/ Share Certificates/ Demat Credit

Allotment advice/ Share Certificates/ demat credit or letters of regret will be dispatched to the registered address of the first named Investor or respective beneficiary accounts will be credited within the timeline prescribed under applicable law. In case our Company issues Allotment advice, the respective Share Certificates will be dispatched within one month from the date of the Allotment. Allottees are requested to preserve such allotment advice (if any) to be exchanged later for Share Certificates.

Option to receive Equity Shares in Dematerialized Form

Investors shall be allotted the Equity Shares in dematerialized (electronic) form at the option of the Investor. We have signed a tripartite agreement with NSDL and the Registrar to the Issue on 4th March, 2003, which enables the Investors to hold and trade in Equity Shares in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates. We have also signed a tripartite agreement with CDSL and the Registrar to the Issue on May 26, 2001, which enables the Investors to hold and trade in Equity Shares in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

In this Issue, the Allottees who have opted for Rights Equity Shares in dematerialized form will receive their Rights Equity Shares in the form of an electronic credit to their beneficiary account as given in the CAF, after verification with a depository participant. Investor will have to give the relevant particulars for this purpose in the appropriate place in the CAF. Allotment advice, refund order (if any) would be sent directly to the Investor by the Registrar to the Issue but the Investor's depository participant will provide to him the confirmation of the credit of such Equity Shares to the Investor's depository account. CAFs, which do not accurately contain this information, will be given the Equity Shares in physical form. No separate CAFs for Equity Shares in physical and/ or dematerialized form should be made. If such CAFs are made, the CAFs for physical Rights Equity Shares will be treated as multiple CAFs and is liable to be rejected. In case of partial Allotment, Allotment will be done in demat option for the Rights Equity Shares sought in demat and balance, if any, will be allotted in physical Rights Equity Shares. Eligible Shareholders of our Company holding Equity Shares in physical form may opt to receive Rights Equity Shares in the Issue in dematerialized form.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Equity Shares in this Issue in the electronic form is as under:

- Open a beneficiary account with any depository participant (*care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in our records. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in our records*). In case of Investors having various folios with different joint holders, the Investors will have to open separate accounts for such holdings. Those Eligible Equity Shareholders who have already opened such beneficiary account(s) need not adhere to this step.
- For Eligible Equity Shareholders already holding Equity Shares in dematerialized form as on the Record Date, the beneficiary account number shall be printed on the CAF. For those who open accounts later or those who change their accounts and wish to receive their Equity Shares by way of credit to such account, the necessary details of their beneficiary account should be filled in the space provided in the CAF. It may be noted that the Allotment of Equity Shares arising out of this Issue may be made in dematerialized form even if the original Equity Shares are not dematerialized. Nonetheless, it should be ensured that the depository account is in the name(s) of the Eligible Equity Shareholders and the names are in the same order as in our records.
- The responsibility for correctness of information (including Investor's age and other details) filled in the CAF vis-à-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in CAF should be the same as registered with the Investor's depository participant
- If incomplete / incorrect beneficiary account details are given in the CAF, the Investor will get Rights Equity Shares in physical form.

- The Rights Equity Shares allotted to applicants opting for issue in dematerialized form, would be directly credited to the beneficiary account as given in the CAF after verification. Allotment advice, refund order (if any) would be sent directly to the applicant by the Registrar to the Issue but the applicant's depository participant will provide to the applicant the confirmation of the credit of such Equity Shares to the applicant's depository account. It may be noted that Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL and CDSL.
- Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Equity Shares in this Issue. In case these details are incomplete or incorrect, the application is liable to be rejected.
- Non-transferable allotment advice/refund orders will be directly sent to the Investors by the Registrar.
- Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Eligible Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.

General instructions for non-ASBA Investors

- Please read the instructions printed on the CAF carefully.
- Applicants that are not QIBs or are not Non – Institutional Investor or those who's Application Money does not exceed Rs. 200,000 may participate in the Issue either through ASBA or the non-ASBA process. Eligible Equity Shareholders who have renounced their entitlement (in full or in part), Renouncees and Applicants holding Equity Shares in physical form and/or subscribing in the Issue for Allotment in physical form may participate in the Issue only through the non ASBA process.
- Application should be made on the printed CAF, provided by us except as mentioned under the head "Application on Plain Paper" on page 263 and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Draft Letter of Offer or Abridged Letter of Offer are liable to be rejected and the money paid, if any, in respect thereof will be refunded without interest and after deduction of bank commission and other charges, if any. The CAF must be filled in English and the names of all the Investors, details of occupation, address, father's/ husband's name must be filled in block letters.
- Eligible Equity Shareholders participating in the Issue other than through ASBA are required to fill Part A of the CAF and submit the CAF along with Application Money before close of banking hours on or before the Issue Closing Date or such extended time as may be specified by our Board in this regard. The CAF together with the cheque/ demand draft should be sent to the Banker to the Issue/ Collecting Bank or to the Registrar to the Issue and not to us or Lead Manager to the Issue. Investors residing at places other than cities where the branches of the Banker to the Issue have been authorised by us for collecting applications, will have to make payment by demand draft payable at Mumbai of an amount net of bank and postal charges and send their CAFs to the Registrar to the Issue by registered post/speed post. If any portion of the CAF is/ are detached or separated, such application is liable to be rejected. **CAF's received after banking hours on closure day will be liable for rejection.**

Applications where separate cheques/demand drafts are not attached for amounts to be paid for Equity Shares are liable to be rejected. Applications accompanied by cash, postal order or stockinvest are liable to be rejected.

- Except for applications on behalf of the Central and State Government, the residents of Sikkim and the officials appointed by the courts, all Investors, and in the case of application in joint names, each of the joint Investors, should mention his/ her PAN allotted under the Income Tax Act, irrespective of the amount of the application. CAFs without PAN will be considered incomplete and are liable to be rejected.
- Investors, holding Equity Shares in physical form, are advised that it is mandatory to provide information as to their savings/current account number, the nine digit MICR number and the name of the bank with whom such account is held in the CAF to enable the Registrar to the Issue to print the said details in the refund orders, if any, after the names of the payees. Application not containing such details is liable to be rejected.
- All payment should be made by cheque/ demand draft only. Application through the ASBA process as mentioned above is acceptable. Cash payment is not acceptable. In case payment is effected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon.
- Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/ her official seal. The Eligible Equity Shareholders must sign the CAF as per the specimen signature recorded with us/ Depositories.
- In case of an application under power of attorney or by a body corporate or by a society, a certified true copy of the relevant power of attorney or relevant resolution or authority to the signatory to make the relevant investment under this Issue and to sign the application and certified true copy of the Memorandum and Articles of Association and/ or bye laws of such body corporate or society must be lodged with the Registrar to the Issue giving reference of the serial number of the CAF. In case the above referred documents are already registered with us, the same need not be a furnished again. In case these papers are sent to any other entity besides the Registrar to the Issue or are sent after the Issue Closing Date, then the application is liable to be rejected. In no case should these papers be attached to the application submitted to the Banker to the Issue.
- In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with us or the Depositories. Further, in case of joint Investors who are Renouncees, the number of Investors should not exceed three. In case of joint Investors, reference, if any, will be made in the first Investor's name and all communication will be addressed to the first Investor.
- Application(s) received from NRs/ NRIs, or persons of Indian origin residing abroad for Allotment of Equity Shares shall, inter alia, be subject to conditions, as may be imposed from time to time by the RBI under FEMA, including regulations relating to QFI's, in the matter of refund of application money, Allotment of Equity Shares, subsequent issue and Allotment of Equity Shares, interest, export of share certificates, etc. In case a NR or NRI Eligible Equity Shareholder has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF. Additionally, applications will not be accepted

from NRs/ NRIs in the U.S. or its territories and possessions, or any other jurisdiction where the offer or sale of the Rights Entitlements and Equity Shares may be restricted by applicable securities laws.

- All communication in connection with application for the Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar to the Issue prior to the date of Allotment in this Issue quoting the name of the first/ sole Investor, folio numbers and CAF number. Please note that any intimation for change of address of Eligible Equity Shareholders, after the date of Allotment, should be sent to our Registrar and Transfer Agent, in the case of Equity Shares held in physical form and to the respective depository participant, in case of Equity Shares held in dematerialized form.
- SAFs cannot be re-split.
- Only the Equity Shareholder(s) and not Renouncee(s) shall be entitled to obtain SAFs.
- Investors must write their CAF number at the back of the cheque/ demand draft.
- Only one mode of payment per application should be used. The payment must be by cheque/ demand draft drawn on any of the banks, including a co-operative bank, which is situated at and is a member or a sub member of the Bankers Clearing House located at the centre indicated on the reverse of the CAF where the application is to be submitted.
- A separate cheque/ draft must accompany each CAF. Outstation cheques/ demand drafts or post-dated cheques and postal/ money orders will not be accepted and applications accompanied by such outstation cheques/ outstation demand drafts/ money orders or postal orders will be rejected.
- No receipt will be issued for application money received. The Banker to the Issue/ Collecting Bank/ Registrar will acknowledge receipt of the same by stamping and returning the acknowledgment slip at the bottom of the CAF.
- The distribution of this Draft Letter of Offer and issue of Equity Shares and Rights Entitlements to persons in certain jurisdictions outside India may be restricted by legal requirements in those jurisdictions. Persons in such jurisdictions are instructed to disregard this Draft Letter of Offer and not to attempt to subscribe for Equity Shares.
- Investors are requested to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law

Do's for non-ASBA Investors:

- Check if you are eligible to apply i.e. you are an Equity Shareholder on the Record Date;
- Read all the instructions carefully and ensure that the cheque/ draft option is selected in Part A of the CAF and necessary details are filled in;

- In the event you hold Equity Shares in dematerialised form, ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Equity Shares will be allotted in the dematerialized form only;
- Ensure that your Indian address is available with our Company and the Registrar, in case you hold Equity Shares in physical form or the depository participant, in case you hold Equity Shares in dematerialised form;
- Ensure that the value of the cheque/ draft submitted by you is equal to the {(number of Equity Shares applied for) X (Issue Price of Equity Shares, as the case may be)} before submission of the CAF. Investors residing at places other than cities where the branches of the Banker to the Issue have been authorised by us for collecting applications, will have to make payment by demand draft payable at Mumbai of an amount net of bank and postal charges;
- Ensure that you receive an acknowledgement from the collection branch of the Banker to the Issue for your submission of the CAF in physical form;
- Ensure that you mention your PAN allotted under the Income Tax Act with the CAF, except for Applications on behalf of the Central and State Governments, residents of the state of Sikkim and officials appointed by the courts;
- Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF;
- Ensure that the demographic details are updated, true and correct, in all respects.

Don'ts for non-ASBA Investors:

- Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction;
- Do not apply on duplicate CAF after you have submitted a CAF to a collection branch of the Banker to the Issue;
- Do not pay the amount payable on application in cash, by money order or by postal order;
- Do not send your physical CAFs to the Lead Manager/ Registrar/ Collecting Banks (assuming that such Collecting Bank is not a SCSB)/ to a branch of the SCSB which is not a Designated Branch of the SCSB/ Company; instead submit the same to a Designated Branch of the SCSB only.
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
- Do not apply if the ASBA account has already been used for five Eligible Equity Shareholders.
- Do not apply through the ASBA Process if you are not an ASBA Investor.

- Do not instruct the SCSBs to release the funds blocked under the ASBA Process.
- Do not submit Application accompanied with Stock invest;

Grounds for Technical Rejections for non-ASBA Investors

Investors are advised to note that applications are liable to be rejected on technical grounds, including the following:

- Amount paid does not tally with the amount payable;
- Bank account details (for refund) are not given and the same are not available with the DP (in the case of dematerialized holdings) or the Registrar (in the case of physical holdings);
- Submission of CAFs to the SCSBs;
- Submission of plain paper Applications to any person other than the Registrar to the Issue;
- Age of Investor(s) not given (in case of Renouncees);
- Except for CAFs on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN not given for application of any value;
- In case of CAF under power of attorney or by limited companies, corporate, trust, relevant documents are not submitted;
- If the signature of the Equity Shareholder does not match with the one given on the CAF and for Renouncee(s) if the signature does not match with the records available with their Depositories;
- CAFs are not submitted by the Investors within the time prescribed as per the CAF and this Draft Letter of Offer;
- CAFs not duly signed by the sole/ joint Investors;
- CAFs/ SAFs by OCBs not accompanied by a copy of an RBI approval to apply in this Issue;
- CAFs accompanied by Stockinvest/ outstation cheques/ post-dated cheques/ money order/ postal order/ outstation demand draft;
- In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Investors (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity;
- CAFs that do not include the certifications set out in the CAF to the effect that the subscriber is not a "U.S. Person" (as defined in Regulation S) and does not have a registered address (and is not otherwise located) in the U.S. or other restricted jurisdictions and is authorized to acquire the Rights Entitlements and Equity Shares in compliance with all applicable laws and regulations;

- CAFs which have evidence of being executed in/ dispatched from restricted jurisdictions;
- CAFs by ineligible non-residents (including on account of restriction or prohibition under applicable local laws) and where the registered address in India has not been provided;
- CAFs where we believe that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements;
- In case the GIR number is submitted instead of the PAN;
- CAFs submitted by Renouncees where Part B of the CAF is incomplete or is unsigned. In case of joint holding, all joint holders must sign Part 'B' of the CAF;
- Applications by persons not competent to contract under the Indian Contract Act, 1872, as amended, except bids by minors having valid demat accounts as per the demographic details provided by the Depositories.
- Applications by Renouncees who are persons not competent to contract under the Indian Contract Act, 1872, including minors;
- Multiple CAFs, including cases where an Investor submits CAFs along with a plain paper application; and
- Applications from QIBs, Non-Institutional Investors or Investors applying in this Issue for Equity Shares for an amount exceeding ₹200,000, not through ASBA process.
- Failure to mention an Indian address in the Application. Application with foreign address shall be liable to be rejected.
- If an Investor is debarred by SEBI and if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlement.
- Non – ASBA applications made by QIBs and Non – Institutional Investors.

Please read this Draft Letter of Offer or Abridged Letter of Offer and the instructions contained therein and in the CAF carefully, before filling the CAF. The instructions contained in the CAF are an integral part of this Draft Letter of Offer and must be carefully followed. The CAF is liable to be rejected for any non-compliance of the provisions contained in this Draft Letter of Offer or the CAF.

Investment by FPIs, FIIs and QFIs

SEBI, On January 7, 2014, notified the SEBI FPI Regulations pursuant to which FIIs, its sub-accounts and QFIs categories of investors were merged to form a new category called 'Foreign Portfolio Investors'. Prior to the notification of the SEBI FPI Regulations, portfolio investments by FIIs and sub-accounts were governed by SEBI under the FII Regulations and portfolio investments by QFIs were governed by various circulars issued by SEBI from time to time (**QFI Circulars**). Pursuant to the notification of the SEBI FPI Regulations, the FII Regulations were repealed and the QFI Circulars were rescinded.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an Investor group (*which means the same set of ultimate beneficial owner(s) investing through multiple entities*) is not permitted to exceed 10% of our Company's post-Issue Equity Share Capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share

Capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid up Equity Share Capital of our Company.

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.

An 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 (other than a sub-account which is a foreign corporate or a foreign individual) may participate in the Issue, until expiry of its registration as an FII or sub-account or until it obtains a certificate of registration as an FPI, whichever is earlier. If the registration of an FII or sub-account has expired or is about to expire, such FII or sub-account may, subject to payment of conversion fees as applicable under the SEBI FPI Regulations, participate in the Issue. An FII or sub-account shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

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.

Further, in terms of the SEBI (FPI) Regulations, a QFI may continue to buy, sell or otherwise deal in securities, subject to the provisions of the SEBI (FPI) Regulations, until January 6, 2015 (or such other date as may be specified by SEBI) or until the QFI obtains a certificate of registration as FPI, whichever is earlier.

The existing individual and aggregate investment limits for Eligible QFIs in an Indian company are 5% and 10% of the paid-up capital of an Indian company, respectively. In terms of the FEMA Regulations, a QFI shall not be eligible to invest as a QFI upon obtaining registration as an FPI. However, all investments made by a QFI in accordance with the regulations, prior to registration as an FPI shall continue to be valid and taken into account for computation of the aggregate limit.

Investment by NRIs

Investments by NRIs are governed by the Portfolio Investment Scheme under Regulation 5(3)(i) of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended. Applications will not be accepted from NRIs in restricted jurisdictions.

NRI Applicants may please note that only such Applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the reserved category. The NRI Applicants who intend to make payment through NRO accounts shall use the Application Form meant for resident Indians and shall not use the Application Forms meant for reserved category.

Please note that pursuant to the applicability of the directions issued by SEBI *vide* its circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011, all Applicants who are QIBs, Non-Institutional Investors or are applying in this Issue for Equity Shares for an amount exceeding Rs 2,00,000 shall mandatorily make use of ASBA facility.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Please note that pursuant to the applicability of the directions issued by SEBI *vide* its circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011, all applicants who are QIBs, Non-Institutional Investors or are applying in this Issue for Equity Shares for an amount exceeding Rs. 200,000 shall

mandatorily make use of ASBA facility, subject to their fulfilling the eligibility conditions to be an ASBA Investor. Further, all QIB applicants and Non-Institutional Investors are mandatorily required to use ASBA, even if application amount does not exceed Rs. 200,000, subject to their fulfilling the eligibility conditions to be an ASBA Investor.

Procedure for Applications by AIFs, FVCIs and VCFs

The SEBI (Venture Capital Funds) Regulations, 1996, as amended (“**SEBI VCF Regulations**”) and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, as amended (“**SEBI FVCI Regulations**”) prescribe, amongst other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI (Alternative Investments Funds) Regulations, 2012 (“**SEBI AIF Regulations**”) prescribe, amongst other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue.

Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations.

Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

Mode of payment for Resident Eligible Equity Shareholders/ Investors

- All cheques/ drafts accompanying the CAF should be drawn in favour of “**Jost’s Engineering Company Limited – Rights Issue - R**” crossed ‘A/c Payee only’ and should be submitted along with the CAF to the Banker to the Issue or to the Registrar to the Issue;
- Investors residing at places other than places where the bank collection centres have been opened by us for collecting applications, are requested to send their CAFs together with Demand Draft for the full application amount, net of bank and postal charges favouring the Banker to the Issue, crossed ‘A/c Payee only’ and marked “**Jost’s Engineering Company Limited – Rights Issue - R**” payable at Mumbai directly to the Registrar to the Issue by registered post so as to reach them on or before the Issue Closing Date. We, the Lead Manager or the Registrar to the Issue will not be responsible for postal delays or loss of applications in transit, if any.

Applications through mails should not be sent in any other manner except as mentioned above. The CAF along with the application money must not be sent to our Company or the Lead Manager. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Eligible Equity Shareholders/ Investors

As regards the application by non-resident Eligible Equity Shareholders/ Investors, the following conditions shall apply:

Individual non-resident Indian applicants who are permitted to subscribe for Equity Shares by applicable local securities laws can also obtain application forms from the following address:

Bigshare Services Private Limited

1st Floor, Bharat Tin Works Building,
Opp Vasant Oasis, Makwana Road, Marol,
Andheri East, Mumbai - 400059
Tel No: +91 22- 62628200
Fax No: +91 22 – 62638299
E-mail: rightissue@bigshareonline.com
Website: www. bigshareonline.com
Contact Person: Jibu John
SEBI Registration No: INR000001385
Investor Grievance Id : investor@bigshareonline.com

Note: The Letter of Offer/ Abridged Letter of Offer and CAFs to NRIs shall be sent only to their Indian address, if provided.

- Applications will not be accepted from non-resident from any jurisdiction where the offer or sale of the Rights Entitlements and Equity Shares may be restricted by applicable securities laws.
- All non-resident investors should draw the cheques/ demand drafts for the full application amount, net of bank and postal charges and which should be submitted along with the CAF to the Banker to the Issue/ collection centres or to the Registrar to the Issue.
- Non-resident investors applying from places other than places where the bank collection centres have been opened by our Company for collecting applications, are requested to send their CAFs together with Demand Draft for the full application amount, net of bank and postal charges, and marked “***Jost’s Engineering Company Limited – Rights Issue - R***” payable at Mumbai directly to the Registrar to the Issue by registered-post so as to reach them on or before the Issue Closing Date. Our Company or the Registrar to the Issue will not be responsible for postal delays or loss of applications in transit, if any.
- Payment by non-residents must be made by demand draft payable at Mumbai/cheque payable drawn on a bank account maintained at Mumbai or funds remitted from abroad in any of the following ways:

Application with repatriation benefits

- By Indian Rupee drafts purchased from abroad and payable at Mumbai or funds remitted from abroad (submitted along with Foreign Inward Remittance Certificate);
- By local cheque / bank drafts remitted through normal banking channels or out of funds held in Non-Resident External Account (NRE) or FCNR Account maintained with banks authorized to deal in foreign currency in India, along with documentary evidence in support of remittance;
- By Rupee draft purchased by debit to NRE/ FCNR Account maintained elsewhere in India and payable in Mumbai;
- FIIs/FPIs registered with SEBI must remit funds from special non-resident rupee deposit account;

- Non-resident investors applying with repatriation benefits should draw cheques/ drafts in favour of '**Jost's Engineering Company Limited – Rights Issue - NR**' and must be crossed 'account payee only' for the full application amount;
- Investors may note that where payment is made by drafts purchased from NRE/ FCNR accounts, as the case may be, an Account Debit Certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/ FCNR account should be enclosed with the CAF. Otherwise the application shall be considered incomplete and is liable to be rejected.

Application without repatriation benefits

- As far as non-residents holding Equity Shares on non-repatriation basis are concerned, in addition to the modes specified above, payment may also be made by way of cheque drawn on Non-Resident (Ordinary) Account maintained in India or Rupee Draft purchased out of NRO Account maintained elsewhere in India but payable at Mumbai. In such cases, the Allotment of Equity Shares will be on non-repatriation basis.
- All cheques/ drafts submitted by non-residents applying on a non-repatriation basis should be drawn in favour of '**Jost's Engineering Company Limited – Rights Issue – R**' and must be crossed 'account payee only' for the full application amount. The CAFs duly completed together with the amount payable on application must be deposited with the Collecting Bank indicated on the reverse of the CAFs before the close of banking hours on or before the Issue Closing Date. A separate cheque or bank draft must accompany each CAF.
- Investors may note that where payment is made by drafts purchased from NRE/ FCNR/ NRO accounts, as the case may be, an Account Debit Certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/ FCNR/ NRO account should be enclosed with the CAF. Otherwise the application shall be considered incomplete and is liable to be rejected.
- New demat account shall be opened for holders who have had a change in status from resident Indian to NRI. Any application from a demat account which does not reflect the accurate status of the Applicant are liable to be rejected.

Notes:

- In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the I.T. Act.
- In case Equity Shares are allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India.
- The CAF duly completed together with the amount payable on application must be deposited with the Collecting Bank indicated on the reverse of the CAFs before the close of banking hours on or before the Issue Closing Date. A separate cheque or bank draft must accompany each CAF.

- In case of an application received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines/ rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals

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”.

Section 447 of the Companies Act provides for punishment for fraud which *inter alia* states punishment of imprisonment for a term which shall not be less than six month but which may extend to ten years and shall be liable to a fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud.

Payment by Stockinvest

In terms of RBI Circular DBOD No. FSC BC 42/ 24.47.00/ 2003-04 dated November 5, 2003, the Stockinvest Scheme has been withdrawn. Hence, payment through Stockinvest would not be accepted in this Issue.

