



KARDA CONSTRUCTIONS LIMITED

CIN: U45400MH2007PLC174194

Our Company was incorporated as Karda Constructions Private Limited on September 17, 2007 as a Private Limited Company under the Companies Act, 1956 with the Registrar of Companies, Mumbai bearing Registration No. 174194. Subsequently, our Company was converted to a public limited company and a fresh certificate of incorporation consequent upon conversion to a public limited company was issued by the Registrar of Companies on March 17, 2016 in the name of Karda Constructions Limited. For details of change in registered address of the Company, please refer the chapter 'History and Certain Corporate Matters' on page no. 117 of this Prospectus.

Registered Office: 2nd Floor, Gulmohar Status, Above Business Bank, Samarth Nagar, Nashik – 422 005; **Tel No.:** +91 – 253 – 235 1090;
Corporate Office: 2nd Floor, Saikrupa Complex, Tilak Road, Muktidham, Nashik Road, Nashik – 422 101; **Tel No.:** +91 – 253 – 246 5436;
Email: admin@kardaconstruction.com; **Website:** www.kardaconstruction.com
Contact Person: Mrs. Mayura Marathe, Company Secretary and Compliance Officer

OUR PROMOTER: MR. NARESH KARDA

PUBLIC ISSUE OF 43,00,000 EQUITY SHARES* OF FACE VALUE OF ₹ 10 EACH (THE "EQUITY SHARES") OF KARDA CONSTRUCTIONS LIMITED (OUR "COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹ 180 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ 170 PER EQUITY SHARE) AGGREGATING TO ₹ 7,740.00 LAKHS (THE "ISSUE") COMPRISING OF A FRESH ISSUE OF 23,00,000 EQUITY SHARES* BY OUR COMPANY AGGREGATING TO ₹ 4,140.00 LAKHS (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UPTO 20,00,000 EQUITY SHARES* BY MR. NARESH KARDA (THE PROMOTER SELLING SHAREHOLDER*) AGGREGATING TO ₹ 3,600.00 LAKHS ("OFFER FOR SALE"). THE ISSUE WOULD CONSTITUTE 34.96%, OF OUR POST-ISSUE PAID-UP EQUITY SHARE CAPITAL.

* subject to finalisation of basis of allotment

THE FACE VALUE OF EQUITY SHARES IS ₹ 10 EACH AND THE ISSUE PRICE IS 18 TIMES THE FACE OF THE EQUITY SHARES.

In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR"), this is an Issue for atleast 25% of the post-Issue paid-up equity share capital of our Company. The Issue is being made through the Book Building Process in accordance with Regulation 26 (1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "SEBI ICDR Regulations"), where in 10% of the Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs") ("QIB Portion"), 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 40% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 50% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in any category, except the QIB Portion, would be met with spill-over from any other category or categories, as applicable, on a proportionate basis, subject to applicable law. All potential investors, are required to mandatorily use the Application Supported by Blocked Amount ("ASBA") process providing details of the irrespective bank accounts which will be blocked by the Self Certified Syndicate Banks ("SCSBs"). Specific attention of investors is invited to the chapter titled "Issue Procedure" on page no. 228 of this Prospectus.

RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 10 per Equity Share and the Issue price is 18 times the face value. The Issue Price, as determined and justified by our Company and the Selling Shareholder in consultation with the BRLM in accordance with SEBI (ICDR) Regulations and as stated under the section entitled "Basis for the Issue Price" on page no. 72 of this Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares no regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision investors must rely on their own examination of our Company and the Issue, including the risks involved. The equity shares offered in the Issue have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this Prospectus. Specific attention of the investors is invited to the section entitled "Risk Factors" on page no. 15 of this Prospectus.

ISSUER'S AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, the Selling Shareholder assumes responsibility that this Prospectus contains all information about them as a Selling Shareholder in the context of the Offer for Sale and further assumes responsibility for statements in relation to themselves included in this Prospectus.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the BSE and NSE. Our Company has received 'In-Principle' approval from the BSE and NSE for the listing of the Equity Shares pursuant to letters dated October 18, 2017 and October 25, 2017, respectively. For the purposes of the Issue, BSE will be the Designated Stock Exchange. A copy of the Red Herring Prospectus and the Prospectus shall be delivered for registration to the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus upto the Bid/Issue Closing Date, please see the section titled "Material Contracts and Documents for Inspection" on page no. 315 of this Prospectus.

BOOK RUNNING LEAD MANAGER

REGISTRAR TO THE ISSUE



ARYAMAN FINANCIAL SERVICES LIMITED
60, Khatau Building, Ground Floor,
Alkesh Dinesh Modi Marg, Fort, Mumbai – 400 001.
Tel No.: +91 – 22 – 6216 6999
Fax No.: +91 – 22 – 2263 0434
Email: ipo@afsl.co.in
Investor Grievance Email: feedback@afsl.co.in
Website: www.afsl.co.in
SEBI Registration No.: INM000011344
Contact Person: Mr. Deepak Biyani

BIGSHARE SERVICES PRIVATE LIMITED
1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis,
Makwana Road, Marol, Andheri (E), Mumbai – 400 059.
Tel: +91 – 22 – 6263 8200
Fax: +91 – 22 – 6263 8299
Email: ipo@bigshareonline.com
Investor Grievance Email: investor@bigshareonline.com
Website: www.bigshareonline.com
SEBI Registration No.: INR000001385
Contact Person: Mr. Ashok Shetty