Disposal of application and application money

No acknowledgment will be issued for the application moneys received by us. However, the Banker to the Issue/ Registrar to the Issue/ Designated Branch of the SCSBs receiving the CAF will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each CAF. Our Board reserves its full, unqualified and absolute right to accept or reject any application, in whole or in part, and in either case without assigning any reason thereto.

In case an application is rejected in full, the whole of the application money received will be refunded. Wherever an application is rejected in part, the balance of application money, if any, after adjusting any money due on Rights Equity Shares allotted, will be refunded to the Investor within the timelines prescribed under applicable law. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law. For further instructions, please read the CAF carefully.

Utilisation of Issue Proceeds

Our Board declares that:

- All monies received out of the Issue shall be transferred to a separate bank account;
- Details of all unutilised monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested; and
- Our Company may utilise the funds collected in the Issue only after the Basis of Allotment is finalized

Undertakings by our Company

Our Company undertakes the following:

- i. The complaints received in respect of the Issue shall be attended to by us expeditiously and satisfactorily.
- ii. All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchange where the Equity Shares are to be listed will be taken within seven working days from the date of finalization of the Basis of Allotment.
- iii. The funds required for making refunds to unsuccessful applicants as per the modes disclosed shall be made available to the Registrar to the Issue by us.
- iv. We undertake that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within fifteen days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- v. Adequate arrangements shall be made to collect all ASBA applications and to consider them similar to non-ASBA applications while finalising the basis of Allotment.
- vi. The certificates of the securities/ refund orders to the non-resident Indians shall be dispatched within the specified time.
- vii. Except as Equity Shares that may be allotted under ESOS, no further issue of securities affecting our equity capital shall be made till the securities issued/ offered through this Draft Letter of Offer and are listed or till the application money are refunded on account of non-listing, under-subscription etc.
- viii. At any given time there shall be only one denomination of our Equity Shares.
- ix. We accept full responsibility for the accuracy of information given in this Draft Letter of Offer and confirm that to the best of our knowledge and belief, there are no other facts the omission of which makes any statement made in this Draft Letter of Offer misleading and further confirms that we have made all reasonable enquiries to ascertain such facts.
- x. All information shall be made available by the Lead Manager and the Issuer to the Investors at large and no selective or additional information would be available for a section of the Investors in any manner whatsoever including at road shows, presentations, in research or sales reports etc.
- xi. We shall comply with such disclosure and accounting norms specified by SEBI from time to time

Important

- Please read this Draft Letter of Offer carefully before taking any action. The instructions contained in the accompanying CAF are an integral part of the conditions and must be carefully followed; otherwise the application is liable to be rejected.
- All enquiries in connection with this Draft Letter of Offer or accompanying CAF and requests for SAFs must be addressed (quoting the Registered Folio Number/ DP and Client ID number, the CAF number and the name of the first Equity Shareholder as mentioned on the CAF and super scribed '*Jost's Engineering Company Limited -Rights Issue*' on the envelope and postmarked in India) to the Registrar to the Issue at the following address:

Bigshare Services Private Limited

1st Floor, Bharat Tin Works Building,
Opp Vasant Oasis, Makwana Road, Marol,
Andheri East, Mumbai - 400059
Tel No: +91 22- 62628200
Fax No: +91 22 – 62638299
E-mail: rightissue@bigshareonline.com
Website: [www. bigshareonline.com](http://www.bigshareonline.com)
Contact Person: Jibu John
SEBI Registration No: INR000001385
Investor Grievance Id : investor@bigshareonline.com

It is to be specifically noted that this Issue of Rights Equity Shares is subject to the risk factors mentioned in “Risk Factors” on page 15.

The Issue will remain open for a minimum fifteen days. However, our Board will have the right to extend the Issue period as it may determine from time to time but not exceeding thirty days from the Issue Opening Date.

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION OF OUR COMPANY

| | CONSTITUTION OF THE COMPANY | |
|---|--|---|
| 1 | The Regulations contained in Table 'F' in the First Schedule to the Companies Act, 2013 shall not apply to this Company but the regulations for the management of the Company and for the observance thereof by the Members of the Company and their representatives, shall subject to any exercise of the statutory powers of the Company in reference to the repeal or alteration of, or addition to, its regulations by special resolution, as prescribed by the Companies Act, 2013, be such as are contained in these Articles. | Company to be governed by the Articles and Table 'F' not to apply |
| | INTERPRETATION | |
| 2 | a) The marginal notes hereto shall not affect the construction hereof. In these presents, unless there be something in the subject or context inconsistent therewith: | Interpretation |
| | b) "AFFILIATE" means, in relation to any person ("Subject Person"), any entity controlled, directly or indirectly, by that Subject Person, any entity that controls, directly or indirectly, that Subject Person, or any entity under common control with that Subject Person and, in the case of a natural person, any Relative (as such term is defined in the Act) of that Subject Person. For the purpose of this definition: | Affiliate |
| | (i)"control" shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner; and | |
| | (ii)A holding company or subsidiary company of any entity pursuant to Section 2(46) and 2(87) respectively of the Act (or other law applicable to such entity) shall be deemed to be an Affiliate of that entity. | |
| | (c)"BENEFICIAL OWNER" shall mean beneficial owner as defined in the Depositories Act, 1996; | Beneficial Owner |
| | (d)BOARD" means the Board of Directors of the Company. | Board |
| | (e)"BUSINESS DAY" means a day (excluding Saturdays and Sundays) on which banks are generally open in Mumbai, India, for the transaction of normal banking business. | Business Day |
| | (f)"CHARTER DOCUMENTS" means the memorandum of association and articles of association of the Company. | Charter Documents |
| | (g)"DEBENTURES" includes debenture-stock, bonds and other | Debentures |

| | | |
|--|---|------------------------|
| | securities of the Company, whether constituting a charge on the assets of the Company or not; | |
| | (h)"DEPOSITORY" shall mean a Depository as defined in the Depositories Act, 1996. | Depository |
| | (i)"DEPOSITORIES ACT, 1996" shall include any statutory modification or re-enactment thereof. | Depositories Act, 1996 |
| | (j)"DIRECTOR" means a director of the Company (including any duly appointed alternate director). | Director |
| | (k)"DIVIDEND" includes interim dividend. | Dividend |
| | (l)"ENCUMBRANCE" means any encumbrance including without limitation any claim, debenture, mortgage, pledge, charge, hypothecation, lien, deposit by way of security, sale, sale agreement, agreement for payment on deferred terms, option, right of pre-emption, beneficial ownership (including usufruct and similar entitlements), public right, common right, any provisional or executorial attachment and any other interest held by a third party; and "Encumber" and "Encumbered" shall be construed accordingly. | Encumbrance |
| | (m)"EQUITY SHARE CAPITAL" means the issued and paid up equity share capital of the Company. | Equity Share Capital |
| | (n)"EQUITY SHARES" means the equity shares of the Company. | Equity Shares |
| | (o)"EXCHANGE" means the Bombay Stock Exchange Limited. | Exchange |
| | (p)"FINANCIAL YEAR" means a financial year commencing on 1st April and ending on 31st March unless the tribunal or to any statutory body/authority to whom the power is vested to deal with matters pertaining to financial year till the time Tribunal is constituted, allow otherwise with respect to following of financial year from 1 April to 31st March. | Financial Year |
| | (q)"IN WRITING" or "WRITTEN" means and includes words printed, lithographed, represented or reproduced in any mode in a visible form. | In Writing or Written |
| | (r)"LAW" includes all statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, circulars, policies, directions, directives and orders of any Government, statutory authority, tribunal, board, court or recognised stock exchange and, if applicable, international treaties and regulations. | Law |

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| | (s)"MEMBER" means the duly registered holder from time to time of Shares in the Company and includes the subscribers to the Memorandum of the Company and the beneficial owner(s) as defined in the Depositories Act, 1996. | Member |
| | (t)"MODIFY" and "MODIFICATION" shall include the making of additions and omissions. | Modify and Modification |
| | (u)"MONTH" and "YEAR" mean respectively a calendar month and a calendar year. | Month and Year |
| | (v)"ORDINARY RESOLUTION" and "SPECIAL RESOLUTION" shall have the meaning assigned thereto respectively by Section 114 of the Act. | Ordinary Resolution and Special Resolution |
| | (w)"PERSON(S)" means any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, Government Authority or trust or any other entity or organisation. | Persons |
| | (x)"PROMOTERS" [shall have the meaning assigned thereto by section 2(69) of the Act] or [means persons who have been named as such in a prospectus or are identified by the company in the annual return referred to in Section 92 of the Act and are in control of affairs and management of the Company] [which expression shall include the persons and entities as defined in Regulation 2(1)(s) & (t) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations as amended from time to time]. | Promoters |
| | (y)"SHARE CAPITAL" means the issued and paid up share capital of the Company. | Share Capital |
| | (z)"SUBSIDIARY", with reference to any entity, has the meaning given to such term in the Act or other law applicable to the entity. | Subsidiary |
| | (aa)"THE ACT" means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force. | The Act |

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| | (bb)"THE COMPANY" or "THIS COMPANY" means the above named Company. | The Company or This Company |
| | (cc)"THE OFFICE" means the Registered Office for the time being of the Company. | The Office |
| | (dd)"THE REGISTER" means the Register of Members to be kept pursuant to Section 88 of the Act. | The Register |
| | (ee)"THESE ARTICLES" or "THE ARTICLES" or "THESE PRESENTS" mean these Articles of Association or as originally framed or as altered from time to time by Special Resolution. | These Articles or The Articles or These Presents |
| | (ff)"VARIATION" shall include abrogation and "VARY" shall include abrogate. | Variation and Vary |
| | (gg)Words imparting singular number also include plural number. | Singular Number |
| | (hh)Words imparting plural number also include singular number. | Plural Number |
| | <p>(ii)References to persons shall include individuals, bodies corporate (wherever incorporated), unincorporated associations and partnerships.</p> <p>The headings and side headings are inserted for ease of reference only and shall not affect the construction or interpretation of these Articles;</p> <p>References to one gender include all genders;</p> <p>Any reference to any enactment of statutory provision is a reference to it as it may have been, or may from time to time be, amended, modified, consolidated or re-enacted;</p> <p>References to an "agreement" or "document" shall be construed as a reference to such agreement or document as the same may have been amended, varied, supplemented or novated in writing at the relevant time in accordance with the requirements of such agreement or document and, if applicable, of these Articles with respect to amendments.</p> <p>Subject as aforesaid, and unless repugnant to the context or meaning thereof, any words or expressions defined in the Act shall except where the subject or context forbid bears the same meaning in these Articles.</p> | References |
| | (jj)Words imparting masculine gender also include feminine Gender gender. References to persons shall include individuals, bodies corporate (wherever incorporated), unincorporated associations and partnerships. | Gender |
| | (kk)"TRIBUNAL" shall mean the National Company Law Tribunal and till the time the tribunal is constituted any such authority/ court/statutory body who is authorized or vested with the power to deal with any matter pertaining to the act. | Tribunal |
| | (ll)"CHIEF FINANCIAL OFFICER" shall mean an officer of a Company, who has been designated as such by it. | Chief Financial Officer |

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| | (mm)"COMPANY SECRETARY" OR "SECRETARY" means a Company Secretary as defined in clause (c) of sub-section 1 of Section 2 of the Company Secretaries Act, 1980 who is appointed by Company to perform the functions of a Company Secretary under the act. | Company Secretary or Secretary |
| | (nn)"KEY MANAGERIAL PERSONNEL" in relation to a company, Means i. Managing Director or Chief Executive Officer or Manager and in their absence a Whole-time Director; ii. Company Secretary and iii. Chief Financial Officer | Key Managerial Personnel |
| | (oo)"INDEPENDENT DIRECTOR" means an independent director referred to in sub-section (6) of Section 149 of the Act. | Independent Director |
| | (pp)"POSTAL BALLOT" means voting by post or through any electronic mode | Postal Ballot |
| | (qq)"VOTING RIGHT" means the right of a member of a company to vote in any meeting of the company or by means of postal ballot or by way of electronic voting. | Voting Right |
| | (rr)"SECURITIES" means the securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956. | Securities |
| | (ss)"HOLDING COMPANY" in relation to one or more other companies, means a company of which such companies are subsidiary companies. | Holding Company |
| | AUTHORISED SHARE CAPITAL | |
| 3 | The Authorised Share Capital of the Company shall be as mentioned at Clause V of the Memorandum of Association of the Company. | Authorised Share Capital |
| | SERVICE OF DOCUMENTS | |
| 4 | Subject to provisions of Section 26 of the Act the Company, shall on being so required by a member, send to him within seven days of the requirement and subject to the payment of fee of Re. 1 a copy of each of the following documents as in force for the time being: (a) Memorandum (b) The Articles (c) The Agreement, if any, entered into or proposed to be entered into by the Company with any person appointed or to be appointed as its Managing Director or as its whole-time Director and (d) Every other agreement and every resolution referred to in Section 117 of the Act if and so far as they have not been embodied in the Memorandum of the Company or those Articles. | Copy of Memorandum and Articles to be given to Members |
| 5 | (1) Every notice of meeting of the Company shall specify the place, date, day and hour of the meeting and shall contain a statement of the business to be transacted thereat. | Notice of Meeting of the Company |
| | (2) Notice of every meeting of the Company shall be given: (a) to every member of the Company in any manner authorized by | |

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| | <p>sub-section (1) to (4) of Section 20 of the Act;</p> <p>(b) to the persons entitled to a share in consequence of the death or insolvency of a member, by sending it through the post in a prepaid letter addressed to them by name or by the title of representatives of the deceased, or assignees of the insolvent or by any like description at the address, if any, in India, supplied for the purpose by the persons claiming to be so entitled, or until such address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred;</p> <p>(c) to the Auditor or Auditors for the time being of the Company in any manner authorised by Section 20 of the Act in the case of any member or members of the Company</p> | |
| | DOCUMENTS AND NOTICES | |
| 6 | A notice shall be deemed to include and shall include any summons, notice, requisition, order, other legal process and registers, whether issued, sent or kept in pursuance of the Act or any other Act or otherwise. | Notices |
| 7 | (1) A notice may be served by the Company on any member thereof either personally or by sending it to him by post or by registered post or by speed post or by courier at his registered address, or if he has no registered address in India, to the address if any within India supplied by him to the Company for the giving of notice to him or by such electronic or other mode as prescribed under the Companies (Incorporation) Rules, 2014. A notice may also be served on a company or an officer thereof through electronic transmission. | Service of Documents on members by Company |
| | (2) For the purposes of sub-rule (1), the term, "electronic transmission" means a communication- | |
| | <p>(a) Delivered by -</p> <p>(i) facsimile telecommunication or electronic mail when directed to the facsimile number or electronic mail address, respectively, which the company or the officer has provided from time to time for sending communications to the company or the officer respectively;</p> <p>(ii) posting of an electronic message board or network that the company or the officer has designated for such communications, and which transmission shall be validly delivered upon the posting; or</p> <p>(iii) other means of electronic communication, in respect of which the company or the officer has put in place reasonable systems to verify that the sender is the person purporting to send the transmission; and</p> | |
| | (b) that creates a record that is capable of retention, retrieval and review, and which may thereafter be rendered into clearly legible tangible form. | |
| | <p>(3) Where notice is sent by post:</p> <p>(a) service thereof shall be deemed to be effected by properly addressing prepaying and posting a letter containing the notice, provided that where a member has intimated to the Company in advance that documents or notices should be sent to him by post or by registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses</p> | |

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| | of doing so, service of the document or notice shall not be deemed to be effected unless it is sent in the manner mentioned by the member; and | |
| | (b) such service shall be deemed to have been effected: (i) In the case of a notice of a meeting at the expiration of forty-eight hours after the letter containing the same is posted; and (ii) Any other case, at the time at which the letter would be delivered in the ordinary course of post. | |
| | (4) A notice advertised in a newspaper circulating in the neighborhood of the Registered Office of the Company shall be deemed to be duly served on the day on which the advertisement appears on every member of the Company who has no registered address in India and has not supplied to the Company an address within India for giving of notices to him. | |
| | (5) A notice be served by the company on the joint holders of a share(s) by serving it on the joint holder named first in the Register in respect of the share(s). | |
| | (6) A notice may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post by prepaid letter addressed to them by name or by the title or representative of the deceased or assignees of the insolvent or by the like description at the address if any in India supplied for the purpose by the persons claiming to be so entitled, or until such an address has been so supplied by serving the notice in any manner in which it might have been served if the death or insolvency had not occurred. Provided that where the notice is given by advertising the same in a newspaper circulating in the neighborhood of the Registered Office of the Company under clause (3) hereof the statement of material facts referred to in Section 102 of the Act need not be annexed to the notice as required by the Section but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company. | |
| 8 | A document may be served on the Company or an Officer thereof by sending it to the Company or the officer at the Registered Office of the Company by Registered Post or Speed Post or by Courier or by leaving it at its Registered Office or through electronic transmission. | Service of documents on Company or an Officer thereof |
| 9 | A document may be served on the Registrar of Companies by sending it to him at his office by post or by registered post or Speed Post or by Courier or by delivering it to or leaving it for him at his office or through electronic transmission. | Service of documents on Registrar |
| 10 | Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the Company may be signed by a Director, the Managing Director, the whole-time Director, the Manager, the CFO, the Secretary or other authorised officer of the Company and need not be under the Common Seal of the Company. | Authentication of documents & proceedings |
| 11 | Whenever the Company shall make an allotment of its shares, it shall within thirty days thereafter file with the Registrar of Companies a Return of Allotment, as required by Section 39 of the Act and Rule 12 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, Appendix III. | Return of Allotment |

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| | KINDS OF SHARE CAPITAL | |
| 12 | Neither the original capital nor any increased capital shall be of more than two kinds, namely (a) Equity share Capital and (b) Preference Share Capital as defined in Section 43 of the Act. | Capital of two kinds only |
| 13 | The amount payable on application on each share of the Company shall not be less than five percent of the nominal amount of the share or such other percentage or amount, as may be specified by the Securities and Exchange Board of India. | Amount payable on Application |
| | CERTIFICATES | |
| 14 | <p>(1) Certificates of title to shares shall be issued under the Common Seal of the Company which shall be affixed in the presence of and signed by</p> <p>(i) two Directors or persons acting on behalf of the Directors under a duly registered Power of Attorney and; (b) the Secretary or some other person appointed by the Board for the purpose; provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing Director or whole-time Director.</p> | Certificates |
| | (2) 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 any means of a rubber stamp. Provided, however, that notwithstanding anything contained in this clause, the certificate of title to shares may be executed and issued in accordance with such other provisions of the Act or the rules made thereunder as may be in force for the time being and from time to time. The Certificate shall be made out in favour of not more than four persons. | |
| 15 | The Company shall within two months after the allotment of any of its shares, and within six months in case of debentures or debenture-stock or within one month from the date of receipt by the Company of the instrument of transfer of shares or as the case may be, of the intimation of transmission of shares along with complete documents (six months in case of transfer/transmission related to Debenture or Debenture Stock) for the purpose of registration of the transfer of any shares, debentures or debenture-stock, complete and have ready for delivery the certificates of all shares, debentures and the certificates of all debenture stock allotted or transferred unless the conditions of issue of the shares, debentures or debenture-stock otherwise provide. Every certificate of shares shall specify the numbers and denoting numbers of the shares in respect of which it is issued and the amount paid thereon. | Members' right of Certificates |
| 16 | If any certificate is lost or destroyed or defaced, mutilated or torn or has no further space on the back thereof for endorsement of transfers then in case of a lost or destroyed certificate upon proof to the satisfaction of the Directors as to its loss or destruction and on such indemnity as the Directors deem adequate being given and in other cases, upon surrender of the certificate to the Company, a new certificate in lieu thereof shall be given to the party entitled to such certificate. Any new or renewed certificate may be marked as such. The out of pocket expenses incurred by the Company in investigating | Issue of new certificate in place of one defaced or lost or destroyed |

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| | the evidence as to the loss or destruction shall be paid to the Company. No fee shall be charged for issue of new certificates in replacement of those which are old, decrepit or worn out or where the cages on the reverse for recording transfers have been utilised fully. | |
| 17 | The certificate of shares registered in the names of two or more persons shall be delivered to the person first named in the Register. | To which of joint holders certificate to be issued |
| 18 | If any shares stand 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 other matters connected with the Company except voting at the meeting and the transfer of shares be deemed the sole holder thereof. | The first named joint holder deemed sole holder |
| 19 | In the case of death of any one or more of the persons named in the Register as the joint holders of any share the survivor or survivors shall be the only person or persons recognised by the Company as having any title to or interest in such share but nothing herein contained shall be taken to release the estate of a joint holder from any liability on shares held by him jointly with any other person. | Death of one or more joint holders of shares |
| 20 | Notwithstanding anything contained in the articles of a company, the manner of issue of a certificate of shares or the duplicate thereof, the form of such certificate, the particulars to be entered in the register of members and other matters shall be such as may be prescribed. | Notwithstanding, the provisions in the Articles, procedure as prescribed to be adopted |
| 21 | If a Company with intent to defraud issues a duplicate certificate of shares, the Company shall be punishable with fine which shall not be less than five times the face value of the shares involved in the issue of the duplicate certificate but which may extend to ten times the face value of such shares or rupees ten crores whichever is higher and every officer of the Company who is in default shall be liable for action under Section 447 of the Act. | Issue of a duplicate certificate with aim to defraud |
| VOTING RIGHTS | | |
| 22 | A member paying the whole or a part of the amount remaining unpaid on any shares held by him, although no part of that amount has been called up shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would become presently payable. | Member paying any moneys in advance not to be entitled to vote in respect thereof |
| 23 | No member shall exercise any voting right 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 exercised any right of lien. | Restriction on exercise of voting rights of members who have not paid calls |
| 24 | Notwithstanding anything contained in this Act, the articles of a company may provide that no member shall exercise any voting right 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 exercised any right of lien. | Restriction on voting rights |
| 25 | Subject to the provisions of Articles 22 and 23 | Votes of members holding |

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| | <p>(a) every member of the Company holding any- Equity Share Capital and otherwise entitled to vote shall on a show of hands when present in person, have one vote.</p> <p>(b) every member of the Company holding any Equity Share Capital and otherwise entitled to vote shall on a poll when present in person or by proxy have one vote for each Equity Share of the nominal value of Rs.10/- held by him.</p> <p>(c) every member of the Company holding any Equity Share Capital and otherwise entitled to vote shall on a poll when present in person or by proxy have voting right in proportion to his share of the paid up Equity Share Capital of the Company.</p> | equity shares |
| 26 | Subject to the provisions of Section 47 of the Act the holder of the Preference Shares shall have, in respect of such preference shares held by them, the right to vote only on resolutions placed before the Company in General Meeting which directly affect the rights attached to such Preference Shares. | Votes of members holding Preference Shares |
| 27 | <p>(1) Subject to the provisions of Articles 22 and 23 every member of the Company holding Preference Share Capital, be entitled to vote on every resolution placed before the Company at any general meeting, if the dividend due on such capital or any part of such dividend has remained unpaid.</p> <p>(i) in the case of Cumulative Preference Shares, in respect of an aggregate period of not less than two years preceding the date of commencement of the meeting and</p> <p>(ii) in the case of Non-Cumulative Preference Shares either in respect of a period of not less than two years ending with the expiry of the financial year immediately preceding the commencement of the meeting or in respect of any aggregate period of not less than three years comprised in the six years ending with the expiry of the financial year aforesaid.</p> | Voting rights of new Preference shares |
| | <p>(2) For the purpose of sub-clause (1) hereof, dividend shall be deemed to be due on Preference Shares in respect of any periods whether a dividend has been declared by the Company on such shares for such period or not.</p> <p>(a) on the last day specified for the payment of such dividend for such period, in any instrument executed by the Company in that behalf; or</p> <p>(b) in case no day is so specified on the day immediately following such period.</p> | |
| | (3) Where the holder of any Preference Share has a right to vote on any resolution in accordance with the provisions of sub-clause (1) hereof, his voting right on a poll, as the holder of such share, shall subject to the provisions of sub-section (2) of Section 50 of the Act, be in the same proportion as the capital paid up in respect of the equity shares bears to the total paid up Capital of the Company in respect of the preference shares. | |
| 28 | Any person entitled under the Transmission Clause to transfer any shares, may vote in 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 | Vote in respect of shares of deceased or insolvent member |