BID / ISSUE PROGRAMME

BID / ISSUE OPENING DATE: MARCH 16, 2018

BID / ISSUE CLOSING DATE: MARCH 21, 2018

TABLE OF CONTENTS

| | |
|--|------------|
| SECTION I – GENERAL | 1 |
| DEFINITIONS AND ABBREVIATIONS | 1 |
| CERTAIN CONVENTIONS; PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA | 11 |
| FORWARD-LOOKING STATEMENTS | 13 |
| SECTION II: RISK FACTORS | 15 |
| SECTION III: INTRODUCTION | 36 |
| SUMMARY OF OUR INDUSTRY | 36 |
| SUMMARY OF OUR BUSINESS | 42 |
| SUMMARY OF FINANCIAL INFORMATION | 45 |
| THE ISSUE | 49 |
| GENERAL INFORMATION | 51 |
| CAPITAL STRUCTURE | 57 |
| SECTION IV – PARTICULARS OF THE ISSUE | 67 |
| OBJECTS OF THE ISSUE | 67 |
| BASIS FOR ISSUE PRICE | 72 |
| STATEMENT OF TAX BENEFITS | 75 |
| SECTION V – ABOUT THE ISSUER COMPANY | 77 |
| INDUSTRY OVERVIEW | 77 |
| BUSINESS OVERVIEW | 89 |
| KEY INDUSTRIAL REGULATIONS AND POLICIES | 107 |
| HISTORY AND CERTAIN CORPORATE MATTERS | 117 |
| OUR MANAGEMENT | 121 |
| OUR PROMOTER AND PROMOTER GROUP | 135 |
| OUR GROUP COMPANIES | 139 |
| DIVIDEND POLICY | 145 |
| SECTION VI – FINANCIAL INFORMATION | 146 |
| FINANCIAL STATEMENTS | 146 |
| MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS | 169 |
| FINANCIAL INDEBTEDNESS | 183 |
| SECTION VII – LEGAL AND OTHER INFORMATION | 191 |
| OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS | 191 |
| GOVERNMENT AND OTHER KEY APPROVALS | 202 |
| SECTION VIII – OTHER REGULATORY AND STATUTORY DISCLOSURES | 209 |
| SECTION IX – ISSUE RELATED INFORMATION | 221 |
| TERMS OF THE ISSUE | 221 |
| ISSUE STRUCTURE | 225 |
| ISSUE PROCEDURE | 228 |
| RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES | 275 |
| SECTION X - MAIN PROVISIONS OF ARTICLES OF ASSOCIATION | 276 |
| SECTION XI - OTHER INFORMATION | 315 |
| MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION | 315 |
| DECLARATION | 317 |

SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented or re-enacted from time to time.

The following list of defined terms is intended for the convenience of the reader only and is not exhaustive.

General Terms

| Term | Description |
|--|--|
| “Our Company”, “the Company”, “the Issuer”, “Karda Constructions Limited”, “KCL” | Karda Constructions Limited, a company incorporated under the Companies Act, 1956 and having its registered situated at 2 nd Floor, Gulmohar Status, Above Business Bank, Samarth Nagar, Nashik – 422 005 |
| “we”, “us” or “our” | Unless the context otherwise indicates or implies, refers to our Company |

Company related Terms

| Term | Description |
|---|---|
| AoA / Articles of Association | The articles of association of our Company, as amended from time to time. |
| Audit Committee | The audit committee of the Board of Directors described in the section entitled “ <i>Our Management</i> ” on page no. 121 of this Prospectus constituted in accordance with Section 177 of the Companies Act, 2013 and SEBI Listing Regulations. |
| Auditor of the Company (Statutory Auditor) | M/s. JPL & Associates, Chartered Accountants, having their office at 251, A- Wing, New JB Market, Near Professional Courier, Jalgaon- 425001. |
| Board of Directors / Board | The Board of Directors of Karda Constructions Limited, including all duly constituted Committees thereof. |
| Chief Financial Officer | Mr. Anil Nahata |
| Companies Act | Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 (to the extent notified) and /or Provisions of Companies Act, 1956 w.r.t. the sections which have not yet been replaced by the Companies Act, 2013 through any official notification. |
| Companies Act, 1956 | The Companies Act, 1956, as amended from time to time |
| Companies Act, 2013 | The Companies Act, 2013 published on August 29, 2013 and applicable to the extent notified by MCA till date. |
| Corporate Office | 2 nd Floor, Saikrupa Complex, Tilak Road, Muktidham, Nashik Road, Nashik – 422101. |
| Company Secretary and Compliance Officer | Mrs. Mayura Marathe |
| Corporate Social Responsibility Committee / CSR Committee | The corporate social responsibility committee of our Board of Directors described in the section entitled “ <i>Our Management</i> ” on page no. 121 of this Prospectus constituted in accordance with the Companies Act, 2013 |
| Depositories Act | The Depositories Act, 1996, as amended from time to time |
| Director(s) | The director(s) on the Board of our Company, unless otherwise specified |
| Equity Shares | Equity Shares of our Company of Face Value of ₹ 10 each unless otherwise specified in the context thereof |
| Equity Shareholders | Persons holding Equity Share of our Company |
| Group Companies | 1. Gurkar Hotels Private Limited (GHPL) 2. Karda Buildcon Private Limited (KBPL) 3. Shree Sainath Land & Development (India) Private Limited (SSLDIPL) |
| Indian GAAP | Generally Accepted Accounting Principles in India |
| Key Management Personnel/ KMPs | Key Management Personnel of our Company in terms of the Companies Act, 2013 and the SEBI ICDR Regulations as disclosed in the section entitled “ <i>Our Management</i> ” on page no. 121 of this Prospectus |

| Term | Description |
|--|--|
| MOA / Memorandum / Memorandum of Association | Memorandum of Association of Karda Constructions Limited. |
| Non Residents | A person resident outside India, as defined under FEMA. |
| Nomination and Remuneration Committee | Nomination and remuneration committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations |
| Promoter | The Promoter of our Company is Mr. Naresh Karda. For details, see “ <i>Our Promoter and Promoter Group</i> ” beginning on page no. 135 of this Prospectus |
| Promoter Selling Shareholder / Selling Shareholder | Mr. Naresh Karda |
| Promoter Group | Such persons, entities and companies constituting our promoter group pursuant to Regulation 2(1)(zb) of the SEBI ICDR Regulations as disclosed in the Chapter titled “ <i>Our Promoter, Promoter Group</i> ” on page no. 135 of this Prospectus. |
| Registered Office | The Registered Office of our company which is located at: 2 nd Floor, Gulmohar Status, Above Business Bank, Samarth Nagar, Nashik – 422 005 |
| Registrar of Companies /RoC | Registrar of Companies, Mumbai situated at Everest, 100, Marine Drive, Mumbai – 400 002 |
| Stakeholders’ Relationship Committee | Stakeholders relationship committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations. |

Issue Related Terms

| Term | Description |
|---|--|
| Acknowledgement Slip | The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form |
| Allot/Allotment/Allotted | The allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the respective portion of the Equity Shares offered by the Selling Shareholder pursuant to the Offer for Sale to the successful Bidders |
| Allotment Advice | Note or advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange |
| Allotees | A successful Bidder to whom the Equity Shares are Allotted |
| Application Supported by Blocked Amount/ ASBA | An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorize an SCSB to block the Bid Amount in the ASBA Account |
| ASBA Account | A bank account maintained with an SCSB and specified in the ASBA Form submitted by an ASBA Bidder, which will be blocked by such SCSB to the extent of the Bid Amount specified by a Bidder |
| Banker(s) to the Company | Such banks which are disclosed as Bankers to our Company in the chapter titled “ <i>General Information</i> ” on page no. 51 of this Prospectus. |
| Banker(s) to the Issue / Escrow Collection Bank | The banks which are Clearing Members and registered with SEBI as Banker to an Issue with whom the Escrow Agreement is entered and in this case being Axis Bank Limited. |
| Basis of Allotment | The basis on which the Equity Shares will be Allotted to successful Bidders under the Issue and which is described in the chapter titled “ <i>Issue Procedure</i> ” beginning on page no. 228 of this Prospectus |
| Bid / ASBA Bid | An indication to make an offer during the Bid/Issue Period by an ASBA Bidder pursuant to submission of the ASBA Form to subscribe to or purchase the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of this Prospectus and the Bid cum Application Form, and the term “Bidding” shall be construed accordingly |
| Bid Amount | The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account on submission of the Bid in the Issuer. |
| Bid cum Application Form / ASBA Form | A form, whether physical or electronic, used by Bidders (including ASBA Bidders which will be considered as the Bid for Allotment in terms of the Red Herring Prospectus and |

| Term | Description |
|--|--|
| | this Prospectus |
| Bid/Issue Closing Date | The date after which the Designated Intermediaries will not accept any Bids, which shall be published in all editions of Business Standard (a widely circulated English national daily newspaper), all editions of Business Standard (a widely circulated Hindi national daily newspaper) and regional editions of Divya Marathi (a widely circulated newspaper in Marathi which is the regional language of State of Maharashtra, where our Registered and Corporate Office is located) and in case of any revision, the extended Bid Closing Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations |
| Bid/Issue Opening Date | The date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in all editions of the English national newspaper, Business Standard, all editions of the Hindi national newspaper, Business Standard and regional edition of the Marathi regional newspaper, Divya Marathi (Marathi being the regional language of Maharashtra, where our Registered Office is located) |
| Bid/Issue Period | The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof. Provided however that all the Bidding shall be kept open for a minimum of three working Days for all categories of Bidders |
| Bid Lot | 80 Equity Shares |
| Bidder / ASBA Bidder | Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied |
| Bidding Centers | Centers at which Designated Intermediaries shall accept the ASBA Forms, i.e., Designated Branches for SCSBs, Specified Locations for Syndicate, Broker Centers for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs |
| Book Building Process/ Method | Book building process, as provided in Schedule XI of the SEBI ICDR Regulations, in terms of which the Issue is being made |
| Book Running Lead Manager/ BRLM | Aryaman Financial Services Limited |
| Broker Centres | Broker centres notified by the Stock Exchanges where Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Broker are available on the respective websites of the Stock Exchanges i.e. www.bseindia.com and www.nseindia.com |
| CAN / Confirmation of Allocation Note | The note or advice or intimation sent to each successful Bidder indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchanges. |
| Cap Price | The higher end of the Price Band, above which the Issue Price will not be finalized and above which no Bids will be accepted |
| Client ID | Client identification number maintained with one of the Depositories in relation to the demat account |
| Collecting Depository Participant or CDP | A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI |
| Controlling Branches | Such branches of SCSBs which coordinate Bids under the Issue with the BRLM, the Registrar and the Stock Exchanges, a list of which is available on the website of SEBI at http://www.sebi.gov.in . |
| Cut-off Price | Issue Price, as finalised by our Company and the Selling Shareholder, in consultation with the BRLM, which shall be any price within the Price Band. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price |
| Demographic Details | Details of the Bidders including the Bidders' address, name of the Bidder's father/husband, investor status, occupation and bank account details |
| Designated Locations | Such locations of the CDPs where ASBA Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of |