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| | 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 share unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof. | |
| | ALTERATION OF CAPITAL | |
| 29 | The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution. | Increase of capital |
| 30 | <p>. Subject to the provisions of Section 61, the company may, by ordinary resolution, -</p> <p>(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;</p> <p>(b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;</p> <p>(c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;</p> <p>(d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.</p> <p>The cancellation of shares as referred above in Article 30, shall not be deemed to be a reduction of share capital.</p> | Alteration of Share Capital |
| 31 | <p>Subject to the confirmation by the Tribunal the company may, by special resolution, and subject to, any incident authorized and consent required by law, reduce the share capital in any manner and in particular, may -</p> <p>(a) extinguish or reduce the liability on any of its shares in respect of the share capital not paid up; or</p> <p>(b) pay off any paid-up share capital which is in excess of the wants of the Company;</p> <p>(c) alter its memorandum by reducing the amount of its share capital and of its shares accordingly.</p> | Reduction of Share Capital |
| 32 | <p>Whenever such a resolution as aforesaid shall have been passed, the Board shall-</p> <p>(i) (a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares if any; and</p> <p>(b) generally do all acts and things required to give effect thereto.</p> <p>(ii) The Board shall have power-</p> <p>(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and</p> <p>(b) to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paidup, of any further shares to which they may be entitled upon such capitalization, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of</p> | The Board to accommodate such changes in Capital |

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| | <p>profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares;</p> <p>(iii) Any agreement made under such authority shall be effective and binding on such members.</p> | |
| 33 | <p>Subject to the provisions of Section 61 of the Act, the Company may by ordinary resolution in General Meeting from time to time alter the conditions of its Memorandum as follows, that is to say, it may:</p> <p>(a) increase its share capital by such amount as it thinks expedient by issuing new shares of such amount as may be deemed expedient and the new shares shall be issued on 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 Board of Directors shall determine and in particular whether such shares may be issued with a preferential right to dividends and in the distribution of the assets of the Company.</p> <p>(b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares,</p> <p>(c) convert all or any of its fully paid up shares into stock and reconvert that stock into fully paid up shares of any denomination,</p> <p>(d) sub-divide its shares or any of them into shares of smaller amount that is fixed by the Memorandum so however, that in the sub divisions of the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived,</p> <p>(e) cancel shares which, at the date of the passing of the resolution in that behalf, 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. A cancellation of shares in pursuance of this Clause shall not be deemed to be a reduction of share capital within the meaning of the Act.</p> | Power of Company to alter Share Capital |
| 34 | <p>(a) Whenever the Company shall increase its capital beyond its Authorised Capital, the Company shall file with the Registrar of Companies notice of the increase of capital as required by Section 64 of the Act within thirty days after the passing of the Resolution authorising the increase. The notice shall include particulars of the class of shares affected and the conditions if any, subject to which the new shares have been or are to be issued.</p> <p>The Company shall also comply with the provisions of subsection (1)(b) of Section 64 of the Act within the time thereby prescribed.</p> <p>(b) Whenever the Company shall do any one or more of the things provided for in Articles 33 (b), (c), (d) and (e), the Company shall within thirty days after doing so, give notice thereof to the Registrar of Companies as required by Section 64 of the Act specifying as the case may be, the shares consolidated, divided, converted, subdivided, redeemed or cancelled or the stock reconverted.</p> | Notice of Increase of Share Capital |
| 35 | <p>(1) Subject to the provisions of Section 62 of the Act, where at any time, it is proposed to increase the subscribed Capital of the Company by allotment of further shares then,</p> <p>(a) such further shares shall be offered to the persons who at the date</p> | Further issue of Capital |

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| | <p>of the offer, are holders of the Equity Shares of the Company in proportion as nearly as circumstances admit, to the capital paid up on those shares at that date;</p> <p>(b) the offer aforesaid shall be made by notice specifying the number of shares offered and limiting the time not being more than thirty days from the date of the offer within which the offer if not accepted will be deemed to have been declined;</p> <p>(c) the offer aforesaid shall be deemed to include right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of 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;</p> <p>(d) after the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the persons 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.</p> <p>(e) unless the articles of the company otherwise provide, the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in clause (b) shall contain a statement of this right.</p> | |
| | <p>(2) Notwithstanding anything contained in sub-clause (1) the further shares aforesaid may be offered to any person (whether or not those persons include the persons referred to in sub clause (1) (a) in any manner whatsoever;</p> <p>(a) if a Special Resolution to that effect is passed by the Company in General Meeting, or</p> <p>(b) where no such Special Resolution is passed, if the votes cast whether on a show of hands or on a poll (as the case may be) in favour of the proposal contained in the resolution moved in that General Meeting (including the casting vote, if any, of the Chairman) by members, who being entitled to do, vote in person, or by proxy, exceed the votes, if any cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in that behalf, that the proposal is most beneficial to the Company.</p> | |
| | <p>(3) Nothing in clause (c) of sub-clause (1) hereof shall be deemed:</p> <p>(a) to extend the time within which the offer should be accepted; or</p> <p>(b) to authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.</p> | |
| | <p>(4) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debenture issued or loans raised by the Company:</p> | |

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| | <p>(i) To convert such debentures or loans into shares in the Company; or</p> <p>(ii) To subscribe for shares in the Company Provided that the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:</p> <p>(a) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with rules, if any, made by the Government in this behalf; and</p> <p>(b) In the case of debentures or loans or other than debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in General Meeting before the issue of the debentures or raising of the loans.</p> | |
| 36 | <p>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 part of the original capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, transfers and transmission, forfeiture, lien, surrender, voting and otherwise.</p> | How far new shares to rank with shares of original capital |
| 37 | <p>The Company may from time to time by Special Resolution subject to confirmation by the Court/Tribunal and subject to the provisions of Section 66 of the Act, reduce its Share Capital and Capital Redemption Reserve Account and Share Premium Account in any way and in particular without prejudice to the generality of the foregoing power by:</p> <p>(a) extinguishing or reducing the liability on any of its shares in respect of the Share Capital not paid up; or</p> <p>(b) cancelling either with or without extinguishing or reducing liability on any of its shares, any paid up share Capital which is lost or is unrepresented by available assets; or</p> <p>(c) paying off, either with or without extinguishing or reducing liability on any of its shares, any paid up Share Capital which is in excess of the wants of the Company and capital may be paid off upon the footing that it may be called up again or otherwise and paid up capital may be cancelled as aforesaid without reducing the nominal amount of shares by the like amount with the intent that the unpaid capital shall not be called up.</p> | Reduction of Capital, Capital Redemption Reserve Account and Share Premium Account |
| | MODIFICATION OF RIGHTS | |
| 38 | <p>Whenever, the Share Capital is divided into different classes of shares, the rights attached to the shares of any class may, subject to the provisions of Section 48 of the Act be varied with:</p> <p>(a) the consent in writing of the holders of not less than three fourths of the issued shares of that class; or the sanction of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class;</p> <p>(b) the sanction of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class;</p> <p>(c) where any default is made in complying with the provisions of this</p> | Power to modify rights |

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| | Section, the company shall be punishable with fine which shall not be less than twenty-five thousand rupees but which may extend to five lakh rupees and every officer of the Company who is in default shall be punishable with imprisonment for a term which may extend to six months or with fine which shall not be less than twenty-five thousand rupees but which may extend to five lakh rupees, or with both. Further all the provisions hereinafter contained as to General Meetings (including the provisions relating to quorum at such meetings) shall mutatis mutandis apply to every such meeting. | |
| | CALLS | |
| 39 | Subject to Sections 49 and 50 of the Act, the Directors may, from time to time by resolution passed at a meeting of the Directors and not by a circular resolution, make such calls as they may think fit, upon the members in respect of all moneys unpaid on the shares held by them respectively, whether on account of the nominal value of the shares or by way of premium and not by the conditions of allotment thereof made payable at fixed times and each member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Directors. A call may be made payable in instalments. | Calls |
| 40 | If by the condition of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment shall when due be paid to the Company by the person who for the time being shall be the registered holder of the share or his legal representative. | Payment by instalments of issue price |
| 41 | No call shall exceed one-half of the nominal amount of a share or be made payable within two months after the last preceding call was payable. All calls shall be made on a uniform basis on all shares falling under the same class. Shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class. | Restriction on power to call |
| 42 | A call shall be deemed to have been made at the time when the Resolution of the Directors authorising such calls was passed at a Meeting of Directors and may be made payable by the members on the Register of Members on a subsequent date to be fixed by the Directors. | When calls deemed to have been made |
| 43 | Fifteen days' notice of any call shall be given specifying the time and place of payment and to whom such call shall be paid provided that before the time for payment of such call the Directors may by notice in writing to the members, revoke the same. | Notice of Calls |
| 44 | If by the terms of issue of any share or otherwise any amount is payable at any fixed time or by instalments at fixed times, whether on account of the nominal amount of the share or by way of premium every such amount or instalment shall be payable as if it were a call duly made by the Directors and payable on the date on which by the terms of issue such sum becomes payable and of which due notice has been given. In case of non-payment of such sum, all the relevant provisions herein contained 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. | When amount payable |
| 45 | If the sum payable in respect of any call or instalment be not paid on | When interest on |

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| | or before the day appointed for payment thereof, the holder for the time being or allottee of the share in respect of which the call shall have been made or the instalment shall be due, shall pay interest for the same from the day appointed for payment thereof to the time of actual payment at the rate of 9% per annum or at such lower rate as the Directors may determine. The Directors shall be at liberty to waive the payment of any such interest wholly or in part. | call or instalment payable |
| 46 | The Directors may from time to time at their discretion extend the time fixed for the payment of any call and may extend such time as to all or any of the shareholders who for some reason or other cause, the Directors may deem fairly entitled to such extension but no shareholders shall be entitled to such extension save as a matter of grace and favour. | Directors may extend time |
| 47 | The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. ⁴ | Liability of joint holders |
| 48 | On the trial or hearing of any action for the recovery of any money due for any call it shall be sufficient to prove that the name of the member sued is entered in the Register as the holder or one of the holders of the shares in respect of which such debt accrued; that the Resolution making a call is duly recorded in the minute book; and that notice of such calls was duly given to the member sued in pursuance of these presents and it shall not be necessary to prove the appointment of the Directors who made such call nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt. | Evidence in action for sell |
| 49 | The Directors may, if they think fit, receive from any member willing to advance the same, the whole or any part of the amount remaining unpaid on any shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may (until the same would but for such advance become presently payable) pay interest at such rate not exceeding, unless the Company in General Meeting shall otherwise direct, six percent per annum as the member paying such sum in advance and the Directors may agree upon and the Directors may at any time, repay the amount so advanced upon giving to such member three months' notice in writing. The members making such advance payment shall not, however 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, nor shall be entitled in respect thereof to dividend or to participate in profits. | Payment of calls in advance |
| 50 | Particulars of (a) amount called upto the date of Company's Annual General Meeting on each share, (b) the total amount of calls paid and received upto that date and (c) the total amount of calls unpaid at that date shall be shown in the Annual Return. | Particulars of calls paid and not paid to be shown in annual return |
| | REDEEMABLE PREFERENCE SHARES | |
| 51 | Subject to provisions of Section 55 of the Act, the Company shall have power to issue Preference Shares liable to be redeemed in any manner permissible under the Act and the Directors may exercise such power in any manner as they think fit and provide for redemption of | Redeemable Preference shares |

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| | such shares on such terms including the right to redeem at a premium or otherwise as they think fit. | |
| 52 | <p>Subject to provisions of Section 55 of the Act, in the issue of Redeemable Preference Shares under the provisions of Article 51 the following provisions shall take effect:</p> <p>(a) no such preference shares shall be issued which are irredeemable. Where any such preference share has been issued it shall have to be redeemed within a period not exceeding twenty years from the date of their issue;</p> <p>(b) no such shares shall be redeemed except out of profits which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purposes of the redemption; (c) no such shares shall be redeemed unless they are fully paid;</p> <p>(d) the premium if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's Share Premium Account before the shares are redeemed;</p> <p>(e) 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 Account, to be called "The 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 a company shall, except as provided by Section 55 of the Act, apply as if the Capital Redemption Reserve Account were paid up share capital of the Company;</p> <p>(f) subject to the provisions of Section 55 of the Act, the redemption of Preference Shares may be effected in accordance with the terms and conditions of their issue and failing that, in such manner as the Board of Directors may think fit and the Company may issue shares upto the nominal amount of the shares redeemed or to be redeemed as if those shares had never been issued;</p> <p>(g) whenever the Company shall redeem any Redeemable Preference Shares the Company shall, within thirty days thereafter, give notice thereof to the Registrar of Companies as required by Section 64 of the Act;</p> <p>(h) the capital redemption reserve account may, notwithstanding anything in this section be applied by the company, in paying up unissued shares of the Company to be issued to Members of the Company as fully paid bonus shares. For the purposes of the same Section, Rule 9 of the Companies (Share Capital and Debentures) Rules 2014 shall be made applicable.</p> | Provisions in case of Redeemable Preference Shares |
| | TRANSFER AND TRANSMISSION OF SHARES | |
| 53 | The Company shall keep a book called "The Register of Transfers" and therein shall fairly and distinctly enter the particulars of every transfer or transmission of any shares. | Register of Transfer etc. |
| 54 | No transfer shall be registered unless a proper instrument of transfer has been delivered to the Company. The instrument of transfer of any share shall be duly stamped and be executed by or on behalf of the transferor and by or on behalf of the transferee and shall specify the | Execution of transfer etc. |

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| | name, address and occupation if any of the transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register in respect thereof. Shares of different classes shall not be included in the same instrument of transfer. | |
| 55 | The instrument of transfer of any share shall be in writing in the usual common form or in such form as may be approved by or current in any Recognised Stock Exchange/Ministry of Corporate Affairs or as near thereto as circumstances may require. | Form of transfer |
| 56 | Subject to provisions of Section 58 of the Act, the Directors may decline to register transfer of shares on the ground that the share transfer is not of a marketable lot. The marketable lot will be decided in consultation with the concerned Stock Exchange. | The Board may decline to register transfer |
| | SHARES | |
| 57 | The Shares in the capital shall be numbered progressively according to their several denominations, provided however, that the provision relating to progressive numbering shall not apply to the shares which are dematerialised or may be in dematerialised form. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished. | Shares to be numbered progressively |
| 58 | Subject to the provisions of the Act and these Articles, the shares shall be under the control of the Directors, who may allot or otherwise dispose of the same to such persons on such terms and conditions and either at a premium or at par at such times as the Directors may think fit. Option or right to call on shares shall not be given to any person except with the sanction of the Company in General Meeting. | Shares at the disposal of the Directors |
| 59 | Subject to the provisions of the Act and these Articles, the Board may allot and issue shares in the capital of the Company as payment for any property sold or transferred or for services rendered to the Company in the conduct of its business and any shares which may be so issued shall be deemed to be fully paid up shares. | The Board may issue shares as fully paid up |
| 60 | An application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any shares therein shall be acceptance of shares within the meaning of these Articles and every person who accepts any shares and whose name is on the Register shall for the purposes of these Articles be a Member. | Acceptance of Shares |
| 61 | The money (if any) which the Directors shall on 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, shall immediately on the inscription 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. | Deposit and calls etc. to be a debt Payable immediately |
| 62 | If by the conditions of allotment of any share the whole or any part of the amount or issue price thereof shall be payable by instalment, every such instalment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the shares or his legal representative. | Instalments on shares to be paid when due |
| 63 | Every member or his heirs, executors and administrators shall pay to | Liability of members |

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| | the Company the proportion 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 Company's regulations require or fix for the payment thereof. | |
| 64 | The joint holders of a share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such shares. | Liability of joint share holders |
| 65 | Except as required by law no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the member. | Trusts not recognised |
| 66 | None of the funds of the Company shall except as provided by Section 67 of the Act be employed in the purchase of its own shares unless the consequent reduction of capital is effected and sanctioned in pursuance of Section 66 or of Section 242 of the Act or in giving either directly or indirectly and whether by means of a loan, guarantee, the provisions of security or otherwise any financial assistance for the purpose of or in connection with a purchase or subscription, made or to be made by any person, of or for any shares in the Company or in its holding Company or in loan upon the securities of its shares. | No purchase of or loans on Company's shares |
| 67 | Notwithstanding anything contained in these Articles and pursuant to the provisions of Sections 68, 69, 70 and other applicable provisions, if any, of the Act, SEBI Guidelines and other applicable guidelines, rules and regulations that may be issued in this regard, the Company may purchase its own shares or other specified securities out of its free reserves or securities premium account or proceeds of any shares or other specified securities or from such other sources as may be prescribed by law from time to time. | Buyback of Shares |
| 68 | (1) Where the Company issues shares at a premium whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on those shares shall be transferred to an account, to be called "The Share Premium Account" and the provisions of the Act relating to the reduction of Share Capital of the Company shall except as provided in this Article apply as if the Share Premium Account were paid up Share Capital of the Company | Application of premium received on shares |
| | (2) The Share Premium Account may notwithstanding anything contained in sub-clause (1) hereof be applied by the Company: (a) in paying the unissued shares of the Company to be issued to members of the Company as fully paid bonus shares; (b) in writing off the preliminary expenses of the Company; (c) in writing off the expenses of, or the commission paid or discount allowed on any issue of shares or debentures of the Company; or (d) in providing for the premium payable on the redemption of any Redeemable Preference Shares or of any debentures of the Company. | |

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| 69 | DEMATERIALISATION OF SECURITIES | Dematerialisation of Securities |
| a | Definitions | |
| | <p>"Bye-laws" means bye-laws made by a Depository under Section 26 of the Depositories Act</p> <p>"Record" includes the record maintained in the form of books or stored in Computer or in such other form as may be determined by regulations made by SEBI in relation to the Depositories Act, 1996.</p> <p>"Regulations" means the regulations made by SEBI. "SEBI" means the Securities and Exchange Board of India.</p> <p>"Security" means such security as may be specified by SEBI from time to time.</p> <p>Words and expressions used and not defined in this Article shall have the same meaning as respectively assigned in the Depositories Act.</p> | |
| b | <p>Dematerialisation of Securities</p> <p>Notwithstanding anything contained in these Articles, the company shall be entitled to dematerialise its existing securities, rematerialise its Securities held in the Depositories and / or offer its fresh Securities in a dematerialised form pursuant to the Depositories Act.</p> | |
| c | <p>Option to receive Securities certificates or hold securities with Depository</p> <p>Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. If a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the Security and on receipt of the information the Depository shall enter in its records the name of the allottees as the Beneficial Owner of the Security. 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, issue to the beneficial owner the required certificates of Securities</p> | |
| d | <p>Securities in Depositories to be in fungible form</p> <p>All Securities held by a Depository shall be dematerialised and be in fungible form. Nothing contained in Sections 89 and 186 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.</p> | |
| e | Cancellation of certificates upon surrender by a person | |

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| | Upon receipt of Certificate of Securities for dematerialisation in terms of the applicable provisions of appropriate acts or rules, the Company shall cancel such certificates and substitute in its records, the name of the Depository as the owner in respect of the said Securities and shall also inform the Depository accordingly | |
| f | <p>Allotment of Securities dealt with a Depository</p> <p>Notwithstanding anything in the Act or these Articles, where securities are dealt with by Depository, the Company shall intimate the details thereof to Depository immediately on allotment of such securities.</p> | |
| g | <p>Transfer of Securities</p> <p>Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.</p> | |
| h | <p>Service of Documents</p> <p>Notwithstanding anything in the Act, or these Articles to the contrary, where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.</p> | |
| i | <p>Distinctive numbers of shares held in the Depository</p> <p>Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a Depository.</p> | |
| j | <p>Rights of Depositories and Beneficial Owners</p> <p>(i)Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the Beneficial Owner.</p> <p>(ii)Save as otherwise as 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.</p> <p>(iii)Every person holding securities of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a Member of the Company. The Beneficial Owner of the 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.</p> <p>(iv)Except as ordered by a Court of competent jurisdiction or as required by Law, the Company shall be entitled to treat the person whose name appears as the Beneficial Owner of the Security in the records of the Depository as the absolute owner thereof and accordingly the Company shall not be bound to recognise any benami trust or equitable, contingent or other interest in such</p> | |

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| | Security on the part of any other person whether or not it has express or implied notice thereof. | |
| k | <p>Register and Index of Beneficial Owners</p> <p>The Register and Index of Beneficial Owners maintained by a Depository under the Depositories Act shall be deemed to be the Register and index of Members for the purpose of the Act.</p> | |
| | UNDERWRITING AND BROKERAGE | |
| 70 | <p>The Company may at any time pay a commission to any person in consideration of:</p> <p>his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in, or debentures of the Company; or</p> <p>his procuring or agreeing to procure subscriptions whether absolute or conditional for any shares in and or debentures of the Company, if the following conditions are fulfilled, namely:</p> <p>the commission paid or agreed to be paid does not exceed in the case of shares, five percent of the price at which the shares are issued and in the case of debentures one and a half percent of the price at which the debentures are issued;</p> <p>the amount or rate percent of the commission paid or agreed to be paid is in the case of shares or debentures offered to the public for subscription, disclosed in the Prospectus and in the case of shares or debentures not offered to the public for subscription, disclosed in the Statement in lieu of Prospectus or in a Statement in the form prescribed in the Act signed in like manner as a Statement in lieu of Prospectus and filed before the payment of commission with the Registrar of Companies and, where a circular or notice, not being a Prospectus inviting subscription for the shares or debentures, is issued, also disclosed in that circular or notice, and</p> <p>the number of shares or debentures which persons have agreed for a commission to subscribe absolutely or conditionally is disclosed in the manner aforesaid.</p> | Commission for placing shares |
| | <p>Save as aforesaid and save as provided in Section 53 of the Act, the Company shall not allot any of its shares or debentures or apply any of its moneys, either directly or indirectly in payment of any commission, discount or allowance to any person in consideration of:</p> <p>his subscribing or agreeing to subscribe whether absolutely or conditionally, for any shares in or debentures of the Company or,</p> <p>his procuring or agreeing to procure subscription whether absolute or conditional, for any shares in or debentures of the Company.</p> | |
| | Nothing in this clause shall affect the power of the Company to pay such brokerage as is lawful for the Company to pay | |
| | A vendor promoter, or other person who receives payment in shares, | |