| Term | Description |
|--|--|
| | the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) |
| Designated Date | The date on which funds are transferred from the Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, in terms of the Red Herring Prospectus and this Prospectus, and the aforesaid transfer and instructions shall be issued only after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange |
| Designated Intermediaries / Collecting Agent | Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the ASBA Bidders, in relation to the Issue |
| Designated RTA Locations | Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) |
| Designated Stock Exchange | BSE Limited |
| Draft Red Herring Prospectus or DRHP | The Draft Red Herring Prospectus dated September 27, 2017 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue |
| Eligible NRI(s) | NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the ASBA Form and the Red Herring Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares |
| Escrow Account | An account opened with the Escrow Collection Bank |
| Escrow Agreement | The agreement dated December 15, 2017 entered into amongst our Company, the Selling Shareholder, the Registrar to the Issue, the BRLM, the Syndicate Members, the Escrow Collection Bank to receive monies from the Bidders through the SCSBs Bank Account on the Designated Date in the Public Issue Account. |
| First Bidder | Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names |
| Floor Price | The lower end of the Price Band, subject to any revision thereto, in this case being ₹ 175 per equity at or above which the Issue Price will be finalised and below which no Bids will be accepted |
| Fresh Issue | Fresh issue of 23,00,000 Equity Shares* of ₹ 10 each at a price of ₹ 180 per equity share aggregating to ₹ 4,140.00 lakhs by our Company * <i>Subject to finalisation of Basis of Allotment</i> |
| General Information Document/ GID | General Information Document prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI, suitably modified and included in "Issue Procedure" beginning on page no. 228 of this Prospectus |
| Issue | The public issue of 43,00,000 Equity Shares* of face value of ₹ 10 each for cash at a price of ₹ 180 each, aggregating to ₹ 7,740.00 lakhs comprising the Fresh Issue and the Offer for Sale. * <i>Subject to finalisation of Basis of Allotment</i> |
| Issue Agreement | The agreement dated September 01, 2017 amongst our Company, the Selling Shareholder and the BRLM, pursuant to which certain arrangements are agreed to in relation to the Issue. |
| Issue Price | The final price at which Equity Shares will be Allotted to Bidders. Issue Price will be decided by our Company and the Selling Shareholder in consultation with the BRLM on the Pricing Date. |
| Issue Proceeds | The proceeds of the Issue that are available to our Company and the Selling Shareholder |
| Maximum RIB Allottees | Maximum number of Retail Individual Investors who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to Retail Individual Bidders by the minimum Bid Lot |
| Mutual Fund | Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 |
| Mutual Fund Portion | 5% of the QIB Portion, or 21,500 Equity Shares* which shall be available for allocation |

| Term | Description |
|---|---|
| | to Mutual Funds only * <i>Subject to finalisation of Basis of Allotment</i> |
| Net Proceeds | Proceeds of the Fresh Issue less our Company's share of the Issue related expenses. For further details regarding the use of the Net Proceeds and the Issue expenses, see " <i>Objects of the Issue</i> " beginning on page no. 67 of this Prospectus |
| Non-Institutional Investors/NIIIs | All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for the Equity Shares for an amount more than ₹ 2,00,000 (but not including NRIs other than Eligible NRIs) |
| Non-Institutional Portion | The portion of the Issue being not less than 40% of the Issue consisting of 17,20,000 Equity Shares* which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price * <i>Subject to finalisation of Basis of Allotment</i> |
| Non-Resident | Person resident outside India, as defined under FEMA and includes a non-resident Indian, FIIs, FVCIs and FPIs |
| Non - Resident Indian | An individual resident outside India who is a citizen of India or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955, and shall have the meaning ascribed to such term in the FEMA Regulations |
| Offer for Sale | The offer for sale of 20,00,000 Equity Shares* by Mr. Naresh Karda at the Issue Price of ₹ 180 aggregating to ₹ 3,600.00 lakhs in terms of this Prospectus. * <i>Subject to finalisation of Basis of Allotment</i> |
| Price Band | Price band of a minimum price of ₹ 175 per Equity Share (Floor Price) and the maximum price of ₹ 180 per Equity Share (Cap Price) including any revisions thereof. The Price Band and the minimum Bid Lot for the Issue will be decided by our Company and the Selling Shareholder in consultation with the BRLM and will be advertised, at least five Working Days prior to the Bid/Issue Opening Date, in all editions of Business Standard (a widely circulated English national daily newspaper), all editions of Business Standard (a widely circulated Hindi national daily newspaper and regional editions of Divya Marathi (a widely circulated newspaper in Marathi which is the regional language of the state of Maharashtra, where our Registered and Corporate Office is located) |
| Pricing Date | The date on which our Company and the Selling Shareholder in consultation with the BRLM, will finalise the Issue Price |
| Prospectus | Prospectus to be filed with the RoC after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, <i>inter alia</i> , the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information, including any addenda or corrigenda thereto. |
| Public Issue Account | A bank account opened in accordance with the Companies Act, 2013 to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date. |
| Public Issue Bank | Bank which is a clearing member and registered with SEBI as a banker to an issue and with whom the Public Issue Account will be opened, in this case being Axis Bank Limited |
| QIB Category/ QIB Portion | The portion of the Issue being such number of Equity Shares to be allotted to QIBs on proportionate basis |
| Qualified Institutional Buyers / QIBs / QIB Bidders | Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations |
| Red Herring Prospectus or RHP | The Red Herring Prospectus dated March 05, 2018 issued in accordance with the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Issue including any addenda or corrigenda thereto The Red Herring Prospectus has been registered with the RoC at least three days before the Bid/Issue Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date |
| Refund Account | Account opened with the Refund Bank, from which refunds, if any, of the whole or part of the Bid Amount to the Bidders shall be made |
| Refund Bank | Bank which is a clearing member and registered with SEBI as a banker to an issue and with whom the Refund Account will be opened, in this case being Axis Bank Ltd. |
| Registered Brokers | Stock brokers registered with the stock exchanges having nationwide terminals, other than |

| Term | Description |
|---|--|
| | the BRLM and the Syndicate Members, eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI |
| Registrar to the Company | Registrar to the Company being Sharex Dynamic (India) Private Limited |
| Registrar / Registrar to the Issue | Registrar to the Issue being Bigshare Services Private Limited. |
| Registrar Agreement | The agreement dated September 02, 2017 entered into amongst our Company, the Selling Shareholder and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue |
| Registrar and Share Transfer Agents or RTAs | Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issue by SEBI |
| Retail Individual Investors / RII(s) | Individual Bidders other than Eligible employees bidding in Employee Reservation Portion, who have Bid for the Equity Shares for an amount not more than ₹ 2,00,000 in any of the Bidding options in the Issue (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs) |
| Retail Portion | The portion of the Issue being not less than 50% of the Issue consisting of 21,50,000 Equity Shares* which shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations subject to valid Bids being received at or above the Issue Price. * <i>Subject to finalisation of Basis of Allotment</i> |
| Revision Form | Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable. QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/Issue Period and withdraw their Bids until Bid/Issue Closing Date |
| Self Certified Syndicate Bank(s) or SCSB(s) | Banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI a https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 updated from time to time and at such other websites as may be prescribed by SEBI from time to time |
| Share Escrow Agent | Share Escrow Agent appointed pursuant to the Share Escrow Agreement, being Bigshare Services Private Limited. |
| Share Escrow Agreement | Agreement dated December 06, 2017 entered into between the Selling Shareholder, our Company, the Escrow Agent and the BRLM in connection with the transfer of Equity Shares under the Offer for Sale by the Selling Shareholder and credit of such Equity Shares to the demat account of the Allottees |
| Specified Locations | Bidding Centres where the Syndicate shall accept ASBA Forms from Bidders |
| Stock Exchanges | BSE Limited and National Stock Exchange of India Limited |
| Syndicate Agreement | The agreement dated February 23, 2018 entered into amongst the BRLM, the Syndicate Members, our Company, the Selling Shareholder and Registrar to the Issue in relation to collection of Bid cum Application Forms by the Syndicate |
| Syndicate | BRLM and the Syndicate Members |
| Syndicate Bidding Centres | Syndicate and Sub Syndicate centres established for acceptance of the Bid cum Application Form and Revision Forms |
| Syndicate Member | Intermediaries registered with SEBI who is permitted to carry out activities as an underwriter, namely, Aryaman Financial Services Limited and Aryaman Capital Market Limited. |
| Underwriters | Aryaman Financial Services Limited and Aryaman Capital Markets Limited |
| Underwriting Agreement | The Agreement among the Underwriters and our Company dated March 22, 2018 |
| Working Day | All days other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Issue Period, shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and with reference to the time period between the Bid/ Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, shall |

| Term | Description |
|------|--|
| | mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 |

Technical / Industry related Terms

| Term | Description |
|-----------------|---|
| ASSOCHAM | The Associated Chambers Of Commerce And Industry Of India |
| BCG | Boston Consulting Group |
| BFSI | Banking, Financial Services and Insurance |
| BPO | Business Process Outsourcing |
| BRLM | Book Running Lead Manager |
| CARE | Credit Analysis & Research |
| CAGR | Compound Annual Growth Rate |
| CERSAI | Central Registry Of Securitisation Asset Reconstruction and Security Interest |
| CMBS | Commercial Mortgage-Backed Securities |
| CSO | Central Statistics Organisation |
| DDT | Dividend Distribution Tax |
| DDU-GKY | Deen Dayal Upadhyaya Grameen Kaushalya Yojana |
| EBITDA | Earnings Before Interest, Tax, Depreciation And Amortization |
| EWS | Economically Weaker Section |
| FDI | Foreign Direct Investment |
| FSI | Floor Space Index |
| GDP | Gross Domestic Product |
| GST | Goods and Services Tax |
| HAL | Hindustan Aeronautics Ltd |
| HFCs | Housing Finance Companies |
| HIG | High Income Group |
| HRIDAY | Heritage City Development and Augmentation Yojana |
| IBEF | India Brand Equity Foundation |
| IMF | International Monetary Fund |
| IT | Information Technology |
| ITES | Information Technology Enabled Services |
| JNNURM | Jawaharlal Nehru National Urban Renewal Mission |
| KPO | Knowledge Process Outsourcing |
| LIG | Lower Income Group |
| MIDC | Maharashtra Industrial Development Corporation |
| MIG | Middle Income Group |
| m.s.ft./ m.s.f. | Meter Square Feet |
| NASSCOM | The National Association Of Software and Services Companies |
| NCR | National Capital Region |
| NHB | National Housing Bank |
| NH | National Highway |
| NPAs | Non-Performing Assets |
| OECD | Organisation For Economic Co-Operation and Development |
| PAT | Profit After Tax |
| PBT | Profit Before Tax |
| PE | Private Equity |
| PERE | Private Equity Investment In Real Estate |
| PHE | Public Health Engineering |
| PPP | Purchasing Power Parity |
| PRN | Permanent Registration Number |
| Psf | Per Square Feet |
| REITs | Real Estate Investment Trusts |
| RBI | Reserve Bank Of India |
| RERA | Real Estate Regulation and Development Act, 2016 |
| RCC | Reinforced Cement Concrete |

| Term | Description |
|---------|--|
| RK | Room Kitchen |
| SEZ | Special Economic Zone |
| SPVs | Special Purpose Vehicles |
| Sqm | Square meter |
| Sq. ft. | Square Feet |
| TDRs | Transferable Development Rights |
| YCMOU | Yashwantrao Chavan Maharashtra Open University |
| YTD | Year To Date |
| YoY | Year over Year |