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| | debentures or money from the Company shall have and shall be deemed always to have had power to apply any part of the shares, debentures, or money so received in payment of any commission, the payment of which if made directly by the Company would have been legal under this clause. | |
| | The Commission may be paid or satisfied subject to the provisions of the Act and these presents in cash or in shares in or debentures of the Company. | |
| 71 | Where the Company had paid any sum by way of commission in respect of any shares or debentures or allowed any sums by way of discount in respect of any debentures such statement thereof as required shall be made in the Annual Return to be made by the Company under Section 92 of the Act. | Commission to be included in the Annual Return |
| | FORFEITURE | |
| 72 | If any member fails to pay any call or instalment of a call on or before the date appointed for the payment of the same the Directors may at any time thereafter, during such time as the call or instalment remains unpaid, serve a notice on such member requiring him to pay the same together with any interest that may be accrued and all expenses that may have been incurred by Company by reason of such non-payment. | If calls or instalment not paid notice may be given |
| 73 | The notice shall name a day (not being earlier than the expiry of fourteen days) from the date of service of the notice and place or places, on and at which such call or instalment and such interest expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment on 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 | Terms of Notice |
| 74 | If the requirement of any such notice as aforesaid is not complied with any shares in respect of which such notice has been given may at any time thereafter before payment of all calls or instalments, interest and expenses due in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture. | If notice is not complied with shares may be forfeited |
| 75 | When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and any entry of the forfeiture with the date thereof shall forthwith be made in the Register provided however that the failure to give the notice will not in any way invalidate the forfeiture. | Notice after forfeiture |
| 76 | Any shares so forfeited shall be deemed to be the property of the | Forfeited shares to |

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| | Company and the Directors may sell, re-allot and otherwise dispose of the same in such manner as they think fit. | become property of the company |
| 77 | The Directors may at any time before any share so forfeited shall have power to sell, re-allot or otherwise disposed of, annul the forfeiture thereof as a matter of grace and favour but not as of right upon such terms and conditions as they may think fit. | Power to annul forfeiture |
| 78 | Any members whose share shall have been forfeited shall, notwithstanding be liable to pay and shall forthwith pay to the Company all calls, instalments, interests and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at the rate of nine percent per annum and the Directors may enforce the payment of such moneys or any part thereof if they think fit, but shall not be under any obligation so to do. | Arrears to be paid notwithstanding forfeiture |
| 79 | The forfeiture of a share shall involve the extinction of all interest in and also all claims and demands made against the Company in respect of the share and all other right incidental to the shares except only such of those rights as by these Articles are expressly saved. | Effect of forfeiture |
| 80 | A duly verified declaration in writing that the declarant is a Director, the Manager or Secretary of the Company and that a share in the Company has been duly forfeited on a date in the declaration shall be conclusive evidence of the facts therein stated as against all persons entitled to the share. | Certificate of forfeiture |
| 81 | The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposal thereof and execute a transfer of the share in favour of the person to whom such share is sold, re-allotted in favour of the person or disposed of and the person to whom such share sold, re-allotted or disposed of may not (unless by express agreement) be liable to pay any calls, amounts, instalments, interest and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interest or bonuses accrued or which might have accrued upon the share before the time of completing such purchase or before such allotment. Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share | Title of purchaser and allottee of forfeited shares |
| 82 | Neither a judgement nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the | Partial payment not to preclude forfeiture |

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| | Company from thereafter proceeding to enforce a forfeiture of such shares as herein provided. | |
| 83 | The provisions of these Articles as to forfeiture shall apply to the case of non-payment of any sum which by the terms of issue of a share become payable at a fixed time whether on account of the nominal value of the share or by way of premium as if the same had been payable by virtue of a call duly made and notified. | The Provisions of these Articles as to forfeiture to apply in case of non payment of any sum |
| | LIEN | |
| 84 | The Company shall have no lien on its fully paid shares. In the case of partly paid up shares, the Company shall have a first and paramount lien thereon only in respect of all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares and such lien shall extend to all dividends from time to time declared and payable in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The Directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause. | Company's lien on shares |
| 85 | For the purposes of enforcing such lien, the Board of Directors may sell the shares subject thereto in such manner as they think fit but no sale shall be made unless a sum in respect of which the lien exists is presently payable and until notice in writing of the intention to sell shall have been served on such member or the person or persons entitled by transmission of the shares and default shall have been made by him or them in the payment of sum payable as aforesaid for seven days after the date of such notice. | As to enforcing lien by sale |
| 86 | <p>The net proceeds of any such sale, after payment of the cost of such sale, shall be applied in or towards satisfaction of all moneys called and payable in respect of such shares and the residue (if any) paid to such member or to the person (if any) entitled by transmission of the shares so sold.</p> <p>Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Directors 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 against the Company exclusively.</p> | Application of proceeds of sale |

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| | CONVERSION OF SHARES INTO STOCK | |
| 87 | The Company by resolution in General Meeting may convert any paid up shares into stock and may convert any stock into paid up shares of any denomination. Where any shares have been converted into stock, the several holders of such stock may, hence forth, transfer their respective interests therein, or any part of such interest in the same manner and subject to the same regulations and subject to which fully paid up shares in the Company's capital may be transferred or as near thereto as circumstances will admit. | Conversion of Shares into Stock |
| 88 | The stock shall confer on the holder 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 for the same class as the share from which such stock was converted, but so that none of such privileges or advantages except in the participation in profits of the Company, or in assets of the Company on a winding up, shall be conferred by any such adequate part of 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. All the provisions herein contained shall so far as circumstances will admit, apply to stock as well as to shares | Rights of Stockholders |
| 89 | Subject to the provisions of Section 92 of the Act , the Company shall within sixty days from the day of which the Annual General Meeting is held prepare and file with the Registrar of Companies; | Annual Return |
| | <p>(1) A return in Form set out under Rule 11 of the Companies (Management and Administration) Rules, 2014 or as near thereto as the circumstances will admit signed by a Director and the Company Secretary or where there is no Company Secretary by a Company Secretary in practice, containing the particulars specified in Section 92 of the Act, as they stood on the close of the Financial Year, regarding:</p> <p>its Registered Office;</p> <p>the register of its members;</p> <p>the register of its debenture-holders</p> <p>its shares and debentures</p> <p>its indebtedness</p> <p>its members and debenture holders, past and present; and</p> <p>its Directors, Managing Directors, whole- time Directors, Managers and Secretaries, past and present;</p> <p>Provided that if any of the immediately preceding returns under Section 92 of the Act have given as at the date of the Annual</p> | |

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| | General Meeting with reference to which it was submitted, the full particulars required as to past and present members and the shares held and transferred by them, the return in question may contain any such of the particulars as relate to persons ceasing to be or becoming members since that date and to shares transferred since the date or to changes as compared with that date in the number of shares held by a member. | |
| | (2) The reference in this Article to the day on which an Annual General Meeting is held or to the date of the Annual General Meeting shall, where the Annual General Meeting for any year has not been held be construed as a reference to the latest day on or before which that meeting should have been held in accordance with the provisions of the Act. | |
| | (3) Where the return is filed even though the Annual General Meeting has not been held on or before the latest day by which it should have been held in accordance with the provisions of the Act, the Company shall file with the return a statement specifying the reasons for not holding the Annual General Meeting. | |
| | (4) The Annual Return shall be certified by a Company Secretary in practice in the prescribed form stating that the Annual Return discloses the facts correctly and adequately and that the Company has complied with all the provisions of the Act. | |
| | <p>(5)(i) A copy of the financial statements, including consolidated financial statement, if any, along with all the documents which are required to be attached to such financial statements under the Act, duly adopted at the annual general meeting of the Company shall be filed with the Registrar of Companies within thirty days of the date of annual general meeting in such manner as prescribed under Section 137 of the Act and Rules framed thereunder with such fees or additional fees as prescribed under the Act.</p> <p>(ii) If the financial statements are not adopted at annual general meeting or adjourned annual general meeting, such un-adopted financial statements along with required documents as mentioned in Article 88 (5)(i) shall be filed with the Registrar within thirty days of the date of Annual General Meeting of the Company and the Registrar shall take them in his records as provisional till the financial statements are filed with the Registrar after their adoption in the adjourned annual general meeting.</p> | |
| | MEETINGS OF MEMBERS | |
| 90 | <p>(1) (a) The Company shall in each year hold in addition to any other meetings, a general meeting as its Annual General Meeting and shall specify the meeting as Annual General Meeting in the notices calling the same.</p> <p>Annual General Meeting shall be held by the Company within six</p> | Annual General Meeting |

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| | <p>months after the expiry of each financial year, and</p> <p>Not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next;</p> <p>Unless the Registrar of Companies shall have for any special reason extended the time for holding any Annual General Meeting.</p> <p>(2) Every Annual General Meeting shall be called between 9 a.m. and 6 p.m. on any day i.e. not a national holiday and shall be held either at the Registered Office of the Company or at some other place within Mumbai as the Board may determine.</p> | |
| 91 | <p>(1) If any default is made in holding the annual general meeting of a company under Section 96, the Tribunal may, notwithstanding anything contained in the Act or the articles of the company, on the application of any member of the company, call, or direct the calling of, an annual general meeting of the company and give such ancillary or consequential directions as the Tribunal thinks expedient:</p> <p>Provided that such directions may include a direction that one member of the company present in person or by proxy shall be deemed to constitute a meeting.</p> <p>(2) A general meeting held in pursuance of sub-section (1) shall, subject to any directions of the Tribunal, be deemed to be an annual general meeting of the company under this Act.</p> | Power of Tribunal to call annual general meeting |
| 92 | All meetings of the Company other than the Annual General Meeting shall be called "Extraordinary General Meeting." | Extraordinary General Meeting |
| 93 | <p>The Directors may whenever they think fit, convene an Extraordinary General Meeting:</p> <p>The Directors shall on the requisition of such number of members of the Company as is specified in sub-clause (4) hereof forthwith proceed duly to call an Extraordinary General Meeting of the Company and in the case of such requisition the following provisions shall have effect.</p> <p>The requisition shall set out the matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company.</p> <p>The requisition may consist of several documents in the like form each signed by one or more requisitionists.</p> <p>The number of members entitled to requisition a meeting in regard to any matter shall be such number as hold at the date of deposit of the requisition not less than one-tenth of such of the Paid-up Capital of the Company as at that date carries the right of voting in regard to that matter.</p> <p>Where two or more distinct matters are specified in the requisition, the provisions of sub-clause (4) hereof shall apply separately in regard to each such matter and the requisition shall accordingly be valid only in respect of those matters in regard to</p> | Directors may call Extraordinary General Meeting |

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| | <p>which the condition specified in that sub-clause is fulfilled.</p> <p>If the Directors do not, within twenty-one days from the date of the deposit of a valid requisition in regard to any matter, proceed duly to call a meeting for the consideration of those matters on a day not later than forty-five days from the date of the deposit of the requisition, the meeting may be called by the requisitioners themselves or by such of the requisitionists 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 at the deposit of the requisition carries the right of voting in regard to the matter referred to in the requisition whichever is less but any meeting so convened shall not be held after the expiry of three months from the date of the deposit of the requisition provided however that nothing herein contained shall be deemed to prevent a meeting duly commenced before the expiry of the said period of three months from adjourning to some other day after the expiry of that period.</p> <p>In the case of a meeting at which a resolution is to be proposed as a Special Resolution, the Directors shall be deemed not to have duly convened the meeting if they do not give such notice thereof as is required to be given for a special resolution under Section 114 (2) of the Act.</p> <p>Any meeting convened under this Article by the requisitionists or any of them shall be convened in the same manner as nearly as possible as that in which meetings are to be convened by the Directors.</p> <p>Where two or more persons hold any shares in the Company jointly, a requisition or a notice calling a meeting signed by one or more of them shall for the purpose of this clause have the same force and effect as if it had been signed by all of them.</p> <p>Any reasonable expenses incurred by the requisitionists, by reason of the failure of the Directors duly to call a meeting shall be repaid to the requisitionists by the Company and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.</p> | |
| 94 | <p>(1) Any General Meeting of the Company whether Annual General Meeting or Extraordinary General Meeting may be called by giving not less than clear twenty-one days' notice either in writing or through electronic mode in such manner as prescribed under Section 101 of the Act and rules framed thereunder.</p> <p>(2) A General Meeting may be called after giving shorter notice if consent is given in writing or by electronic mode by not less than ninety-five per cent of the members entitled to vote at such meeting.</p> | Length of notice calling for meeting |
| 95 | Where any items of business to be transacted at any meeting of the Company are deemed to be Special as aforesaid, there shall be annexed to the notice of the meeting a Statement setting out all material facts concerning each such item of business, including in particular the nature of the concern or interest, if any, therein | Explanatory statement to be annexed to notice |

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| | <p>of every Promoter, Director, and the Manager, if any, and of every other key managerial personnel shall be set out in the explanatory statement. Where any item of business consists of the according of approval to any document by the meeting, the place and time where such document can be inspected shall be specified in the explanatory statement.</p> <p>Provided that where any item of Special Business to be transacted at a meeting relates to or affects any other company, the extent of share- holding interest in that other company of every Promoter, Director, Manager if any, and of every other key managerial personnel of the Company, shall be set out in the statement if the extent of such share- holding interest is not less than two percent of the paid up share capital of that other Company.</p> | |
| 96 | <p>The quorum for a General Meeting</p> <p>Five members personally present if the number of members as on the date of meeting is not more than one thousand;</p> <p>Fifteen members personally present if the number of members as on the date of meeting is more than one thousand but upto five thousand;</p> <p>Thirty members personally present if the number of members as on the date of the meeting exceeds five thousand.</p> <p>When more than one of the joint holders of a share is present, not more than one of them shall be counted for ascertaining the quorum. Several executors or administrators of a deceased person in whose sole name shares stand shall for the purposes of this Clause be deemed joint holders thereof.</p> | Quorum for General Meeting |
| 97 | No business shall be transacted at any General Meeting unless the requisite quorum shall be present at the commencement of the business. | Presence of Quorum |
| 98 | <p>If within half an hour from the time appointed for the meeting a quorum is not present</p> <p>the meeting shall stand adjourned to the same day in the next week at the same time and place or to such other date and such other time and place as the Board may determine; or</p> <p>the meeting, if called by requisitionists under Section 100 of the Act, shall stand cancelled:</p> <p>Provided that in case of adjourned meeting or of a change of day, time or place of meeting under clause (a), the Company shall give not less than three days notice to the members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the company is situated</p> | If quorum not present meeting to be dissolved and when to be adjourned |
| 99 | If at the adjourned meeting also a quorum is not present within half an hour from the time appointed for holding the meeting, the members present shall be a quorum and may transact the business | Adjourned meeting to transact business |

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| | for which the meeting is called. | |
| 100 | <p>The Chairman of the Board of Directors shall be the chairman at every General Meeting. If there be no such Chairman or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or being present declines to take the chair, the Directors present may choose one of them to be Chairman and in default of their doing so, the members present shall choose one of the Directors to be Chairman, and if no Director present is willing to take the Chair, shall on show of hands elect one of the members to be the Chairman of the meeting. If a poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with the provisions of the Act and the Chairman elected on a show of hands shall exercise all the powers of the Chairman under the said Provisions.</p> <p>If some other person is elected Chairman as a result of the poll, he shall be the Chairman for the rest of the meeting.</p> | Chairman of General Meeting |
| 101 | No business shall be discussed at any General Meeting except election of a Chairman while the chair is vacant. | Business confined to election of Chairman while Chair vacant |
| 102 | A declaration by the Chairman that on a show of hands a resolution has or has not been carried unanimously or by a particular majority and an entry to that effect in the books containing the minutes of the meeting of the Company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes cast in favour of or against such resolution. | Chairman's declaration of result of voting by show of hands to be conclusive |
| 103 | No member not personally present shall be entitled to vote on a show of hands unless such member is a company or a corporation present by proxy or by a representative duly authorised under Section 113 of the Act in which case, such proxy or representative may vote on a show of hands as if he were a member of the Company. | No voting of proxy by show of hands |
| 104 | Votes may be given either personally or by proxy or in the case of a company or other corporation, by a representative duly authorised as aforesaid. Provided that, unless the articles of a company otherwise provide, this article shall not apply in the case of a company not having a share capital. | Proxy Permitted |
| 105 | The instrument appointing a proxy shall be in writing and signed by the appointer or his attorney duly authorised in writing or if the appointer is a body corporate, be under its seal or be signed by an officer or attorney duly authorised by it. | Instrument of proxy |

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| 10 6 | Every notice convening a meeting of the Company shall state that a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and that a proxy need not be a member of the Company. | Member entitled to appoint a Proxy |
| 10 7 | The instrument appointing a proxy and the Power of Attorney or other authority (if any) under which it is signed or a notarially certified copy of that Power of Attorney or authority shall be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting | Instrument of proxy to be deposited at Registered Office |
| 10 8 | A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the transfer of the share in respect of which the vote is given provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its registered office before the commencement of the meeting or adjourned meeting at which the proxy is used. | When vote by proxy valid though authority is revoked |
| 10 9 | Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in the prescribed form under Companies (Management and Administration) Rules or in such other form as the Directors may approve from time to time. | Form of proxy |
| 11 0 | Every member entitled to vote at a meeting of the Company or on a resolution to be moved thereat, shall be entitled during the period beginning twenty four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting to inspect the proxies lodged, at any time during the business hours of the Company provided not less than three days' notice in writing of the intention so to inspect is given to the Company. | Members entitled to inspect the proxy |
| 11 1 | (a) Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself, but a proxy so appointed shall not have any right to speak at the meeting. (b) A proxy shall not be entitled to vote except on a poll. | Proxy |
| 11 2 | (1) Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting on his own motion, and shall be ordered to be taken on a demand made in that behalf by the persons or person specified below, that is to say: 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 | Demand for poll |

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| | <p>resolution not being less than one-tenth of the total voting power in respect of the resolution; or</p> <p>by any member or members present in person or by proxy and holding shares in the Company on which an aggregate sum of not less than Rs. 500,000/- (Rupees five lakhs) has been paid up.</p> <p>(2) The demand for a poll may be withdrawn at any time by the person or persons who made the demand.</p> | |
| 11 3 | Subject to the provisions of the Act, the Chairman of the meeting shall have the power to regulate the manner in which a poll shall be taken. The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken. | Manner of taking poll and result thereof |
| 11 4 | Any poll duly demanded on the question of adjournment shall be taken forthwith. A poll demanded on any other question (not being question relating to the election of a Chairman) shall be taken at such time not exceeding 48 hours from the time when the demand was made as the Chairman of the meeting may direct. | Time of taking poll |
| 11 5 | The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded. | Business may proceed notwithstanding demand for poll |
| 11 6 | No member shall be entitled to demand a poll or exercise voting rights if any calls or other sums presently payable by him in respect of any shares registered in his name have not been paid or in regard to which the Company has exercised any right of lien. | Members not entitled to vote will not be entitled to demand a poll |
| 11 7 | Where a poll is to be taken the Chairman of the meeting shall appoint one Scrutinizer to scrutinize the votes given on the poll and to report thereon to him. The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutinizer from office and to fill vacancies in the office of scrutinizer arising from such removal and from any other cases. | Scrutineers at poll |
| 11 8 | The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll. | Chairman to be sole judge of the validity of the vote tendered at poll |
| 11 9 | (1) Subject to the provisions of Section 111 of the Act, the Directors shall on the requisition in writing of such number of members as is hereinafter specified and (unless the Annual General Meeting otherwise resolves) at the expenses of the requisitionists: | Circulation of members' resolution |

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| | <p>give to the members of the Company entitled to receive notice of the next Annual General Meeting, notice of any resolution which may properly be moved and is intended to be moved at that meeting;</p> <p>circulate to members entitled to have notice of any General Meeting sent to them, statement with respect to the matter referred to in any proposed resolution or any business to be dealt with at the meeting.</p> <p>(2) The number of members necessary for requisition under sub clause (1) hereof shall be such number of members as represent not less than one tenth of such of the paid up share capital of the company as on that date carries the right of voting on the resolution or business to which the requisition relates.</p> | |
| 120 | Where by any provision contained in the Act or in these Presents, special notice is required of any resolution, notice of the intention to move such resolution shall be given to the Company not less than fourteen days before the meeting at which it is to be moved exclusive of the day on which notice is served or deemed to be served and the day of the meeting. The Company shall immediately after the notice of the intention to move and any such resolution has been received by it, give its members notice of the resolution in the same manner, as it gives notices of the meeting or if that is not practicable shall give them notice thereof by advertisement in a newspaper having an appropriate circulation not less than seven days before the meeting | Special notice |
| 121 | <p>The following resolutions shall require special notice :</p> <p>Resolution under Section 140 of the Act, at an Annual General Meeting appointing as Auditor a person other than a retiring auditor or providing expressly that a retiring auditor shall not be reappointed except where the retiring auditor has completed a consecutive tenure of five years or as the case may be, ten years, as provided under sub- section (2) of Section 139;</p> <p>Resolution under Section 169 of the Act, removing a Director or appointing somebody in his stead.</p> | Resolutions requiring special notice |
| 122 | The Chairman of a General Meeting may, with the consent of the meeting, adjourn the same from time to time and from place to place 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 | Powers to adjourn General Meeting |
| 123 | The Company shall subject to the provisions of Section 117 of the Act, file with the Registrar of Companies, a copy of every resolution together with a copy of the explanatory statement under Section 102 of the Act to the notice of the meeting in which the aforesaid resolutions were passed. Such resolution shall be duly certified under the signature of an officer of the Company within thirty days after the passing or making thereof and shall embody in or annex copies of resolutions altering the articles and of such | Registration of certain documents and agreements with the Registrar |

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| | <p>agreements to every copy of the Articles issued after the passing of such resolutions or making of such agreement and which shall include printed or typewritten copies of:</p> <p>Special Resolutions.</p> <p>(b) Resolutions which have been agreed to by all the Members of the Company but which, if not so agreed to, would not have been effective for their purpose unless they had been passed as Special Resolution.</p> <p>Any resolution of the Board of Directors or agreement executed by a Company relating to appointment, re-appointment or renewal of the appointment or variations of the terms of Appointment of a Managing Director.</p> <p>Resolutions or agreements which have been agreed to by all the members of any class of share-holders, or by a particular majority or otherwise in some particular manner required by the Act or by these Presents.</p> <p>Resolutions passed by the Company;</p> <p>According consent to the exercise by the Board of Directors of any of the powers under Clause (a) and Clause (c) of subsection (1) of Section 180 of the Act.</p> <p>Approving the appointment of the Sole Selling Agents under Section 188 of the Act.</p> <p>Resolutions for voluntary winding-up of the Company.</p> <p>The terms and conditions of appointment of a sole selling agent appointed or other person appointed under Section 188 of the Act.</p> <p>Resolutions passed in pursuance of sub-section (3) of Section 179 of the Act</p> | |
| | MINUTES | |
| 12 4 | <p>(1) The Company shall cause minutes of all proceedings of every General Meeting and of all proceedings of every meeting of its Board of Directors and of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for the purpose with their pages consecutively numbered.</p> <p>Each page of every such books shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed:</p> <p>in the case of minutes of proceedings of a meeting of the Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting.</p> <p>in the case of minutes of proceedings of a General Meeting, by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of death or inability of that Chairman within that period, by a director duly authorised by the Board for the purpose.</p> <p>In no case the minutes of proceedings of meeting shall be attached to any such books as aforesaid by pasting or otherwise.</p> | Minutes |