Conventional Terms / General Terms / Abbreviations

| Term | Description |
|--|---|
| A/c | Account |
| ACS | Associate Company Secretary |
| AEs | Advanced Economies |
| AGM | Annual General Meeting |
| AIF | Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012 |
| AS / Accounting Standards | Accounting Standards as issued by the Institute of Chartered Accountants of India |
| ASBA | Applications Supported by Blocked Amount |
| AY | Assessment Year |
| BTI Regulations | Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994. |
| BSE | BSE Limited |
| CAD | Current Account Deficit |
| CAGR | Compounded Annual Growth Rate |
| CCI | Competition Commission of India |
| Category I Foreign Portfolio Investors / Category I FPIs | FPIs who are registered with SEBI as “Category I foreign portfolio investors” under the SEBI FPI Regulations. |
| Category II foreign portfolio investor(s) / Category II FPIs | FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations |
| Category III foreign portfolio investor(s) / Category III FPIs | FPIs who are registered as “Category III foreign portfolio investors” under the SEBI FPI Regulations |
| CDSL | Central Depository Services (India) Limited |
| CFO | Chief Financial Officer |
| CIN | Company Identification Number |
| CIT | Commissioner of Income Tax |
| Client ID | Client identification number of the Applicant’s beneficiary account |
| CSR | Corporate Social Responsibility |
| CST | Central Sales Tax |
| Depositories | NSDL and CDSL |
| Debt equity ratio | Total Debt (Long-term loans + Short-term loans + Current maturities of long- term loans) / Total Equity (Share Capital + Reserves & surplus) |
| DIN | Director Identification Number |
| DIPP | Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India |
| DP | Depository Participant |
| DP ID | Depository Participant’s identification |
| EBITDA | Earnings before interest, taxes, depreciation and amortisation = Total operating revenue (net) - total expenses (includes - cost of raw material and components consumed, purchase of traded goods, change in inventories of traded and finished goods, employee benefits expense and other expenses) |

| Term | Description |
|------------------------------|---|
| ECS | Electronic Clearing System |
| EOGM | Extraordinary General Meeting |
| EMDEs | Emerging Market and Developing Economies |
| EPS | Earnings Per Share |
| Equity Listing Agreement | Listing Agreement to be entered into by our Company with the Stock Exchanges |
| EU | European Union |
| EURO | Currency of European Union |
| FCNR Account | Foreign Currency Non Resident Account |
| FDI | Foreign Direct Investment |
| FEMA | Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed there under |
| FIIIs | Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India |
| FIPB | Foreign Investment Promotion Board |
| FPI(s) | Foreign portfolio investors as defined under the SEBI FPI Regulations |
| FVCI | Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations |
| FY / Fiscal / Financial Year | Period of twelve months ended March 31 of that particular year, unless otherwise stated |
| GAAR | General Anti Avoidance Rules |
| GDP | Gross Domestic Product |
| GoI/Government | Government of India |
| GST | Goods & Services Tax |
| HNI | High Networth Individuals |
| HUF | Hindu Undivided Family |
| IAS Rules | Indian Accounting Standards, Rules 2015 |
| ICAI | The Institute of Chartered Accountants of India |
| IFRS | International Financial Reporting Standards |
| Ind AS | Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015 |
| India | Republic of India |
| Indian GAAP | Generally Accepted Accounting Principles in India |
| I.T. Act | Income Tax Act, 1961, as amended from time to time |
| ICSI | Institute of Company Secretaries Of India |
| IPO | Initial Public Offering |
| ISIN | International Securities Identification Number |
| IST | Indian Standard Time |
| ISO | International Organization of Standardization |
| IT | Information Technology |
| KM / Km / km | Kilo Meter |
| KVA | Kilo Volt X Amps |
| LIBOR | London Inter Bank Offered Rate |
| LLP Act | Limited Liability Partnership Act, 2008 |
| Merchant Banker | Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 |
| MoF | Ministry of Finance, Government of India |
| MICR | Magnetic ink character recognition |
| MOU | Memorandum of Understanding |
| NA / N. A. | Not Applicable |
| NAV | Net Asset Value |
| NECS | National Electronic Clearing Service |
| NEFT | National Electronic Fund Transfer |
| NoC | No Objection Certificate |
| NRE Account | Non Resident External Account |
| NRIIs | A person resident outside India, who is a citizen of India or a person of Indian origin, and |

| Term | Description |
|--|--|
| | shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000 |
| NRO Account | Non Resident Ordinary Account |
| NSDL | National Securities Depository Limited |
| NSE | National Stock Exchange of India Limited |
| OCB / Overseas Corporate Body | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60.00% by NRIs including overseas trusts, in which not less than 60.00% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue. |
| p.a. | per annum |
| P/E Ratio | Price/Earnings Ratio |
| PAC | Persons Acting in Concert |
| PAN | Permanent Account Number |
| PAT | Profit After Tax |
| PLR | Prime Lending Rate |
| RBI | The Reserve Bank of India |
| ROE | Return on Equity |
| RONW | Return on Net Worth |
| Rupees / Rs. / ₹ | Rupees, the official currency of the Republic of India |
| RTGS | Real Time Gross Settlement |
| SCRA | Securities Contract (Regulation) Act, 1956, as amended from time to time |
| SCRR | Securities Contracts (Regulation) Rules, 1957, as amended from time to time |
| SEBI | Securities and Exchange Board of India |
| SEBI Act | Securities and Exchange Board of India Act, 1992 |
| 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 Investor) Regulations, 2000 |
| SEBI (ICDR) Regulations | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 |
| SEBI (SAST) Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 |
| SEBI (LODR) Regulations, 2015 / SEBI Listing Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified on September 2, 2015 |
| SEBI VCF Regulations | Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations |
| Sec. | Section |
| Securities Act | U.S. Securities Act of 1933, as amended |
| SICA | Sick Industrial Companies (Special Provisions) Act, 1985 |
| State Government | The government of a state in India |
| STT | Securities Transaction Tax |
| TIN | Taxpayers Identification Number |
| US/United States | United States of America |
| USD/ US\$/ \$ | United States Dollar, the official currency of the United States of America |
| U.S. Securities Act | U.S. Securities Act of 1933, as amended |
| VAT | Value added tax |
| VCF / Venture Capital Fund | Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations |

CERTAIN CONVENTIONS; PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

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

Financial Data

Unless stated otherwise, the financial data in this Prospectus is derived from our audited financial statements as on and for the Fiscal Years ended March 31, 2017, 2016, 2015, 2014 and 2013 and for six months period ended September 30, 2017 prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations and included in this Prospectus. Our Fiscal Year commences on April 1 and ends on March 31 of the following year. In this Prospectus, any discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off.

There are significant differences between Indian GAAP, U.S. GAAP and IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI Regulations on the financial disclosures presented in this Prospectus should accordingly be limited. We have not attempted to explain the differences between Indian GAAP, U.S. GAAP and IFRS 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. For details in connection with risks involving differences between Indian GAAP and IFRS, see “*Risk Factors*” on page no. 15 of this Prospectus.

Any percentage amounts, as set forth in the section titled “*Risk Factors*”, chapters titled “*Business Overview*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page nos. 15, 89 and 169 of this Prospectus, respectively, and elsewhere in this Prospectus, unless otherwise indicated, have been calculated on the basis of our audited financial statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations.

Currency, Units of Presentation and Exchange Rates

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

Exchange Rates

This Prospectus contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations and for the convenience of potential investors. With respect to presentation of such financial information in Indian Rupees, the conversion rates from certain foreign currencies into Indian Rupees have been calculated on the basis of the rates applicable as of the end of the relevant financial period, as specified in the table below. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate (in Rupees per Foreign Currency):

| Currency | As at September 30, 2017 | As at March 31, 2017 | As on March 31, 2016 | As on March 31, 2015 | As on March 31, 2014 | As on March 31, 2013 |
|----------|--------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 1 USD | 65.36 | 68.84 | 66.33 | 62.59 | 60.10 | 54.39 |
| 1 Euro | 77.06 | 69.25 | 75.10 | 67.51 | 82.58 | 69.54 |

(Source: <https://rbi.org.in>)

Note: Exchange rate is rounded off to two decimal places

- (i) *In the event that September 30 or March 31 of any of the respective years is a public holiday, the previous calendar day not being a public holiday has been considered.*
- (ii) *The above figures are based on the RBI reference rates.*

Definitions

For definitions, please see the Chapter titled “*Definitions and Abbreviations*” on page no. 1 of this Prospectus. In the Section titled “*Main Provisions of Articles of Association*” beginning on page no. 276 of this Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

Industry and Market Data

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

The extent to which the market and industry data used in this Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources. Accordingly, investment decisions should not be based solely on such information.

In accordance with the SEBI ICDR Regulations, “*Basis for Issue Price*” on page no. 72 of this Prospectus include information relating to our peer group entities. Such information has been derived from publicly available sources, and neither we, nor the BRLM has independently verified such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “*Risk Factors*” on page no. 15 of this Prospectus.

Further, in accordance with Regulation 51A of the SEBI ICDR Regulations and the Listing Regulations, as applicable, our Company may be required to undertake an annual updation of the disclosures made in this Prospectus and make it publicly available in the manner specified by SEBI.

FORWARD-LOOKING STATEMENTS

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

Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

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

- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Inability to identify the new premises may adversely affect the operations, finances and profitability of the Company
- Uncertainty regarding the housing market, real estate prices, economic conditions and other factors beyond our control
- Inability to identify or effectively respond to consumer needs, expectations or trends in a timely manner;
- Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various projects
- Volatility of Housing Loan interest rates and inflation
- Our failure to keep pace with rapid changes in technology;
- Our ability to meet our further capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- Conflict of Interest with affiliated companies, the promoter group and other related parties
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in government policies and regulatory actions that apply to or affect our business.
- The performance of the financial markets in India and globally;
- The occurrence of natural disasters or calamities;
- Failure to successfully upgrade our products and service portfolio, from time to time; and

For further discussions of factors that could cause our actual results to differ, please see the section titled “*Risk Factors*”, chapters titled “*Business Overview*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page nos. 15, 89 and 169 of this Prospectus, respectively.

Neither our Company, our Directors, our Promoter, the Selling Shareholder, the BRLM nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the

date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company will ensure that investors in India are informed of material developments from the date of this Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges. In accordance with SEBI requirements and as prescribed under applicable law, the Selling Shareholder will ensure that investors are informed of material developments in relation to statements and undertakings made by the respective Selling Shareholder from the date of this Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges. Further, in accordance with Regulation 51A of the SEBI ICDR Regulations, our Company may be required to undertake an annual updation of the disclosures made in this Prospectus and make it publicly available in the manner specified by SEBI.

SECTION II: RISK FACTORS

An investment in Equity Shares involves a high degree of financial risk. You should carefully consider all information in this Prospectus, including the risks described below, before making an investment in our Equity Shares. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, as well as the other risks and uncertainties discussed in this Prospectus, could have a material adverse effect on our business and could cause the trading price of our Equity Shares to decline and you may lose all or part of your investment. In addition, the risks set out in this Prospectus are not exhaustive. Additional risks and uncertainties, whether known or unknown, may in the future have material adverse effect on our business, financial condition and results of operations, or which we currently deem immaterial, may arise or become material in the future. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with the sections entitled “Business Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page nos. 89 and 169 of this Prospectus respectively as well as other financial and statistical information contained in this Prospectus. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other risks mentioned herein.