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| | <p>The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.</p> <p>All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.</p> <p>In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain:</p> <p>the names of the Directors present at the meeting; and</p> <p>in the case of each resolution passed at the meeting the names of the Directors if any, dissenting from or not concurring on the resolution.</p> <p>Nothing contained in sub-clauses (1) to (6) hereof shall be deemed to require inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting:</p> <p>is or could reasonably be regarded as defamatory of any person;</p> <p>is irrelevant or immaterial to the proceedings;</p> <p>is detrimental to the interests of the Company.</p> <p>The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the ground specified in this sub-clause.</p> <p>Provided that if a person is found guilty of tampering with the minutes of the proceedings he shall be punishable with imprisonment for a term which may extend to two years and with fine not less than twenty-five thousand rupees but not exceeding one lakh rupees.</p> | |
| 12 5 | Minutes of the meeting kept in accordance with the provisions of Article 124 shall be evidence of the proceedings recorded therein | Minutes to be evidence |
| 12 6 | Where minutes of the proceedings of any General Meeting of the Company or of any meeting of the Board or of a Committee of the Board have been kept in accordance with the provisions of Article 124 then until the contrary is proved, the meeting shall be deemed to have been duly called and held and all proceedings thereat have duly taken place and in particular, all appointments of Directors or Liquidators made at the meeting shall be deemed to be valid. | Presumption to be drawn where minutes duly drawn and signed |
| 12 7 | <p>(1) The books containing the minutes of the proceedings of any General Meeting of the Company shall be kept at the Registered Office of the Company and shall be open to inspection by any member without charge on each working day of the Company (except Saturday, Sunday and Public Holiday) between the hours to be fixed by the Board from time to time.</p> <p>(2) Any member of the Company shall be entitled to be furnished within seven working days after he has made a request in that behalf to the Company with a copy of any minutes referred to in sub</p> | Inspection of minutes books of General Meetings |

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| | clause (1) hereof on such payment as may be prescribed from time to time. | |
| 12 8 | No document purporting to be a report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes matters required by Article 124 hereof to be contained in the Minutes of the proceedings of such meeting | Publication of reports of proceedings of General Meetings |
| | DIVIDENDS | |
| 12 9 | <p>(a) Subject to the provisions of the Act and these Presents and subject to the right of persons entitled to shares with special rights as to dividend, the profits of the Company which it shall from time to time be determined to distribute in dividends, shall be divisible amongst the members in proportion to the capital paid up on the shares held by them respectively.</p> <p>No amount paid or credited as paid on a share in advance of calls shall be treated for the purpose of this Clause as paid on the share.</p> <p>All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly</p> | Dividends |
| 13 0 | The Company in General Meeting may declare a dividend to be paid to the members according to their rights and interests in the profits and may fix the time for payment. | Declaration of Dividends |
| 13 1 | No larger dividend shall be declared than is recommended by the Directors but the Company in General Meeting may declare a smaller dividend | Restrictions on amount of Dividend |
| 13 2 | No dividend shall be payable except out of the profits of the Company. No dividend shall carry interest. | Dividend out of profits only and not to carry interest |
| 13 3 | The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive | Declaration of Directors as to net profit conclusive |
| 13 4 | The Directors may from time to time pay to the members such interim dividends as in their judgement the position of the Company justifies | Interim Dividend |
| 13 5 | The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagement in respect of which lien exists | Debts may be deducted |

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| 13 6 | Any General Meeting declaring a dividend may make a call on the member of such amount as the meeting fixes but so that the call on each member shall not exceed the dividend payable to him and so that the call may be made payable at the same time as a dividend and the dividend may, if so arranged between the Company and the member, be set off against the call. The making of a call under this clause shall be deemed ordinary business of General Meeting which declares a dividend. | Dividends and call together |
| 13 7 | A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer. | Effect of transfer |
| 13 8 | The Directors may retain the dividends payable upon shares in respect of which any person is under transmission entitled to transfer, until such person shall become a member in respect thereof or until such shares are duly transferred | Retention in certain cases |
| 13 9 | No dividend shall be payable except in cash. A dividend payable in cash may be paid by cheque or warrant sent through the post or registered post or speed post or courier or such other mode as prescribed under the Act directed to the registered address of the member entitled to the payment of the dividend or in the case of joint holders to the registered address of the first named joint holder in the Register of Members or to such person and to such addresses as the member or the joint holders may in writing direct, and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent. The Company shall not be responsible or liable for any cheque or warrant lost in transmission or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent recovery thereof by any other means. The dividend payable may also be paid through electronic mode | Payment by post |
| 14 0 | Notice of the declaration of any dividend whether interim or otherwise shall be given to the holder of registered shares in the manner hereinafter provided | Notice of Dividend |
| 14 1 | The Company shall pay the dividend or post the cheque or warrant in respect thereof or use electronic modes to do the same to remit the dividend to the shareholders entitled to the payment thereof within thirty days from the date of the declaration of dividend unless: where the dividend could not be paid by reason of the operation of any law; where member has given directions to the Company regarding the payment of the dividend and those directions cannot be complied with; where there is a dispute regarding the right to receive the dividend; | Dividend to be paid within thirty days |

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| | <p>where the dividend has been lawfully adjusted by the Company against any sum due to it from the member;</p> <p>where for any reason, the failure to pay the dividend or to post the warrant within the aforesaid period was not due to any default on the part of the Company</p> | |
| 14 2 | As regards all dividends unpaid or unclaimed, the Company shall comply with the provisions of Section 124 and 125 of the Act. | Unclaimed Dividend |
| | CAPITALISATION | |
| 14 3 | <p>(1) Any General Meeting may upon the recommendation of the Directors, resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of any of the Company's Reserve Accounts or to the credit of the Profit and Loss Account or any Capital Redemption Reserve Account or in the hands of the Company and available for dividend or representing premiums received on the issue of shares standing to the credit of the Share Premium Account be capitalised and distributed amongst such of the members 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 capitalised funds shall not be paid in cash but shall be applied subject to the provisions contained in clause (2) hereof on behalf of such member either in or towards:</p> <p>paying up any amounts for the time being remaining unpaid on any share held by such members respectively; or</p> <p>paying up in full the unissued shares or debentures of the company to be allotted / distributed / credited as fully paid up to and amongst such members in the proportions aforesaid; or</p> <p>partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);</p> <p>and that such distribution or payment shall be accepted by such members in full satisfaction of their interest in the capitalised sum.</p> | Power to capitalise |
| | <p>(a) Any moneys, investments or other assets representing premium received on the issue of shares and standing to the credit of Shares Premium Account;</p> <p>(b) If the company shall have redeemed any Redeemable Preference Shares, all or any part of any Capital Redemption Fund arising from the redemption of such shares; may by resolution of the Company be applied only in paying up in full or in part any new share or any shares that remain unissued to be issued to such member of the Company as the General Meeting may resolve upto an amount equal to the nominal amount of the shares so issued.</p> | |
| | Any General Meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the Company or any investments were representing the same or any other undistributed | |

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| | 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. | |
| | <p>Whenever such a resolution under this Article shall have been passed, the Board shall:</p> <p>make all appropriations and applications of the undivided profit resolved to be capitalised thereby and all allotments and issues of fully paid shares or debentures, if any, and generally do all acts and things required to give effect thereto.</p> | |
| | <p>The Board shall have full power:</p> <p>to make such provisions by the issue of fractional certificate or by payment in cash or otherwise as it thinks fit, for the case of shares or debentures becoming distributable in fractions and that fraction of less value than Re. 1 may be disregarded.</p> <p>to authorise any person to enter on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalisation or (as the case may require) for the payment of the Company on their behalf by the application thereto of their respective proportions of the profits resolved to be capitalised, or the amounts or any part of the amounts remaining unpaid on their existing shares and may vest any such cash or specific assets in trustees upon the trust for the person entitled to the dividend or capitalised fund as may seem expedient to the Board.</p> | |
| | Any agreement made under such authority shall be effective and binding on all such members | |
| | ACCOUNTS | |
| 14 4 | <p>(1) The Company shall keep at its Registered Office proper books of account with respect to:</p> <p>all sums of money received or expended by the Company and the matters in respect of which the receipt and expenditures take place;</p> <p>all sales and purchases of goods by the Company;</p> <p>the Assets and Liabilities of the Company.</p> <p>All or any of the books of account aforesaid may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decide the Company shall, within seven days of the decision, file with the Registrar a notice in writing giving the full address of that other place.</p> <p>Provided that any person found tampering with the same shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than fifty thousand rupees but which may extend to five lakh rupees or with both.</p> | Books to be kept by the Company |

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| | <p>Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with Provisions of clause (1) if proper books of account relating to the transactions effected at the branch office are kept at that office and proper summarised returns are made upto dates at intervals of not more than three months are sent by the branch office to the Company at its Registered Office or other place referred to in Clause (1).</p> <p>The books of account and other books and papers shall be open to inspection by any Director during business hours.</p> <p>The books of account relating to a period of not less than eight years immediately proceeding the current year together with the vouchers related to any entry in such books of account shall be preserved in good order.</p> <p>The books of account and other books and papers of the Company shall, subject to the provisions of Section 206 and 207 be open for inspection during business hours:</p> <p>by the Registrar or;</p> <p>by such officer of Government as may be authorised by the Central Government in this behalf.</p> | |
| 14 5 | <p>(1) The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of members not being Directors.</p> <p>(2) 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 or by the Company in General Meeting.</p> | Inspection by members |
| 14 6 | <p>(1) At any Annual General Meeting of the Company the Director shall lay before the company:</p> <p>a Balance Sheet as at the end of the period specified in sub- clause (2) hereof and;</p> <p>a profit and loss account for that period</p> <p>(2) The Profit and Loss Account shall relate to the period beginning with the day immediately after the period for which the account was last submitted and ending with a day which shall not precede the day of the meeting by more than 6 months, or in case where an extension of time has been granted for holding of the meeting under Section 96 of the Act, by more than 6 months and the extension so granted.</p> | Annual Accounts and Balance Sheet |
| 14 7 | <p>(1) Every Balance Sheet of the Company shall give a true and fair view of the state of affairs of the Company as at the end of the financial year and shall, subject to the provisions of Section 129</p> | Form and contents of Balance Sheet and Profit & |

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| | <p>and 133 of the Act, be in the form set out in Schedule III to the Act or as near thereto as circumstances admit or in such other form as may be approved by the Central Government either generally or in any particular case, and in preparing the Balance Sheet due regard shall be had as far as may be, to the general instructions for preparation of the Balance Sheet under the heading 'Notes' at the end of that part.</p> <p>Every Profit and Loss Account of the Company shall give a true and fair view of the Profit or Loss of the Company for the financial year and shall comply with the accounting standards notified under Section 133 of the act and shall be in the form or forms as may be provided for different class or classes of companies in Schedule III of the Act, so far as they are applicable thereto.</p> <p>The Balance Sheet and the Profit and Loss Account of the Company shall not be treated as not disclosing a true and fair view of the state of affairs of the Company, merely by reason of the fact that they do not disclose any matters which are not required to be disclosed by virtue of the provisions contained in the said Schedule III or by virtue of a notification or order issued under Section 129 of the Act.</p> | Loss Account |
| 148 | <p>(1) Every Balance Sheet and Profit and Loss Account of the Company shall be signed on the behalf of the Board of Directors at least by the Chairperson of the Company where he is so authorized by the Board or by two directors out of which one shall be Managing Director or the Chief Executive Officer, if he is a director in the Company, the Chief Financial Officer and the Company Secretary of the Company, wherever they are appointed.</p> <p>The Balance Sheet and Profit and Loss Account shall be approved by the Board of Directors before they are signed on their behalf and before they are submitted to the Auditors for their report thereon;</p> <p>The Profit and Loss Account shall be annexed to the Balance Sheet and the Auditor's Report, including the Auditor's separate, special or supplementary report if any, shall be attached thereto.</p> | Authentication of Balance Sheet and Profit & Loss Account |
| 149 | <p>(1) There shall be attached to every Balance Sheet laid before the Company in General Meeting, a Report by its Directors which shall include the items/matters as mentioned in Section 134 (3) of the Act and such other matters as may be prescribed.</p> <p>(2) The Board's Report shall, so far as is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to the business of the Company or of its subsidiaries, deal with any changes which have occurred during the financial year;</p> <p>in the nature of the Company's affairs;</p> <p>in the Company's subsidiaries or in the nature of the Business carried on by them; and generally in the classes of business in which the Company has an interest.</p> | Directors' Report |

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| | <p>The Board's Report shall, subject to the provisions of Section 134 of the Act include a statement showing the name of every employee of the Company;</p> <p>if employed throughout the financial year was in receipt of the remuneration for that year which, in the aggregate, was not less than such sums as may be prescribed by the Central Government from time to time; or Government from time to time; or</p> <p>if employed for part of a financial year was in receipt of remuneration for any part of that year at a rate which, in the aggregate, was not less than such sums as may be prescribed by the Central Government from time to time. Such statement shall also indicate;</p> <p>whether any such employee is a relative of any Director or Manager of the Company and, if so, the name of such Director;</p> <p>such other particulars as may be prescribed.</p> <p>The Board's Report and any annexures thereto shall be signed by its Chairman if he is authorised in that behalf by the Board and where he is not so authorised shall be signed by at least two directors, one of whom shall be a Managing Director.</p> | |
| 150 | <p>(1) A copy of every Balance Sheet (including the Profit and Loss Account, the Auditor's Report and every other document required by law to be annexed or attached, as the case may be, to the Balance Sheet) which is to be laid before the Company in General Meeting shall, not less than twenty-one days before the date of the meeting be sent to every member of the Company, to every holder of debentures, if any; issued by the Company (not being debentures which ex-facie are payable to the bearer thereof, to every trustee for the holders of any debenture issued by the Company) whether such member, holder or trustee is or is not entitled to have notice of General Meeting of the Company sent to him and to all persons other than such members, holders or trustees being persons so entitled. Provided that it shall not be necessary to send copies of the documents aforesaid:</p> <p>to a member or holder of debentures of the Company who is not entitled to have notice of General Meeting of the Company sent to him and of whose address the Company is unaware;</p> <p>to more than one of the joint holders of any shares or debentures none of whom is entitled to such notices as sent to him;</p> <p>in the case of joint holders of any shares or debentures some of whom are and some of whom are not entitled to have such notices sent to them, to those who are not so entitled.</p> <p>Provided that if the copies of the documents aforesaid are sent less than twenty-one days before the date of the meeting they shall notwithstanding the fact, be deemed to have been duly sent if it is so agreed by all the members entitled to vote at the meeting.</p> <p>(2) Any member or holder of debentures of the Company whether he is or is not entitled to have copies of the Company's Balance Sheet sent to him shall, on demand be entitled to be furnished without charge, and any person from whom the Company has accepted a</p> | <p>Right of member to copies of Balance Sheet etc.</p> |

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| | sum of money by way of deposit shall, on demand accompanied by the payment of a fee of one Rupee, be entitled to be furnished with a copy of the last Balance Sheet of the Company and of every document required by law to be annexed or attached thereat including the Profit and Loss account and Auditor's Report. | |
| 15 1 | <p>(1) The Company shall within thirty days from the date on which the Balance Sheet and Profit and Loss Account have been laid before the Company at the Annual General Meeting or where the Annual General Meeting for any year has not been held, within thirty days from the latest day on or before which that meeting should have been held in accordance with the provisions of the Act, file with the Registrar of Companies copy of the Balance Sheet and the Profit and Loss Account signed in accordance with Article 148(1).</p> <p>(2) If any Annual General Meeting of the Company before which the Balance Sheet is laid as aforesaid does not adopt the Balance Sheet or if the Annual General Meeting of the Company for any year has not been held, a statement to that effect and all the reasons therefor shall be annexed to the Balance Sheet and to the copies thereof required to be filed with the Registrar of Companies.</p> | Copies of Balance Sheet etc. to be filed with Registrar |
| | AUDIT AND AUDITORS | |
| 15 2 | <p>(1) Subject to the provisions of Section 139 of the Act, the Company shall at the first annual general meeting, appoint an individual or a firm as an auditor who shall hold office from the conclusion of that meeting till the conclusion of its sixth annual general meeting and thereafter till the conclusion of every sixth meeting and the manner and procedure of selection of auditors by the members of the company at such meeting shall be such as prescribed under Section 139 of the Act and rules framed thereunder.</p> <p>Provided that the company shall place the matter relating to such appointment for ratification by members at every annual general meeting:</p> <p>Provided further that before such appointment is made, the written consent of the auditor to such appointment, and a certificate from him or it shall be obtained from the auditor, that the appointment, if made, shall be in accordance with the conditions as prescribed under Sections 139, 141 of the Act and rules framed thereunder;</p> <p>Provided also that the certificate shall also indicate whether the auditor satisfies the criteria provided in Section 141 of the Act and Rules framed thereunder;</p> <p>Provided also that the company shall inform the auditor concerned of his or its appointment, and also file a notice of such appointment with the Registrar within fifteen days of the meeting in which the auditor is appointed.</p> <p>For the purposes of this Article "appointment" includes re-appointment. The Company shall not appoint or re-appoint:</p> <p>an individual as auditor for more than one term of five consecutive years; and</p> | Appointment of Auditor |

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| <p>an audit firm as auditor for more than two terms of five consecutive years;</p> <p>Provided that-</p> <p>an individual auditor who has completed his term under clause (a) shall not be eligible for re-appointment as auditor in the same company for five years from the completion of his term;</p> <p>an audit firm which has completed its term under clause (b), shall not be eligible for re-appointment as auditor in the same company for five years from the completion of such term.</p> <p>Notwithstanding anything contained in sub-section (1), of Section 139 of the Act, the first auditor of a company, other than a Government company, shall be appointed by the Board of Directors within thirty days from the date of registration of the company and in the case of failure of the Board to appoint such auditor, it shall inform the members of the company, who shall within ninety days at an extraordinary general meeting appoint such auditor and such auditor shall hold office till the conclusion of the first annual general meeting.</p> <p>Subject to the provisions of sub-section (1) of Section 139 of the Act, and the rules made thereunder, a retiring auditor may be re-appointed at an annual general meeting, if</p> <p>he is not disqualified for re-appointment;</p> <p>he has not given the company a notice in writing of his unwillingness to be re-appointed; and</p> <p>a special resolution has not been passed at that meeting appointing some other auditor or providing expressly that he shall not be re-appointed.</p> <p>Any casual vacancy in the office of an auditor shall:</p> <p>in the case of a company other than a company whose accounts are subject to audit by an auditor appointed by the Comptroller and Auditor-General of India, be filled by the Board of Directors within thirty days, but if such casual vacancy is as a result of the resignation of an auditor, such appointment shall also be approved by the company at a general meeting convened within three months of the recommendation of the Board and he shall hold the office till the conclusion of the next annual general meeting;</p> <p>in the case of a company whose accounts are subject to audit by an auditor appointed by the Comptroller and Auditor-General of India, be filled by the Comptroller and Auditor-General of India within thirty days:</p> <p>Provided that in case the Comptroller and Auditor-General of India does not fill the vacancy within the said period, the Board of Directors shall fill the vacancy within next thirty days.</p> <p>Where at any annual general meeting, no auditor is appointed or re-appointed, the existing auditor shall continue to be the auditor of the company.</p> | |
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| 153 | <p>(1) The auditor appointed under Section 139 of the Act may be removed from his office before the expiry of his term only by a special resolution of the company, after obtaining the previous approval of the Central Government in that behalf in the manner prescribed under Section 140 of the Act and rules framed thereunder.</p> <p>Provided that before taking any action under this sub-section, the auditor concerned shall be given a reasonable opportunity of being heard.</p> <p>The auditor who has resigned from the company shall file within a period of thirty days from the date of resignation, a statement in the prescribed form with the company and the Registrar, and in case of Companies referred to in Section 139 (5) of the Act, the auditor shall also file such statement with the Comptroller and Auditor-General of India, indicating the reasons and other facts as may be relevant with regard to his resignation.</p> <p>If the auditor does not comply with sub-section (2) of Section 139 of the Act, he or it shall be punishable with fine which shall not be less than fifty thousand rupees but which may extend to five lakh rupees.</p> | Removal and Resignation of Auditor |
| 154 | <p>(1) A person shall be eligible for appointment as an auditor of a company only if he is a chartered accountant:</p> <p>Provided that a firm whereof majority of partners practicing in India are qualified for appointment as aforesaid may be appointed by its firm name to be auditor of a company.</p> <p>(2) Where a firm including a limited liability partnership is appointed as an auditor of a company, only the partners who are chartered accountants shall be authorized to act and sign on behalf of the firm</p> | Eligibility of an auditor |
| 155 | <p>The following persons shall not be eligible for appointment as an auditor of a company, namely:</p> <p>a body corporate other than a limited liability partnership registered under the Limited Liability Partnership Act, 2008 (6 of 2009);</p> <p>an officer or employee of the company;</p> <p>a person who is a partner, or who is in the employment, of an officer or employee of the company;</p> <p>a person who, or his relative or partner;</p> <p>is holding any security of or interest in the company or its subsidiary, or of its holding or associate company or a subsidiary of such holding company;</p> <p>provided that the relative of auditor may hold security or interest in the Company of face value not exceeding one lakh rupees;</p> <p>is indebted to the company, or its subsidiary, or its holding or associate company or a subsidiary of such holding company, in excess of five lakh rupees;</p> <p>has given a guarantee or provided any security in connection with the</p> | Disqualification of an auditor |

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| | <p>indebtedness of any third person to the company, or its subsidiary, or its holding or associate company or a subsidiary of such holding company, in excess of one lakh rupees;</p> <p>a person or a firm who, whether directly or indirectly, has business relationship with the company, or its subsidiary, or its holding or associate company or subsidiary of such holding company or associate company of such nature as prescribed in The Companies (Audit & Auditors) Rules, 2014;</p> <p>a person whose relative is a director or is in the employment of the company as a director or key managerial personnel;</p> <p>a person who is in full time employment elsewhere or a person or a partner of a firm holding appointment as its auditor, if such persons or partner is at the date of such appointment or reappointment holding appointment as auditor of more than twenty companies;</p> <p>(h) a person who has been convicted by a court of an offence involving fraud and a period of ten years has not elapsed from the date of such conviction;</p> <p>any person whose subsidiary or associate company or any other form of entity, is engaged as on the date of appointment in consulting and specialized services as provided in Section 144 of the Act.</p> <p>1 Where a person appointed as an auditor of a Company incurs any of the disqualifications mentioned in this Article after his appointment, he shall vacate his office as such auditor and such vacation shall be deemed to be a casual vacancy in the office of the auditor.</p> | |
| 156 | <p>(1) The remuneration of the auditor of a Company shall be fixed in its General Meeting or in such manner as may be determined therein:</p> <p>Provided that the Board may fix remuneration of the first auditor appointed by it.</p> <p>(2) The remuneration under sub-section (1) of Section 142 of the Act, shall, in addition to the fee payable to an auditor, include the expenses, if any, incurred by the auditor in connection with the audit of the company and any facility extended to him but does not include any remuneration paid to him for any other service rendered by him at the request of the company.</p> | Remuneration of an auditor |
| 157 | <p>(1) Every auditor of a company shall have a right of access at all times to the books of account and vouchers of the company, whether kept at the registered office of the company or at any other place and shall be entitled to require from the officers of the company such information and explanation as he may consider necessary for the performance of his duties as auditor and amongst other matters inquire into the following matters, namely:</p> <p>whether loans and advances made by the company on the basis of security have been properly secured and whether the terms on which they have been made are prejudicial to the interests of the company or its members;</p> <p>whether transactions of the company which are represented merely</p> | Powers and duties of an auditor and auditing standards |

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| <p>by book entries are prejudicial to the interests of the company;</p> <p>where the Company not being the investment company or a banking company, whether so much of the assets of the Company as consists of shares, debentures and other securities have been sold at a price less than that at which they were purchased by the Company;</p> <p>whether loans and advances made by the company have been shown as deposits;</p> <p>whether personal expenses have been charged to revenue account;</p> <p>where it is stated in the books and documents of the company that any shares have been allotted for cash, whether cash has actually been received in respect of such allotment, and if no cash has actually been so received, whether the position as stated in the account books and the balance sheet is correct, regular and not misleading.</p> <p>Provided that the auditor of a company which is a holding company shall also have the right of access to the records of all its subsidiaries in so far as it relates to the consolidation of its financial statements with that of its subsidiaries.</p> <p>(2) The auditor shall make a report to the members of the company on the accounts examined by him and on every financial statements which are required by or under this Act to be laid before the Company in General Meeting and the report shall after taking into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act or any rules made thereunder or under any order made under sub-section (11) of Section 143 of the Act and to the best of his information and knowledge, the said accounts, financial statements give a true and fair view of the state of the company's affairs as at the end of its financial year and profit or loss and cash flow for the year and such other matters as may be prescribed.</p> <p>(3) The auditor's report shall also state:</p> <p>whether he has sought and obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purpose of his audit and if not, the details thereof and the effect of such information on the financial statements;</p> <p>whether, in his opinion, proper books of account as required by law have been kept by the company so far as appears from his examination of those books and proper returns adequate for the purposes of his audit have been received from branches not visited by him;</p> <p>whether the report on the accounts of any branch office of the company audited under sub-section (8) of Section 143 of the Act, by a person other than the company's auditor has been sent to him under the proviso to that sub-section and the manner in which he has dealt with it in preparing his report;</p> <p>whether the company's balance sheet and profit and loss account dealt with in the report are in agreement with the books of account and returns;</p> | |
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| | <p>whether, in his opinion, the financial statements comply with the accounting standards;</p> <p>the observations or comments of the auditors on financial transactions or matters which have any adverse effect on the functioning of the company;</p> <p>whether any director is disqualified from being appointed as a director under sub-section (2) of section 164 of the Act ;</p> <p>any qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith;</p> <p>whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls;</p> <p>such other matters as may be prescribed.</p> <p>(4) Where any of the matters required to be included in the audit report under sub-clause (3) is answered in the negative or with a qualification, the report shall state the reasons therefor.</p> <p>(5) Every auditor shall comply with the auditing standards.</p> <p>(6) The Central Government may prescribe the standards of auditing or any addendum thereto, as recommended by the Institute of Chartered Accountants of India, constituted under section 3 of the Chartered Accountants Act, 1949 (38 of 1949), in consultation with and after examination of the recommendations made by the National Financial Reporting Authority:</p> <p>Provided that until any auditing standards are notified, any standard or standards of auditing specified by the Institute of Chartered Accountants of India shall be deemed to be the auditing standards.</p> <p>(7) If any auditor, cost accountant or company secretary in practice does not comply with the provisions of this Article, he shall be punishable with fine which shall not be less than one lakh rupees but which may extend to twenty-five lakh rupees.</p> | |
| 158 | <p>An auditor appointed under the Act shall provide to the company only such other services as are approved by the Board of Directors or the audit committee, as the case may be, but which shall not include any of the following services (whether such services are rendered directly or indirectly to the Company or its holding Company or subsidiary Company, namely:</p> <p>accounting and book keeping services;</p> <p>internal audit;</p> <p>design and implementation of any financial information system;</p> <p>actuarial services;</p> <p>investment advisory services;</p> <p>investment banking services;</p> <p>rendering of outsourced financial services;</p> <p>management services; and</p> | Auditor not to render certain services |

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| | <p>any other kind of services as may be prescribed:</p> <p>Provided that an auditor or audit firm who or which has been performing any non-audit services on or before the commencement of the Act shall comply with the provisions of this Article before the closure of the first financial year after the date of such commencement.</p> | |
| 159 | <p>The person appointed as an auditor of the Company shall sign the auditor's report or sign or certify any other document of the Company in accordance with the provisions of sub-section (2) of Section 141 of the Act, and the qualifications, observations or comments on financial transactions or matters, which have any adverse effect on the functioning of the Company mentioned in the auditor's report shall be laid before the Company in General Meeting and shall be open to inspection by any member of the Company.</p> | <p>Auditor to sign audit reports, etc.</p> |
| 160 | <p>All notices of, and other communications relating to, any general meeting shall be forwarded to the auditor of the Company, and the auditor shall, unless otherwise exempted by the Company, attend either by himself or through his authorized representative, who shall also be qualified to be an auditor, attend any general meeting and shall have right to be heard at such meeting on any part of the business which concerns him as the auditor.</p> | <p>Auditor to attend general meeting</p> |
| 161 | <p>(1) If any of the provisions pertaining to Articles 152 to 160 is contravened, the Company shall be punishable with fine which shall not be less than twenty-five thousand rupees but which may extend to five lakh rupees and every officer of the Company who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ten thousand rupees but which may extend to one lakh rupees, or with both.</p> <p>(2) If an auditor of a Company contravenes any of the provisions of Articles 152 to 160, the auditor shall be punishable with fine which shall not be less than twenty-five thousand rupees but which may extend to five lakh rupees:</p> <p>Provided that if an auditor has contravened such provisions knowingly or willfully with the intention to deceive the company or its shareholders or creditors or tax authorities, he shall be punishable with imprisonment for a term which may extend to one year and with fine which shall not be less than one lakh rupees but which may extend to twenty-five lakh rupees.</p> <p>(3) Where an auditor has been convicted under sub-section (2) of Section 147 of the Act, he shall be liable to:</p> <p>i. refund the remuneration received by him to the Company; and</p> <p>ii. pay for damages to the company, statutory bodies or authorities or to any other persons for loss arising out of incorrect or misleading statements of particulars made in his audit report.</p> <p>iii. punishable with fine which shall not be less than twenty five thousand rupees but which may extend to five lakh rupees.</p> <p>(4) Where, in case of audit of a Company being conducted by an audit firm, it is proved that the partner or partners of the audit firm has or have acted in a fraudulent manner or abetted or colluded in any fraud</p> | <p>Punishment for Contravention</p> |

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| | by, or in relation to or by, the Company or its directors or officers, the liability, whether civil or criminal as provided in this Act or in any other law for the time being in force, for such act shall be of the partner or partners concerned of the audit firm and of the firm jointly and severally. | |
| | CORPORATE SOCIAL RESPONSIBILITY | |
| 162 | <p>(1) Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.</p> <p>(2) The Board's report under sub-section (3) of Section 134 of the Act shall disclose the composition of the Corporate Social Responsibility Committee.</p> <p>The Corporate Social Responsibility Committee shall,</p> <p>formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;</p> <p>recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and</p> <p>monitor the Corporate Social Responsibility Policy of the Company from time to time.</p> <p>(4) The Board of every company referred to in sub-section (1) of Section 135 of the Act shall:</p> <p>(a) after taking into account the recommendations made by the Corporate Social Responsibility Committee, approve the Corporate Social Responsibility Policy for the company and disclose contents of such Policy in its report and also place it on the Company's website, if any, in such manner as prescribed; under The Companies (Corporate Social Responsibility Policy) Rules, 2014.</p> <p>b) ensure that the activities as are included in Corporate Social Responsibility Policy of the Company are undertaken by the company.</p> <p>(5) The Board of every Company referred to in sub-section (1), shall ensure that the Company spends, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy:</p> <p>Provided that the Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities.</p> | Requirement of having Corporate Social Responsibility Committee of the Board |

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| | Provided further that if the company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section 3 of Section 134, specify the reasons for not spending the amount. | |
| | DIRECTORS | |
| 163 | The number of Directors shall not be less than three or until otherwise Directors determined by a General Meeting, more than fifteen including the special director, debenture director or corporation director if any. | Directors |
| 164 | <p>The present directors of the Company are</p> <p>Mr. B. H. Reporter</p> <p>Mr. Shailesh Sheth</p> <p>Mr. Marco Wadia</p> <p>Mr. F. K. Banatwalla</p> <p>Mrs. Parviz Batliwala</p> <p>Mr. Jai Prakash Agarwal</p> <p>Mr. Vishal Jain</p> <p>The Present Directors mean the present directors on the Board of Directors of the Company as on date of adoption of the new set of articles of association at duly convened Annual General Meeting held on 14th August, 2015</p> | Present Directors |
| 165 | <p>(i) Composition of the Board:</p> <p>(a) The Board shall at all times comprise a maximum of 15 Directors and as and when required under the provisions of the Act, one Director who shall be the Chief Executive Officer / Managing Director / Whole time Director / Executive Director of the Company.</p> <p>(b) The Chairman of the board shall have casting vote.</p> <p>(c) The company shall subject to law, indemnify all directors against :</p> <p>(i) any act, omission or conduct (including, without limitation, contravention of any Law) of or by the Company, the Promoters or its officials, employees or agents as a result of which, in whole or in part, the Director(s) is made a party to, or otherwise incurs any costs, charges, expenses, damages or loss (collectively "loss"), including loss pursuant to or in connection with any action, suit, claim or proceeding arising out of or relating to any such act, omission or conduct; and</p> <p>(ii) any action or omission to act by the Director(s) at the request of or with the consent of the Company, the</p> | |

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| | Promoters, officials, employees or agents. | |
| 166 | The Company shall not increase the number of its Directors beyond the maximum limit fixed by these presents without the approval by way of special resolution. The composition of the Board shall be in consonance with the Act and the Equity Listing Agreement . | Increase in number of Directors to require Govt. sanction |
| 167 | The Board of Directors shall have power at any time and from time to time to appoint any other persons as a Director either to fill a casual vacancy or as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum number fixed. Any Directors appointed to fill a casual vacancy 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. Any Director appointed as an Additional Director shall hold office only upto the date of the next Annual General Meeting of the Company but shall be eligible for election at such meeting. | Power of Directors to appoint Additional Directors |
| 168 | <p>(1) At every Annual General Meeting, 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 multiple of three, then the number nearest to one-third shall retire from office.</p> <p>(2) The Directors 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 persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot.</p> <p>(3) At the Annual General Meeting at which a Director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring Director or some other person thereto.</p> <p>(4) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place or if that day is a national holiday till the next succeeding day which is not a holiday at the same time and place. 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 reappointed at the adjourned meeting unless:</p> <p>i. at that meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;</p> | Retirement of Directors in Rotation |

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| | <p>ii. the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so reappointed;</p> <p>iii. he is not qualified or disqualified from appointment;</p> <p>iv. a resolution, whether special or ordinary, is required for his appointment or re-appointment in virtue of any provisions of the Act; or</p> <p>v. the proviso to sub-clause (2) of Section 162 of the Act is applicable to the case.</p> <p>The expression "Retiring Director" in this Article shall mean a Director retiring by rotation</p> | |
| 169 | <p>(1) 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 the Director) who is proposed as a candidate for the office of a Director shall sign and file with the Company his consent in writing to act as such Director, if appointed.</p> <p>(2) A person other than a Director re-appointed after retirement by rotation or immediately on the expiry of his term of office or an additional or alternate Director or a person filing a casual vacancy in the office of a Director under Section 161 of the Act, appointed as an Additional or Alternate Director or re-appointed 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.</p> | Consent of candidate for Directorship to be filed with the Company and consent to act as Director to be filed with the Registrar |
| 170 | <p>(1) A person who is not a Retiring Director in terms of Section 152 of the Act shall, subject to the provisions of the Act, be eligible for appointment to the office of Director at any General Meeting, if he or some member intending to propose him as a Director has, not less than fourteen days before the meeting, left at the registered office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office, as the case may be, along with the deposit of Rs. One lakh or such higher amount as may be prescribed which shall be refunded to such person or as the case may be to such member, if the person proposed succeeds in getting elected as a Director or gets more than 25% of total valid votes.</p> <p>(2) The Company shall inform its members of the candidature of a person for the office of a director or the intention of a member to propose such person as a candidate for that office, by serving individual notices on the members not less than seven days before the meeting provided that it shall not be necessary for the Company to serve individual notices upon the members as aforesaid</p> | Right of person other than retiring Directors to stand for Directorship |

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| | <p>if the Company advertises such candidature or intention not less than seven days before the meeting in at least two newspapers circulating in the place where the Registered Office of the Company is located, of which one is published in the English language and the other in the regional language of that place.</p> <p>The expression "Retiring Director" in this Article means a Director retiring by rotation</p> | |
| 171 | <p>The Directors may appoint an Alternate Director (not being a person holding any alternate directorship for any other director in the company) to act for a Director (hereinafter in this Article called the Original Director) during his absence for a period of not less than three months from India. Provided that no person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act. An Alternate Director shall not be bound to hold any qualification shares. An Alternate Director so appointed shall not hold office as such for a period longer than permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India. If the term of the office of the Original Director is determined before he so returns to India, any provisions for the automatic re-appointment of a retiring Director in default of another appointment shall apply to the Original and not the Alternate Director.</p> | Alternate Director |
| 172 | <p>(1) No motion at any General Meeting of the Company shall be made for the appointment of two or more persons as Directors of the Company by a single resolution, unless a proposal to move such a motion has been first agreed to at the meeting without any vote being given against it.</p> <p>(2) A resolution moved in contravention of sub-clause (1) hereof shall be void, whether or not objection was taken at the time of its being so moved.</p> <p>(3) For the purpose of this Article, a motion for approving a person's appointment, or for nominating a person for appointment, shall be treated as a motion for his appointment.</p> | Appointment of Directors to be voted individually |
| 173 | <p>(1) A person shall not be capable of being appointed Director of the Company if:</p> <ol style="list-style-type: none"> the person is below the age of 21 years; he has been found to be of unsound mind by a Court of competent jurisdiction and the finding is in force; he is an undischarged insolvent; | Disqualification of Directors |

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| | <p>d) he has applied to be adjudicated as an insolvent and his application is pending;</p> <p>e) he has been convicted by a court in India of any offence involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence;</p> <p>Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any company;</p> <p>f) he has not paid any call in respect of the shares of the Company held by him, whether alone or jointly with others and six months have elapsed from the last day fixed for payment of the call;</p> <p>g) an order disqualifying him, for appointment as Director has been passed by any Court or any Tribunal and the order is in force;</p> <p>h) he has been convicted of the offence dealing with related party transactions under Section 188 at any time during the last preceding five years or</p> <p>i) he has not complied with sub-section 3 of Section 152 of the Act</p> <p>(2) No person who is or has been a director of a company which-</p> <p>a) has not filed financial statements or annual returns for any continuous period of three financial years or</p> <p>b) has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more,</p> <p>shall be eligible to be re-appointed as a director of that company or appointed in other company for a period of five years from the date on which the said company fails to do so.</p> <p>Provided that the disqualifications referred to in clauses (e) (g) and (h) of Article 173 (1) shall not take effect-</p> <p>i. for thirty days from the date of conviction or order of disqualification;</p> | |
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| | <p>ii. where an appeal or petition is preferred within thirty days as aforesaid against the conviction resulting in sentence or order, until expiry of seven days from the date on which such appeal or petition is disposed of; or</p> <p>iii where any further appeal or petition is preferred against order or sentence within seven days, until such further appeal or petition is disposed of</p> | |
| 174 | <p>The continuing Directors may act notwithstanding any vacancy in their board but if and so long as the number is reduced below the quorum fixed by the Act or by these Articles for a meeting of the Board, the continuing Director or Directors may act for the purpose of increasing the number of Directors to that fixed for the quorum or of summoning a General Meeting of the Company but for no other purpose.</p> | <p>Directors may act notwithstanding vacancy</p> |
| 175 | <p>The office of a Director shall become vacant if:</p> <p>(a) he is found to be of unsound mind by a Court of competent jurisdiction; or</p> <p>(b) he applies to be adjudged insolvent; or</p> <p>(c) he is adjudged an insolvent; or</p> <p>(d) he is convicted by a Court of any offence involving moral turpitude or otherwise and is sentenced in respect thereof to imprisonment for not less than six months Provided that the office shall be vacated by the director even if he has filed an appeal against the order of such court; or</p> <p>(e) he fails to pay call in respect of shares of the Company held by him whether alone or jointly with others within six months from the last date fixed for the payment of the call unless the Central Government has by notification in the official gazette removed the disqualification incurred by such failure; or</p> <p>(f) he absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without obtaining leave of absence from the Board; or</p> <p>(g) he (whether by himself or by any person for his benefit or on his account) or any firm in which he is a partner or any private company of which he is a Director, accepts a loan or any guarantee or security for a loan from the Company in a contravention of Section 185 of the Act; or</p> <p>(h) he acts in contravention of Section 184 of the Act relating to entering into contracts or arrangements in which he is directly or indirectly interested or</p> <p>(i) he fails to disclose his interest in any contracts or arrangements in which he is directly or indirectly interested, in contravention of the provisions of Section 184 or</p> | <p>Office of Directors to be vacated</p> |

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| | <p>(j) he becomes disqualified by an order of the Court or the Tribunal or</p> <p>(k) he is removed by an ordinary resolution of the Company before the expiry of his period of office, in pursuance of Section 169 of the Act or</p> <p>(l) he having been appointed a Director by virtue of his holding any office or other employment in the holding, subsidiary or associate Company, ceases to hold such office or other employment in the Company .</p> | |
| 176 | <p>(1) The Company may, by ordinary resolution remove a Director before the expiry of his period of office after giving him a reasonable opportunity to be heard :</p> <p>Provided he is not a director appointed by the Tribunal under Section 242 of the Act.</p> <p>Provided that nothing contained in this Article shall apply where the Company availed itself of the option given to it under Section 163 to appoint not less than two-thirds of the total number of directors according to the principle of proportional representation</p> <p>(2) Special notice shall be required of any resolution to remove a Director under this clause, or to appoint somebody instead of Director so removed at the meeting at which he is so removed.</p> <p>(3) On receipt of a notice of a resolution to remove a Director under this clause, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not is a member of the Company) shall be entitled to be heard on the resolution at the meeting.</p> <p>(4) Where notice is given of a resolution to remove a Director under this clause and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding a reasonable length) and requests its notification to members of the Company, the Company shall, unless the representations are received by it too late for it to do so:</p> <p>(A) in any notice of the resolution given to members of the Company state the fact of the representation having been made; and</p> <p>(B) send a copy of the representation to every member of the company to whom notice of the meeting is sent (whether before or after receipt of</p> | Removal of Directors |

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| | <p>the representations by the company)</p> <p>and if a copy of the representation is not sent as aforesaid because it was received too late or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the representations shall be read out at the meeting. Provided that copies of the representations need not be sent out and the representations need not be read out at the meeting if, on the application either of the Company or of any other person who claims to be aggrieved, the Court/Tribunal is satisfied that the rights conferred by this sub-clause are being abused to secure needless publicity for defamatory matter.</p> <p>(5) A vacancy created by the removal of a Director under this clause, may, if he had been appointed by the Company in General Meeting or by the Board be filled by the appointment of another Director in his stead by the meeting at which he is removed, provided special notice of the intended appointment has been given under sub-clause (2) hereof. A Director so appointed shall hold office until the date up to which his predecessor would have held office if he has not been removed as aforesaid</p> <p>(6) If the vacancy is not filled up under sub-clause (5) hereof, it may be filled as a casual vacancy in accordance with the provisions of the Act and in so far as they may be applicable, the provision of Article 167 shall apply accordingly</p> <p>Provided that the Director who was removed from office shall not be appointed as a Director by the Board of Directors</p> <p>(7) Nothing in this Article shall be taken:</p> <p>(a) as depriving persons removed thereunder of any compensation or damage payable to him in respect of the termination of his appointment as Director or as per the terms of agreement/contract executed with him or as per the terms of his appointment as a Director, if any, or of any other appointment terminating with that as a Director; or</p> <p>(b) as derogating from any power to remove a Director which may exist apart from this Article</p> | |
| | REGISTERS | |
| 177 | <p>The Company shall keep and maintain the following registers:</p> <p>(1) Register of Investments made by the Company but not held in its own name, as required by Section 187(3) of the Act and shall keep it open for inspection of any member or debenture- holder of the Company without charge;</p> | Registers |

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| | <p>(2) Register of Charge as required by Section 85 of the Act and shall keep it open for inspection of any creditor or member of the Company without fee and to the inspection of any other person on payment of a fee of Re. 1 for each inspection;</p> <p>(3) Register and Index of Members under Section 88 of the Act and shall keep the same open for inspection of any member or debenture holder without fee and of any other person on payment of a fee of Re. 1 for each inspection;</p> <p>(4) Register and Index of Debenture-holders under Section 88 of the Act and shall keep it open for inspection of any member or debenture- holder without fee and of any other person on payment of a fee of Re. 1 for each inspection;</p> <p>(5) Foreign Register if thought fit as required by Section 88 of the Act and it shall be open to inspection and may be closed and extracts may be taken therefrom the copies thereof may be required in the same manner, mutatis mutandis, as is applicable to the Principle Register</p> <p>(6) Register of Contracts in which Directors are interested as required by Section 189 of the Act and shall keep it open for inspection of any member of the Company without charge</p> <p>(7) Register of Directors, Managing Directors, whole-time Directors, Manager and Key Managerial Personnel, as required by Section 170 of the Act and shall keep it open for inspection of any member of the Company without charge and of any other person on payment of a fee of Re. 1 for each inspection</p> <p>(8) Register as to the holdings by Directors and Key Managerial Personnel of Shares and Debentures in the Company, and shall keep it open for inspection of any member or debenture-holder of the Company at the Company's Annual General Meeting</p> <p>(9) Register of loans or guarantees and Investments made by the Company as required by Section 186 (9) of the Act</p> | |
| 178 | The Registers maintained in item (9) of Article 177 shall be open to inspection and extracts may be taken therefrom and copies thereof may be required by any member of the Company in the same manner to the same extent and on payment of the same fees as in the case of Register of Members of the Company as provided for in Item (3) of Article 177 | Inspection of Registers |
| 179 | Copies of entries in the above Registers shall be furnished to the person entitled to the same on payment of 37 paise for every hundred words or fractional part thereof required to be copied. The Company shall give inspection of the above registers to the person entitled to the same on any working day between the hours to be fixed by the Directors from time to time | Copies of entries in the Registers |
| 180 | Every company shall keep at its registered office a register of charges in such form and in such manner as may be prescribed, which shall include therein all charges and floating charges | Company's register of charges |

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| | <p>affecting any property or assets of the company or any of its undertakings, indicating in each case such particulars as may be prescribed:</p> <p>Provided that a copy of the instrument creating the charge shall also be kept at the registered office of the company along with the register of charges.</p> <p>) The register of charges and instrument of charges, kept under sub-clause (1) shall be open for inspection during business hours- by any member or creditor without any payment of fees; or by any other person on payment of such fees as may be prescribed,</p> <p>subject to such reasonable restrictions as the company may, by its articles, impose</p> | |
| | PROCEEDINGS OF DIRECTORS | |
| 181 | <p>(A) The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit.</p> <p>(B) A meeting of the Board of Directors shall be held in such manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board and at least four such meetings shall be held in every year.</p> <p>(C) A Director may, and the Managing Director, whole-time Director, Manager or Secretary on the requisition of a Director shall at any time, summon a meeting of the Board</p> | Proceedings of Directors |
| 182 | <p>Notice of every meeting of the Board of Directors of the Company shall be given of not less than seven days, in writing to every Director for the time being in India and at his usual address in India to every other Director and such notice shall be sent by hand delivery or by post or by courier or by electronic means.</p> <p>Provided that a meeting of the Board may be called at a shorter notice to transact urgent business subject to the condition that at least one independent director, if any, shall be present at the meeting.</p> <p>Provided further that in case of absence of independent directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one independent director, if any.</p> <p>The participation of directors in a meeting of the Board or Committee thereof may be 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</p> | Notice of Meetings |

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| | of the directors and of recording and storing the proceedings of such meetings along with date and time | |
| 183 | Questions arising at any meeting shall be decided by a majority of votes and in case of an equality of votes, the Chairman shall have a second or casting vote | Decision on questions |
| 184 | The Directors may elect a Chairman of their meetings and determine the period for which he is to hold office. The Directors may also appoint a Vice Chairman of the Board of Directors to preside at the meetings of the Board of Directors at which the Chairman shall not be present and determine the period for which he is to hold office. The Chairman and in his absence the Vice Chairman, if any shall preside over all meetings of the Board if no such Chairman or Vice Chairman is elected, or if at any meeting the Chairman as well as the Vice Chairman is not present, the Directors present shall choose one of themselves to be Chairman of such meeting. | Chairman of Directors' Meeting |
| 185 | <p>(1) The quorum for a meeting of the Board of Directors of a Company shall be one-third of its total strength or two directors, whichever is higher, and the participation of the directors by video conferencing or by other audio visual means shall also be counted for the purpose of quorum.</p> <p>(2) The continuing directors may act notwithstanding any vacancy in the Board; but if and so long as their number is reduced below the quorum fixed by this article for a meeting of the Board, the continuing directors or directors may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company and for no other purpose.</p> <p>(3) Where at any time the number of interested directors exceeds or is equal to two third of the total strength of the Board of Directors, the number of directors who are not interested and present at the meeting being not less than two, shall be the quorum during such time.</p> <p>(4) Where a meeting of the Board could not be held for want of quorum then, the meeting shall automatically stand adjourned to the same day at the same time and place in the next week or if that day is a national holiday, till the next succeeding day, which is not a national holiday, at the same time and place</p> | Quorum for Board Meeting |
| 186 | No resolution shall be deemed to have been duly passed by the Directors 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 Directors or Committee as the case may be) and to all other Directors or members at their usual address in | Passing of resolution by circular |

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| | <p>India and has been approved by such of the Directors as are then in India or by a majority of such of them, as are entitled to vote on the resolution.</p> <p>Provided that, where not less than one-third of the total number of directors of the company, for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board.</p> <p>A circulation resolution shall be noted at a subsequent meeting of the Board or the Committee thereof, as the case may be, and made part of the minutes of such meeting</p> | |
| 187 | <p>All acts done by any meeting of the Directors or Committees of Directors, or by any person acting as a Director shall notwithstanding that it may be afterwards discovered that there was some defect in the appointment of one or more such Directors or of any person acting as aforesaid, or that they or any of them were or was disqualified, or that of such appointments had terminated by virtue of any provision contained in the Act or in the Articles, be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director and as if his appointment had not been terminated. Provided that nothing herein contained shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.</p> | Act of Directors / Committee valid |
| 188 | <p>The Directors may from time to time subject to the provisions of the Act fix the remuneration/sitting fees to be paid to any member or members of their body constituting a Committee appointed by the Board and may pay the same.</p> | Remuneration of the Committee |
| 189 | <p>The Directors may, subject to the provisions of the Act and these Articles, delegate any of their powers to a Committee or Committees consisting of such member or members of their body as they think fit and may from time to time revoke such delegation. Any Committee so formed shall, in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed upon it by the Board of Directors. The meeting and proceedings of any such Committee consisting of two or more members, shall be governed by the provisions herein contained for regulating the meeting and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under this Article.</p> | Power to appoint Committee and delegate |
| 190 | <p>(1) The Board of Directors of the Company shall not except with the consent of the Company in General Meeting:</p> <p>a) sell, lease, or otherwise dispose of the whole or substantially the whole of undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings;</p> | Restrictions on the powers of Directors |

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| | <ul style="list-style-type: none"> b) remit or give time for the repayment of any debt due from a Director; c) borrow money, where the money to be borrowed, together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up share capital and free reserves of the Company d) invest, otherwise than in trust securities the amount of compensation received by it as a result of any merger or amalgamation e) contribute to bonafide charitable and other funds any amounts the aggregate of which will in any financial year exceed five percent of its average net profits as determined in accordance with the provisions of Section 198 of the Act for the three immediately preceding financial years <p>(2) Any resolution passed by the Company in General Meeting permitting any transaction referred to in clause (a) of sub-clause (1) hereof may attach such conditions to the permission as may be specified in the resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from such transaction.</p> <p>(3) Any resolution passed by the Company in General Meeting permitting any transaction referred to in clause (c) of sub-clause (1) hereof shall specify the total amount up to which moneys may be borrowed by the Board of Directors</p> <p>(4) Every resolution passed by the Company in General Meeting in exercise of power referred to in clause (e) of sub-clause (1) hereof shall specify the total amount upto which moneys may be contributed by the Board of Directors to charitable and other funds in any financial year</p> | |
| 191 | <p>The Company shall not enter into an arrangement by which:</p> <ul style="list-style-type: none"> a. a director of the company or its holding, subsidiary or associate company or a person connected with him acquires or is to acquire assets for consideration other than cash, from the company; or b. the company acquires or is to acquire assets for consideration other than cash, from such director or person so connected, unless prior approval for such arrangement is accorded by a resolution of the company in general meeting and if the director or connected person is a director of its holding company, approval under sub-section 1 of Section 192 of the Act, shall | Restrictions on non-cash transactions involving directors |

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| | <p>also be required to be obtained by passing a resolution in general meeting of the holding company.</p> <p>(2) The notice for approval of the resolution by the company or holding company in general meeting under sub-section (1) of Section 192 of the Act, shall include the particulars of the arrangement along with the value of the assets involved in such arrangement duly calculated by a registered valuer</p> <p>(3) Any arrangement entered into by a company or its holding company in contravention of the provisions of Section 192 of the Act, shall be voidable at the instance of the company unless:</p> <ol style="list-style-type: none"> the restitution of any money or other consideration which is the subject-matter of the arrangement is no longer possible and the company has been indemnified by any other person for any loss or damage caused to it; or any rights are acquired bona fide for value and without notice of the contravention of the provisions of Section 192 of the Act, by any other person. | |
| | BORROWING POWERS | |
| 192 | <p>Subject to the provisions of Sections 179 and 180 of the Act and the other provisions of these Articles, the Board of Directors may from time to time at their discretion and by means of resolution passed at their meeting accept deposits from members either in advance of calls or otherwise or borrow or secure the payment of any sum or sums of money for the purpose of the Company provided however that where the moneys to be borrowed, together with money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose, the Directors shall not borrow such moneys without the consent of the Company in General Meeting. Every resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow moneys shall specify the total amount upto which moneys may be borrowed by the Board of Directors. No debt incurred by the Company in excess of the limit imposed by this clause shall be valid or effectual unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by this Article has been exceeded.</p> | Power to Borrow |
| 193 | <p>The Directors may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit, in particular, by the issue of bonds, perpetual or redeemable debentures or debenture-stock, or any mortgage, charge or other security on the undertaking or the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being. The Directors shall exercise such power only by means of resolution passed at their meetings and not by circular resolution.</p> | Conditions on which money can be borrowed |

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| 194 | Debentures, debenture-stock, bonds or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued. | Securities may be assignable free from equities |
| 195 | <p>Any debentures, debenture-stock, bonds or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any special privileges as to redemption, surrender, drawings, allotments of shares, attending (but not voting) at General Meetings of the Company, appointment of Directors and otherwise.</p> <p>Provided however that no debentures with the right to conversion into or allotment of shares shall be issued except with the consent of the Company in General Meeting.</p> | Debentures |
| 196 | If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors may, by instrument under the Company's Seal authorize the person in whose favor such mortgage or security is executed or any other person in trust for him to make calls on the members in respect of such uncalled capital and the provisions herein before contained in regard to calls, shall mutatis mutandis, apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally and either presently or contingently and either to the exclusion of the Directors' powers or otherwise and shall be assignable if so expressed to be. | Mortgage of uncalled capital |
| 197 | <p>(1) Subject to the provisions of the Act and these Articles the Directors of the Company shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorised to exercise and do. Provided that the Directors shall not exercise any power or do any act or thing which is directed or required, whether by the Act or any other Act or by the Memorandum or Articles of Association of the Company or these Presents or otherwise to be exercised or done by the Company in General Meeting. Provided further that in exercising any such power or doing any such act or thing the Board of Directors shall be subject to the provisions contained in this behalf in the Act or in any other Act or in the Memorandum or Articles of Association of the Company or in any regulations not inconsistent therewith and duly made thereunder, including regulations made by the Company in General Meeting.</p> <p>(2) No regulation made by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made</p> | General Powers of the Board |
| 198 | The Board of Directors shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at meetings of the Directors; | Certain powers exercised by Directors only at meeting |

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| | <p>(a) to make calls on shareholders in respect of moneys unpaid on their shares;</p> <p>(b) to authorise buy-back of securities under Section 68 of the act;</p> <p>(c) to issue securities, including debentures whether in or outside India;</p> <p>(d) to borrow monies;</p> <p>(e) to invest funds of the Company;</p> <p>(f) to grant loans or give guarantee or provide security in respect of loans;</p> <p>(g) to approve financial statements and the Board's Report;</p> <p>(h) to diversify the business of the Company;</p> <p>(i) to approve amalgamation, merger or reconstruction;</p> <p>(j) to take over a company or acquiring a controlling or substantial stake in another company;</p> <p>(k) to make political contributions;</p> <p>(l) to appoint or remove key managerial personnel;</p> <p>(m) to appoint internal and secretarial auditor</p> <p>Provided that the Board may, by a resolution passed at a meeting, delegate to any Committee of Directors, the Managing Director, the whole-time Director, Manager, Secretary or any other principal officer of the Company or in the case of a branch office of the Company, a principal officer of the branch office of the Company, the power (1) to borrow monies (2) to invest the funds of the Company and (3) to grant loans or give guarantee or provide security in respect of loans to the extent and subject as hereinafter specified namely</p> <p>(1) every resolution delegating the power to borrow monies shall specify the total amount up to which monies may be borrowed by the delegate</p> <p>(2) every resolution delegating the power to invest the funds of the Company shall specify the total amount upto which the funds may be invested (except investment in fixed deposit in routine course), and the nature of the investments which may be made by the delegate</p> <p>(3) every resolution delegating the power to make loans or give guarantee or provide security in respect of loans shall specify the total amount upto which loans or guarantee or security in respect of loans may be made/provided by the delegate, the purposes for which the loans/guarantee/ security may be made/</p> | |
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| | <p>provided, and the maximum amount of loans/guarantee/security which may be made for each such purposes in individual cases</p> <p>Nothing in this Article shall be deemed to affect the right of the Company in General Meeting to impose restrictions and conditions on the exercise by the Board of any of the powers specified in this article.</p> | |
| 199 | <p>(1) No director of a Company or any of its key managerial personnel shall buy in the company, or in its holding, subsidiary or associate Company:</p> <p>(a) a right to call for delivery or a right to make delivery at a specified price and within a specified time, of a specified number of relevant shares or a specified amount of relevant debentures; or</p> <p>(b) a right, as he may elect, to call for delivery or to make delivery at a specified price and within a specified time, of a specified number of relevant shares or a specified amount of relevant debentures.</p> <p>(2) If a director or any key managerial personnel of the Company contravenes the provisions of sub-clause (1) of this article, such director or key managerial personnel shall be punishable with imprisonment for a term which may extend to two years or with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees, or with both.</p> <p>(3) Where a director or other key managerial personnel acquires any securities in contravention of sub-clause (1) of this article, he shall, subject to the provisions contained in sub-clause (2) of this article, be liable to surrender the same to the Company and the Company shall not register the securities so acquired in his name in the register, and if they are in dematerialized form, it shall inform the depository not to record such acquisition and such securities, in both the cases, shall continue to remain in the names of the transferors</p> | Prohibition on forward dealings in securities of Company by Director or Key Managerial Personnel |
| 200 | <p>(1) No person including any director or key managerial personnel of a company shall enter into insider trading.</p> <p>Provided that nothing contained in this sub-clause shall apply to any communication required in the ordinary course of business or profession or employment or under any law.</p> <p>Explanation.--For the purposes of this Article:</p> <p>(a)"insider trading" means</p> <p>(i) an act of subscribing, buying, selling, dealing or agreeing</p> | Prohibition on insider trading of Securities |

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| | <p>to subscribe, buy, sell or deal in any securities by any director or key managerial personnel or any other officer of a company either as principal or agent if such director or key managerial personnel or any other officer of the company is reasonably expected to have access to any non-public price sensitive information in respect of securities of company; or</p> <p>(ii) an act of counselling about procuring or communicating directly or indirectly any non-public price- sensitive information to any person.</p> <p>(b) "price-sensitive information" means any information which relates, directly or indirectly, to a company and which if published is likely to materially affect the price of securities of the company.</p> <p>(2) If any person contravenes the provisions of this Article, he shall be punishable with imprisonment for a term which may extend to five years or with fine which shall not be less than five lakh rupees but which may extend to twenty-five crore rupees or three times the amount of profits made out of insider trading, whichever is higher, or with both.</p> | |
| | POWERS OF DIRECTORS | |
| 201 | <p>Without prejudice to the general powers conferred by Article 197 and the other powers conferred by these Articles but subject however to the provisions of the Act and the restrictions imposed by these Articles, it is hereby expressly declared that the Board of Directors shall have the following powers:</p> <p>(1) To have official seal to use abroad.</p> <p>(2) To keep a foreign register in accordance with the provisions of the Companies Act, 2013.</p> <p>To purchase or otherwise acquire any lands, buildings, machinery, premises, hereditaments, property, effects, assets, rights, credits, royalties, business and goodwill of any joint stock company carrying on the business of spinning, weaving and processing or any other business which the Company is authorized to carry on in any part of India</p> <p>To purchase, take on lease, for any term or terms of years, or otherwise acquire any mills or factories or any land or lands, without or with buildings and outhouses thereon, situate in any part of India, at such price or rent, and subject to such terms and conditions as the Directors may think fit; and in any purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory</p> <p>At their discretion to pay for any property, right or privileges acquired by or services rendered to the Company either wholly or</p> | Powers of Directors |

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| | <p>partially in cash, or in shares, bonds, debentures or other securities of the Company and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon, and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company, its uncalled capital or not so charged</p> <p>To secure the fulfillment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its unpaid capital for the time being or in such manner as they may think fit</p> <p>To accept from any member so far as may be permissible by law, surrender of his shares or stock or any part thereof, on such terms and conditions as shall be agreed</p> <p>To appoint any person or persons (whether incorporated or not incorporated) to accept and hold in trust for the Company, any property belonging to the Company, or in which it is interested or for any other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trust and to provide for the remuneration of such trustees</p> <p>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 or allow time for payment or satisfaction of any debts due and of claims or demands by or against the Company and to refer any claims or demands by or against the Company to arbitration/Court of competent jurisdiction and observe and perform any awards made thereon. Provided however that nothing herein contained shall empower the Directors to remit or give time for the repayment of any debt due from a Director without the consent of the Company in General Meeting</p> <p>To act on behalf of the Company in all matters relating to bankrupts and insolvent</p> <p>To make and give receipts, releases and other discharges for moneys or properties payable or transferred to the Company and for the claims and demands of the Company</p> <p>To invest and deal with any moneys of the Company not immediately required for purpose thereof upon such security or without security and in such manner as they think fit and from time to time to vary such investments. Provided however that nothing herein contained shall empower the Directors without the consent of the Company in General Meeting, to invest otherwise than in trust securities, the amount of compensation recovered by the Company in respect of the Compulsory acquisition of any such undertaking or as a result of any merger or amalgamation as is referred to in sub-section (1) (b) of Section 180 of the Act, or any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time</p> <p>To open current, overdraft, cash credit and fixed deposit accounts</p> | |
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| | <p>with any bank, company, firm or individual and to operate thereon</p> <p>To execute in the name and on behalf of the Company in favor 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 of the Company, such mortgages of the Company's property (present or future) as they 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</p> <p>To determine from time to time who shall be entitled to sign on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purposes</p> <p>To give any officer or other person employed by the Company a commission on the profits of any particular business or transaction and such commission shall be treated as part of the working expenses of the Company</p> <p>To establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds, for the benefit of and give or procure the giving of donations, gratuities, pensions, allowances or emoluments, to any persons who are or were at any time in the employment or service of the Company, or if any Company which is a subsidiary of the Company, or is allied to or associated with the Company or with any such subsidiary company, or who are or were at any time Directors or officers of the Company or of any such other Company as aforesaid and the wives, widows, families and dependents of any such persons, and also establish and subsidize and subscribe to any institution, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the Company or of any such other Company as aforesaid, and make payment to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other company as aforesaid</p> <p>To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company or his widow, children or dependents that may appear to the Directors just or proper whether such employee or his widow, children or dependents have or have not a legal claim upon the Company</p> <p>Without the consent of the Company in General Meeting to contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed five percent of its average net profits as determined in accordance with the provisions of Sections 198 of the Act for the immediately preceding three financial years</p> | |
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Before recommending any dividend, to set aside such portion of the profits of the Company as they may think fit, to form a fund to provide for such pension, gratuities or compensation or to create any provident or benefit fund in such manner as the Directors may deem fit

(21) Before recommending any dividend, to set aside out of the profit of the Company such sums as they may think proper, for depreciation or to be Depreciation Fund, Insurance Fund, Reserve Fund, General Reserve or Sinking Fund, Development Rebate Reserve, Statutory Development Reserve, Reserve for any Special Fund to meet contingencies or to repay debenture or debenture-stock or for special dividend or for equalizing dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes, as the Directors may in their absolute discretion think conducive to the interest of the Company with power from time to time to transfer moneys standing to the credit of one Fund or any part thereof to the credit of any other Fund; and 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 deal with and vary such investments and dispose of and supply and expend all or any part thereof for the benefit of the Company, in such manner and for such purpose as the Directors in their absolute discretion, think conducive to the interest of the Company and to divide the Reserve Fund into such special funds as the Directors may think fit, and to employ the assets constituting all or any of the above funds including Depreciation Fund, in the business of the Company or in the purchase or repayment of debentures or debenture stock and that without being bound to keep the same separate from the other assets. If the assets constituting any of the above funds are employed in the business of the Company the Directors may pay or allow to the credit of such funds, interest at such rate as the Directors may think proper but not exceeding 9 percent per annum

(22) To appoint and at their discretion remove or suspend such managers, secretaries, officers, technicians, clerks, agents and servants, for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and fix their salaries or emoluments, and to require security in such instances and to such amounts as they think fit. And also without prejudice as aforesaid from time to time provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit, and the provisions contained in the two next following sub-clauses shall be without prejudice to the general powers

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| | <p>conferred by the sub-clause</p> <p>(23) From time to time and at any time to establish any Local Board for managing any of the affairs of the Company in any specified locality in India or out of India and to appoint any person to be members of such Local Board and to fix their remuneration and at any time from time to time to delegate subject to the provisions of Section 179 of the Act, to any person so appointed any of the powers, authorities and discretions for the time being vested in the Directors, other than their powers to make calls and to issue debentures and to authorize the members for the time being of any such Local Board or any of them, to fill up any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions and restrictions as the Directors may think fit and the Directors may at any time remove any person so appointed and may annul and vary any such delegation</p> <p>(24) 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 Directors under these Presents) and for such period and subject to such conditions as the Directors may from time to time think fit, and any such appointment may, if the Directors think fit, be made in favor of the members, or any of the members of any Local Board established as aforesaid or in favor of any Company or the member, directors, nominees or managers or officers of any company or firm or otherwise in favor of any fluctuating body of persons, whether nominated directly or indirectly by the Directors and any such Power of Attorney may contain such powers for the protection or convenience of persons dealing with such attorneys as the directors may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.</p> <p>(25) For or in relation to any of the matters aforesaid or otherwise for the purposes of the Company, to enter into all such negotiations and contracts, and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company, as they may consider expedient</p> <p>(26) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they</p> | |
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| | <p>may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly also to insure all or any part of the goods, produce, machinery and other articles imported or exported by the Company and to insure loss of profit and standing charges and to insure retrenchment compensation and lay-off liabilities and to insure accidental insurance on all the employees of the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power</p> <p>(27) Subject to hereinabove provided, to subscribe or contribute or authorize to assist or to guarantee money to charitable, benevolent, religious, scientific, national, public, political or any other useful institutions, objects or purposes or for any exhibition.</p> | |
| | DISCLOSURE OF INTEREST | |
| 202 | <p>(1) Every Director of the Company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement, entered into or to be entered into -</p> <p>(a) with a body corporate in which such director or such director in association with any other director, holds more than two per cent shareholding of that body corporate or is a Promoter, Manager, Chief Executive Officer of that body corporate; or</p> <p>(b) with a firm or other entity in which, such director is a partner, owner or member, as the case may be, shall disclose the nature of his concern or interest at the meeting of the Board in which the contract or arrangement is discussed and shall not participate in such meeting</p> <p>Provided that where any director who is not so concerned or interested at the time of entering into such contract or arrangement, he shall, if he becomes concerned or interested after the contract or arrangement is entered into, disclose his concern or interest forthwith when he becomes concerned or interested or at the first meeting of the Board held after he becomes so concerned or interested</p> <p>(2) Every director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then at the first Board meeting held after such change, disclose his concern or interest in any company or companies or body corporate, firms or other association of individuals which shall include the shareholding, by giving a notice in writing in Form MBP-1.</p> | Disclosure of interest of Directors |

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| | <p>(3) A contract or arrangement entered into by the Company without disclosure under sub-clause (1) of this article or with participation of a director who is so concerned or interested in any way, directly or indirectly, in the contract or arrangement, shall be voidable at the option of the Company</p> <p>(4) If a director of the company contravenes the provisions of sub-clause (1) or sub-clause (2) of this article, such director shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than fifty thousand rupees but which may extend to one lakh rupees or with both</p> <p>(5) Nothing in this Article shall be taken to prejudice the operation of any rule of law restricting a Director of the Company from having any concern or interest in any contracts or arrangements with the Company or shall apply to any contract or arrangement entered into or to be entered into between two companies where any of the Directors of the one company or two or more of them together holds, or hold not more than two percent of the paid up share capital in the other Company.</p> | |
| 203 | <p>(1) Subject to Section 184 of the Act, read with Companies (Meeting of Board and its Powers) Rules, 2014, no Director of the Company shall, as a Director take any part in the discussion of or vote on any contract or arrangement entered into, or to be entered into by or on behalf of the Company, if he is in any way whether directly or indirectly, concerned or interested in the contract or arrangement nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote and if he does, his vote shall be void</p> <p>(2) Sub-clause (1) shall not apply to:</p> <p>a. any contract of indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming or being sureties or a surety for the Company.</p> <p>b. any contract or arrangement entered into or to be entered into with a public company or private company which is a subsidiary of a public company, in which the interest of the Director aforesaid consists solely:</p> <p>i) in his being a director of such company and the holder of not more than shares of such number or value therein as is required to qualify him for appointment as director thereof, he having been nominated as such director by the Company; or</p> <p>ii) in his being a member of such company holding not more than two percent of its paid up share capital.</p> | Interested Director not to participate or vote in Board's Meetings |
| 204 | Every Director, Managing Director, whole-time Director, Manager or Secretary of the Company who is appointed to or relinquishes, the office of Director, Managing Director, whole-time Director, | Duty of Director to make disclosure |

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| | Manager or Secretary of any other body corporate shall within twenty days of his appointment to or as the case may be relinquishment of such office, disclose to the Company the particulars relating to the office in other body corporate which are required to be specified under the provisions of Section 170 of the Act | |
| 205 | A Director may resign from his office by giving a notice in writing to the company and the Board shall on receipt of such notice take note of the same and the Company shall intimate the Registrar regarding the said resignation of director and shall also place the fact of such resignation in the report of directors laid in the immediately following general meeting of the company. The resignation of a director shall take effect from the date on which the notice is received by the company or the date, if any, specified by the director in the notice, whichever is later | Resignation of Directors |
| 206 | <p>(1) Save as otherwise provided in the Proviso to Section 185 of the Act, the Company shall not directly or indirectly, advance any loan, including any loan represented by a book debt to any of its directors or to any other persons as mentioned in sub-clause (a) to (d) below or give any guarantee or provide any security in connection with any loan made by such director</p> <ul style="list-style-type: none"> a. any Director of the Company or of the Company which is its holding Company or any partner or relative of any such Director; b. any firm in which any such Director or relative is a partner; c. any private Company of which any such Director is a Director or member; d. anybody corporate, at a General Meeting of which not less than twenty-five per cent of the total voting power may be exercised or controlled by any such Director or by two or more such directors together; or e. any body corporate, the Board of Directors, Managing Director; or Manager whereof is accustomed to act in accordance with the directions or instructions of the Board or of any Director or Directors of the Company. <p>A Director shall for the purposes of this Article include any person deemed to be a Director under the provisions of the Act.</p> <p>(2) Any loan made by a company to its wholly owned subsidiary company or any guarantee given or security provided by a company in respect of any loan made to</p> | Loan to Directors |

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| | <p>its wholly owned subsidiary company is exempted from the requirements under this article; and</p> <p>(3) Any guarantee given or security provided by a company in respect of loan made by any bank or financial institution to its subsidiary company is exempted from the requirements under this article.</p> <p>Provided that such loans made under sub-clause (2) & (3) are utilized by the subsidiary company for its principal business activities.</p> | |
| 207 | <p>(1) Subject to the provisions of the Act, the Company shall not make any loan to or give any guarantee or provide any security, in connection with a loan made by any other person to, or to any other person by any body corporate which is under the same management as the Company, unless the making of such loan, the giving of such guarantee or the provisions of such security has been previously authorized by a Special Resolution of the Company.</p> <p>(2) Where the Company makes any loan to or give any guarantee, or provides any security, in connection with a loan made by any other person to, or to any other person by a firm in which a partner is a body corporate under the same management as the Company, the loan shall be deemed to have been made to, or the guarantee or security shall be deemed to have been given or provided in connection with the loan made by such other person to or to such other person, by a body corporate under the same management. The company shall disclose to its members in the financial statements the full particulars of the loans given, investment made and guarantee given or security provided for which the loan is to be utilized.</p> <p>(3) For the purpose of sub-clause (1) and (2) hereof, any two bodies corporate shall be deemed to be under the same management:</p> <ul style="list-style-type: none"> (a) if the Managing Director or a whole-time Director or Manager of the one body is the Managing Director or Wholetime Director or Manager of the other body; or (b) if a majority of the Directors of the one body constitute or at any time within the six months immediately preceding constituted a majority of the directors of the other body; or (c) if not less than one-third of the total voting power with respect to any matter relating to each of the two bodies corporate is exercised | Loans to Companies under the same Management |

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| | <p>or controlled by the same individual or body corporate; or</p> <p>(d) if the holding company of the one body corporate is under the same management as the other body corporate within the meaning of sub-clause (a), (b), (c) above mentioned, or</p> <p>(e) If one or more directors of the one body corporate while holding whether by themselves or together with their relatives, the majority of shares in that body corporate also hold, whether by themselves or together with their relatives, the majority of shares in the other body corporate.</p> <p>(4) Nothing contained in the foregoing shall apply to:</p> <p>(a) any loan made by a holding company to its wholly owned subsidiary Company and;</p> <p>(b) any guarantee given or security provided by such holding company in respect of any loan made to its wholly owned subsidiary Company.</p> | |
| 208 | <p>Subject to section 188 of the Act read with Companies (Meeting of Board and its Powers) Rules, 2014 and except with the consent of the Board of Directors given by a resolution at a meeting of the Board and subject to such conditions as prescribed in Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, no Company shall enter into any contract or arrangement with a related party (as defined in Section 2 (76) of the Act) with respect to:</p> <p>(a) sale, purchase or supply of any goods or materials;</p> <p>(b) selling or otherwise disposing of, or buying, property of any kind;</p> <p>(c) leasing of property of any kind;</p> <p>(d) availing or rendering of any services;</p> <p>(e) appointment of any agent for purchase or sale of goods, materials, services or property;</p> <p>(f) such related party's appointment to any office or place of profit in the company, in the company's subsidiary or associate company; and</p> <p>(g) underwriting the subscription of any securities or derivatives thereof, of the Company</p> <p>Provided that if the paid up Share Capital of the Company shall at any time be not less than Rupees ten crore or such</p> | Related Party Transactions |

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| | <p>amount as may be prescribed from time to time in the Companies (Meeting of Board and its Powers) Rules, 2014 or transaction exceeding such amount as prescribed from time to time in Companies (Meeting of Board and its Powers) Rules, 2014, in such cases no such contract or arrangement shall be entered into except with the previous approval of the Company in General Meeting by way of special resolution</p> <p>Nothing contained in sub-clause (1) hereof shall apply to any transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis</p> | |
| 209 | <p>Where any contract or arrangement as referred to in sub-section 1 of Section 188 of the Act, is entered into by a director or any other employee, without obtaining the consent of the Board or approval by a special resolution in the general meeting and if it is not ratified by the Board or as the case may be, by the shareholders at a meeting within three months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board.</p> | <p>Contract or arrangement entered into by a Director without Board's consent, shall be voidable at the option of the Board</p> |
| | DIRECTORS ETC. NOT TO HOLD OFFICE OR PLACE OF PROFIT | |
| 210 | <p>(1) Except with the consent of the Company accorded by a Special Resolution.</p> <p>(a) no Director of the Company shall hold any office or place of profit; and</p> <p>(b) no partner or relative of such a Director, no firm in which such a Director or relative is a partner, no private company of which such a Director is a Director or member, and no Director or Manager of such a Private Company shall hold any office or place of profit carrying a total monthly remuneration exceeding two and half lakh rupees, except that of Managing Director, Manager, or trustees for the holders of debentures of the Company:</p> <p>(i) under the Company; or</p> <p>(ii) under any subsidiary of the Company, unless the remuneration received from such subsidiary in respect of such office or place of profit is paid over to the Company or its holding Company.</p> <p>Provided that it shall be sufficient if the Special Resolution according the consent of the Company is passed at the General Meeting of the Company held for the first time after the holding</p> | <p>Director, etc; not to hold office or place of profit except with the consent of the Company accorded by a Special Resolution</p> |

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| | <p>of such office or place of profit; provided further that where a relative of a director or a firm in which such relative is a partner is appointed to the office or place of profit under the Company or a subsidiary thereof without the knowledge of the Director, the consent of the Company may be obtained either in the General Meeting aforesaid or within three months from the date of the appointment, whichever is later.</p> <p>For the purpose of this sub-clause, a Special Resolution according consent shall be necessary for every appointment in the first instance to an office or place of profit and to every subsequent appointment to such office or place of profit on a higher remuneration not covered by the Special Resolution, except where an appointment on a time scale has already been approved by the Special Resolution.</p> <p>(2) Nothing in clause (1) hereof shall apply where a relative of a Director or a firm in which such relative is a partner holds any office, or place of profit under the Company or a subsidiary thereof having been appointed to such office or place before such Director becomes Director of the Company.</p> <p>(3) If any office or place of profit is held in contravention of the provisions of sub-clause (1) hereof, the Director, Partner, relative, firm, private company, or the Manager concerned, shall be deemed to have vacated his or its office as such on and from the date next following the date of the General Meeting of the Company referred to in first proviso to sub-clause (1) hereof or, as the case may be, the date of expiry of the period of three months referred to in the second proviso to the sub-clause (1) hereof, or as the case may be and shall also be liable to refund to the Company any remuneration received or the monetary equivalent of any perquisite or advantage enjoyed by him or it for the period immediately preceding the date aforesaid in respect of such office or place of profit.</p> <p>(4) Every individual, firm, private company or other body corporate proposed to be appointed to any office or place of profit to which this clause applies shall before or at the time of such appointment, declare in writing whether he or it is or is not connected with a Director of the Company in any of the ways referred to in sub-clause (1) hereof.</p> <p>(5) Any office or place shall be deemed to be an office or place of profit under the Company within the meaning of this Article.</p> <p>(a) In case the office or place is held by a Director, if the</p> | |
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| | <p>Director holding it obtains from the Company anything by way of remuneration over and above the remuneration to which he is entitled as such Director, whether as salary, fees, commission, perquisites, the right to occupy free of rent any premises as a place of residence or otherwise.</p> <p>(b) In case the office or place is held by an individual other than a Director or by any firm, private company or, other body corporate, if the individual, firm, private company or body corporate holding it obtains from the Company anything by way of remuneration whether as salary, fees, commission, perquisites, the right to occupy free of rent any premises as place of residence or otherwise.</p> | |
| | APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL | |
| 211 | <p>(1) Every Company shall keep at its registered office:</p> <p>(a) where a contract of service with a Managing or Whole time Director is in writing, a copy of the contract; or</p> <p>(b) where such a contract is not in writing, a written memorandum setting out its terms.</p> <p>(2) The copies of the contract or the memorandum kept under sub- clause 1 of this article shall be open to inspection by any member of the company without payment of fee.</p> | Contract of employment with Managing or Whole time Directors |
| 212 | <p>(a) Subject to the provisions of Section 197 of the Act, each Director shall be entitled to be paid out of the funds of the Company by way of remuneration for his services, such sum not exceeding the amount prescribed under that Section from time to time as applicable for each meeting of the Board or Committee of the Board, attended by him as may be decided by the Board from time to time.</p> <p>(b) In addition to the remuneration payable as above, the Board of Directors may allow and pay to any Director who is not a bonafide resident of the place where a meeting is held and who shall come to such place for the purpose of attending the meeting such sum as the Board may consider fair compensation for travelling, hotel and other expenses properly incurred by him:</p> <p>a. in attending and returning from meetings for the Board of Directors or any committee or General Meeting of the Company; or</p> <p>b. in connection with the business of the Company.</p> | Remuneration of Directors |
| 213 | If any Director be called upon to go or reside out of his usual place | Special Remuneration |

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| | of business on the Company's business or otherwise perform extra services or special exertions or efforts, the Board may arrange with such Director for such special remuneration for such extra services or special exertions or efforts either by a fixed sum or otherwise as may be determined by the Board subject to the provisions of the Act and such remuneration may be either in addition to or in substitution for his remuneration above provided. | |
| 214 | Subject to the provisions of Schedule V of the Act, any provision or any amendment of any provision relating to the remuneration of any Director which purports to increase or has the effect of increasing, whether directly or indirectly, the amount thereof, shall not except as otherwise provided in Section 197 of the Act, have any effect unless approved by the Central Government and the amendment shall become void if and so far as it is disapproved by the Central Government | Increase in remuneration of a Director to require Govt. consent |
| 215 | If in any financial year the Company has no profits or its profits are inadequate, the Company may: Pay its Directors including the Managing or whole-time Director, or its Manager if any, or if there are two or more of them holding office in the Company to all of them together by way of minimum remuneration such sum (exclusive of any fees payable to Directors under Section 197(2) of the Act) as it considers reasonable, subject to the provisions of Section 197 of the Act read with Schedule V of the Act. | Minimum managerial remuneration in case of absence or inadequacy of profits. |
| 216 | The Company shall not appoint or employ any person as Managing Director if he is either the Managing Director or Manager of any other company except as hereinafter provided. The Company may appoint or employ a person as its Managing Director, if he is the Managing Director or Manager of one and of not more than one other Company (including a private company which is not subsidiary of a public company) provided that such appointment or employment is made or approved by a resolution passed at a meeting of the Board of Directors with the consent of all the Directors present at meeting and of which meeting, and of the resolution to be moved thereat, specific notice has been given to all the Directors then in India. | Appointment or re-appointment of Managing or whole time Director. |
| 217 | Any provisions relating to the remuneration of a Managing or whole-time Director or any amendment thereof which purports to increase or has the effect of increasing whether directly or indirectly, the amount thereof whether that provisions be contained in the Company's Memorandum or these Presents or in any agreement entered into by the Company or in any resolution passed by the Company in General Meeting or by its Board of Directors shall be effective only if it is within the ceilings prescribed under the Act. If the increased remuneration is exceeding the ceiling prescribed in the Act then the same shall be effective subject to such statutory approval as may be required. | Provision for increasing remuneration of Managing or whole-time Director |
| 218 | (1) Subject to the provisions of Section 196 of the Act, the Company shall not appoint or employ at the same time a managing director and a manager. The directors may from time to | Managing Director |

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| | <p>time subject to the provisions of the Act appoint one or more of their body to be the Managing Director or Managing Directors or Whole-time Director or Whole-time Directors of the Company for a term not exceeding five years at a time and may from time to time remove or dismiss him or them from office and appoint another or other in his or their place or places.</p> <p>Provided where an appointment of a managing director is not approved by the Company at a general meeting any act done by him before such approval shall not be deemed to be invalid.</p> <p>(2) The Managing Director or Managing Directors or Whole- time Director or Whole-time Directors while he or they continues or continue to hold that office, shall be subject to the same provisions as to removal of the other Directors of the Company and he or they shall ipso facto and immediately cease to be a Managing Director or Managing Directors or Whole-time Director or Whole-time Directors if he or they ceases or cease to hold the office of a Director or Directors for any cause. The resignation tendered by Managing Director/Whole- time Director/Executive Director/CEO shall be effective once the same is accepted by the Board.</p> <p>(3) Subject to the provisions of the Act, the remuneration of a Managing Director or Managing Directors or Whole-time Director or Whole-time Directors shall subject to the provisions of any contract between the Company and him or them, be from time to time fixed by the Directors and subject to the provisions of the Act, may be by way of fixed salary or commission and/or in any other mode and may be in addition to the remuneration for attendance at the Board Meetings and any other remuneration which may be provided under any other Articles.</p> <p>(4) The Directors may from time to time subject to the provisions of the Act entrust to or confer upon the Managing Director or Managing Directors or Whole-time Director or Whole-time Directors for the time being such of the powers exercisable by the Directors under these Presents or by law, as they may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions, as they think expedient and they may confer such powers either co- laterally with or to the exclusion of or in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any such powers.</p> <p>(5) Any Director so appointed shall not be required to hold any qualification shares.</p> | |
| 219 | <p>The Company shall not appoint or employ or continue the appointment or employment of any person as its Managing or whole- time Director who (a) is an undischarged insolvent or has at any time being adjudged an insolvent; (b) suspends or has at any time suspended, payment to his creditors, or makes or has at any time made, a composition with them; or (c) has at any time been convicted by a Court of an offence and sentenced for a period of</p> | <p>Certain persons not to be appointed Managing or whole-time Director</p> |

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| | <p>more than six months; or (d) is below the age of twenty one years or has attained the age of seventy years.</p> <p>Provided that appointment of a person who has attained the age of seventy years may be made by passing a special resolution in general meeting in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person</p> | |
| 220 | No Managing Director shall be appointed for a term exceeding five years at a time but he may be re-appointed, re-employed or his term of office may be extended by further period not exceeding five years on each occasion provided, that such re-appointment, re-employment or extension shall not be sanctioned earlier than one year before the expiry of his term. | Term of a Managing Director |
| | MANAGEMENT OF BUSINESS | |
| 221 | The general management of the business of Company subject to the provisions of the Act and subject to the superintendence, control and directions of the Directors shall be with the Managing Director and/or whole-time Director, and/or any other officer appointed by the Board for the purpose. | General management in the hands of Managing Director and whole-time Director. |
| 222 | Printed or typewritten copy of any resolution of the Board of Directors of the Company or the agreement relating to the appointment, re appointment or renewal of the appointment of the Managing Director and/or whole-time Director varying the terms of any such agreement, executed by the Company and duly certified under the signature of any officer of the Company shall be filed with the Registrar of Companies within thirty days after the making thereof, as required by Section 117 of the Act. | Agreement relating to Managing Director and/ or whole-time Director to be filed with the Registrar. |
| 223 | Subject to the general supervision, control and direction of the Board and subject as hereinabove provided the Managing Director and/or whole-time Director shall have the conduct and management of the business and affairs of the Company and shall have Power and authority on behalf of the Company to acquire any properties, rights and privileges and to make all purchases and sales and to enter into all contracts and execute all agreements or other documents, and to do all other acts and things usual, necessary or desirable in the management of the affairs of the Company or in carrying out its objects; and shall have power to institute, conduct, defend, compromise, refer to arbitration and abandon legal and other proceedings, claims and disputes in which the Company is concerned and shall have power to appoint and employ in or for the purpose of the transaction and management of the affairs and business of the Company or otherwise for the purposes thereof such managers, experts, secretaries, chemists, technicians, engineers, brokers, lawyers, clerks, workmen, servants and other employees as they shall think proper with such powers and duties and upon such terms as to duration of office, remuneration otherwise as they shall think fit and from time to time to remove and suspend them or any of them and generally to appoint and employ any person or persons in the services or for the purposes of the Company as they shall think fit upon such terms and conditions | Authority of Managing Director and/or whole-time Director |

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| | as they shall think proper. | |
| 224 | The Managing Director and/or whole-time Director shall have power to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them and in particular from time to time to provide by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit. | Managing Director and/or whole-time Director to have power to subdelegate |
| | SEAL | |
| 225 | The Board of Directors shall provide a Common Seal for the purpose of the Company and shall have power to destroy the same and substitute a new seal in lieu thereof and shall provide for its safe custody and the same shall not be used except by the authority of the Board of Directors or a Committee thereof. | The Common Seal, its custody and use |
| 226 | Every deed, document or instrument to which the Common Seal of the Company is required to be affixed, shall be affixed in the presence of two Directors of the Company or One Director and the Secretary of the Company who shall sign every instrument or document to which the common seal is so affixed | Affixation of the Common Seal and execution of deeds |
| | WINDING UP | |
| 227 | If the Company shall be winding up, the Liquidator may with the sanction of a special resolution of the Company and any other sanction required by the Act divide amongst the members in specie or in kind the whole or any part of the assets of the Company whether they shall consist of the property of the same kind or not. | Distribution in specie on winding up |
| 228 | For the purpose aforesaid the Liquidator may set such value as he deems fair upon every property to be divided as aforesaid and may determine how much divisions can be carried out as between the members or different classes of members. | Value |
| 229 | The Liquidator may with the like sanction vest the whole or any part of such assets in trustees upon such trust for the benefit of the contributories as the Liquidator with the like sanction shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability. | Vesting of assets in Trustees |
| | INDEMNITY AND RESPONSIBILITY | |
| 230 | Subject to the provisions of the Act, every Director, Manager, Managing Director, Whole-time Director or other officer of the Company or any person (whether an officer of the Company or not) employed by the Company as Auditor shall be indemnified out of the funds of the Company against all liability incurred by him as such Director, Manager, Managing Director, whole-time Director, Officer or Auditor in which judgment is given in his favor or in which he is acquitted or in connection with any application under Section 463 of the Act in which relief is granted to him by the Court. | Indemnity |
| 231 | Subject to the provisions of the Act, no Director, Auditor, or other Officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer or for joining in any receipt of other act for conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors | Individual responsibility of Directors |

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| | for and on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or company to or with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgment, omission, default or oversight on his part or for any other loss, damage or misfortune whatever which shall happen in relation to the execution of the duties of his office or in relation thereto unless the same shall happen through his own dishonesty. | |
| | SECRECY CLAUSE | |
| 232 | Subject to the provisions of the Act, no member shall be entitled to require discovery of any information respecting any details of the Company's trading or any matter in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which, in the opinion of the Board of Directors, may not be expedient in the interests of the members of the Company to communicate to the public | Secrecy Clause |

SECTION IX – STATUTORY AND OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10:00 A.M. to 5:00 P.M. on all Working Days from the date of this Draft Letter of Offer until the Issue Closing Date.

A) Material Contracts for the Issue

1. Issue Agreement dated June 29, 2017 between our Company and the Lead Manager.
2. Agreement dated June 29, 2017 between our Company and Bigshare Services Private Limited to act as Registrar to the Rights Issue.
3. Escrow Agreement dated [•] amongst our Company, the Lead Manager, Registrar to the Issue and the Banker to the Issue.
4. Tripartite agreement dated May 26, 2001 between our Company, Central Depository Services (India) Limited and Computech Sharecap Limited.
5. Tripartite agreement dated 4th March, 2003 between our Company, National Securities Depository Limited and Computech Sharecap Limited.

B) Material documents for the Issue

1. Certified true copy of the Memorandum of Association and Articles of Association of our Company, as amended.
2. Certificate of Incorporation dated May 09, 1907 issued by Registrar of Companies, Bombay.
3. Fresh Certificate of Incorporation dated February 18, 1918 consequent upon change of name from 'Jost's Fan Supply & Engineering Company Limited' to 'Josts Engineering Company Limited'.
4. Resolution of the Board of Directors passed in its meeting dated February 13, 2017 in relation to this Issue.
5. Copy of a resolution passed by our Rights Issue Committee dated approving Draft Letter of Offer and resolution of our Rights Issue Committee dated [•] finalizing the Issue Price, Record Date, the Rights Entitlement Ratio and approving modification made to Draft Letter of Offer.
6. Consents of our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, Chief Executive Officer, Statutory and Peer Reviewed Auditor, Lead Manager, Legal Advisor to the Issue, the Registrar to the Issue and Bankers to our Company to include their names in this Draft Letter of Offer and to act in their respective capacities.
7. The Report dated July 17, 2017 from the Statutory and Peer Reviewed Auditors of our Company, Sorab S Engineer & Co., Chartered Accountants, confirming the Statement of Possible Tax Benefits available to our Company and its Shareholders as disclosed in this Draft Letter of Offer.
8. The Report of the Statutory and Peer Reviewed being, Sorab S Engineer & Co., Chartered Accountants, as set out herein dated July 20, 2017 in relation to the Restated Financial Statements of our Company for financial year ended on March 31, 2017, 2016, 2015, 2014 and 2013.

9. Annual Reports of our Company for the financial year ended on March 31, 2017, 2016, 2015, 2014 and 2013.
10. Due Diligence Certificate dated July 20, 2017 from Fedex Securities Limited.
11. In principal listing approval dated [•] from BSE Limited.
12. Observation Letter No. [•] dated [•] received from SEBI for the Rights Issue.

Any of the contracts or documents mentioned in this Draft Letter of Offer 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 Equity Shareholders, subject to compliance with applicable law.

SECTION X – DECLARATION

We hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act or the rules made thereunder or regulations issued thereunder, as the case may be. We further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, the Government of India and any other competent authority in this behalf, have been duly complied with. We further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

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| Jai Prakash Agarwal <i>(Chairman & Non-Executive Director)</i> | Sd/- |
| Vishal Jain <i>(Non-Executive Director)</i> | Sd/- |
| Shailesh Sheth <i>(Independent Director)</i> | Sd/- |
| Marco Wadia <i>(Independent Director)</i> | Sd/- |
| Farokh Banatwala <i>(Independent Director)</i> | Sd/- |
| Shikha Jain <i>(Director)</i> | Sd/- |
| Maruti Naik <i>(Chief Financial Officer)</i> | Sd/- |
| Raghunath Pargaonkar <i>(Chief Executive Officer)</i> | Sd/- |
| Chandrakant Sagvekar <i>(Company Secretary and Compliance Officer)</i> | Sd/- |

Date: - July 28, 2017

Place:- Mumbai