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

Materiality

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

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

Internal Risk Factors

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

Our Company, our Promoter and our Directors are parties to certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts, tribunals and forums. Mentioned below are the details of the proceedings involving our Company, our Promoter and our Directors as on the date of this Prospectus along with the amount involved, to the extent quantifiable, based on the materiality policy for litigations, as approved by the Company in its Board meeting held on August 04, 2017.

| Sr. No. | Nature of Case | No. of Outstanding cases | Amount in dispute/demanded to the extent quantifiable (in ₹) |
|-------------|--|--------------------------|--|
| I. | Litigations against our Company | | |
| (a) | Employees Provident Fund | 1 | Not Quantifiable |
| (b) | Others | 2 | Not Quantifiable |
| II. | Litigations filed by our Company | | |
| (a) | Income Tax | 3 | 4,35,18,770 |
| (b) | Sales Tax | 1 | 58,46,320/- |
| (c) | Others | 1 | Not Quantifiable |
| III. | Litigations filed against our Directors | | |

| | | | |
|---|------------|---|------------------|
| (a) | Criminal | 1 | Not Quantifiable |
| IV. Litigations filed by our Directors | | | |
| (a) | Income Tax | 7 | 8,93,27,753/- |
| (b) | Criminal | 1 | Not Quantifiable |

The amounts mentioned above may be subject to additional interest rates and/or penalties being levied by the concerned authorities for delay in making payment or otherwise. Amount of interest and/ or penalty that may be levied is unascertainable as on the date of this Prospectus.

There can be no assurance that these litigations will be decided in our favour or in favour of our Company, Promoter and Directors, respectively, and consequently it may divert the attention of our management and Promoter and waste our corporate resources and we may incur significant expenses in such proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. If such claims are determined against us, there could be a material adverse effect on our reputation, business, financial condition and results of operations, which could adversely affect the trading price of our Equity Shares. For the details of the cases filed by and against our Company, Promoter and Directors please refer the chapter titled “Outstanding Litigations and Material Developments” on page no. 191 of this Prospectus.

2. ***We require certain approvals and licenses in the ordinary course of business and are required to comply with certain rules and regulations to operate our business, and the failure to obtain, retain and renew such approvals and licences or comply with such rules and regulations, and the failure to obtain or retain them in a timely manner or at all may adversely affect our operations.***

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

As on date of this Prospectus, our Company is required to obtain the following approvals:

- Registration Certificate of Establishment under the Goa, Daman and Diu for the Company’s office situated at House No. R-6, Sai Residency, near Amrai Housing Society, Curti, Ponda, Goa

The Company has recently opened this office as a liasoning office for the local Goa government contracts recently awarded to the Company and hence due to procedural delays was unable to complete this formality. Our Company may be liable to penalty or fine as provided under the Goa, Daman and Diu Shops and Establishments Act, 1973 for the same.

Further, as on date of this Prospectus, Our Company has not obtained renewal to the:

- Certificate of Registration under Real Estate (Regulation and Development) Act, 2016 dated July 10, 2017 bearing registration No. P5160000228 issued by the Authorized Officer, Maharashtra Real Estate Regulatory Authority for the project: Hari Naman.

Our Company may be liable to penalty or fine as provided under the Real Estate (Regulation and Development) Act, 2016 and also may be adversely affected in its ability to sell and market its projects. For further details in this regard, please refer “Risk Factor No. 22 – Inability to comply with the provisions of RERA may subject us to penal consequences there under.” on page no. 23 of this Prospectus.

In addition, we and our sub-contractors are subject to laws and regulations relating to, among others, environmental approvals in respect of the project, minimum wages, working hours, health and safety of our labourers and requirements of registration of contract labour. Although we believe that our contractual

arrangements are substantially in compliance with such laws and regulations, statutory authorities may allege non-compliance and we cannot assure you that we will not be subject to any such regulatory action in the future, including penalties, seizure of land and other civil or criminal proceedings. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change, we may incur increased costs, be subject to penalties or suffer a disruption in our business activities, any of which could adversely affect our results of operations. For further details, please see chapters titled “*Key Industry Regulations and Policies*” and “*Government and Other Statutory Approvals*” at page nos. 107 and 202 respectively of this Prospectus.

3. *We generate our entire sales from our operations in certain geographical regions of Nashik, Maharashtra and any adverse development affecting our operations in these regions could have an adverse impact on our revenue and results of operations.*

Our entire revenues have been derived from projects situated in Nashik, Maharashtra. Such geographical concentration of our real estate and construction business in Nashik, heightens our exposure to adverse developments related to competition, as well as economic and demographic changes in these regions which may affect our business prospects, financial conditions and results of operations. Also, any localized social unrest, natural disaster or breakdown of services and utilities in and around Nashik could have material adverse effect on our business, financial position and results of operations.

Further, we may not be able to leverage our experience in Nashik region to expand our operations in other parts of India. In addition as we enter new markets and geographical areas, we are likely to compete not only with national developers, but also local developers who have an established local presence, are more familiar with local regulations, business practices and customs, have stronger relationships with local contractors, suppliers, relevant government authorities and who are in a stronger financial position than us.

4. *We have recently diversified our portfolio of business activities to include Construction Contracts.*

Since incorporation our Company has been engaged in the business of real estate development in Nashik and has proven its capabilities in this sector by successfully delivering significant amount of real estate. Recently in order to expand its portfolio of services and explore other business segments our Company ventured into Government as well as private sector Construction Contracts, leading to a conglomerate diversification. Our Company has not engaged itself in these business activities in the past and accordingly our experience in respect of these activities is limited.

5. *Our business is heavily dependent on the performance of, and the prevailing conditions affecting, the real estate market in Nashik and in India generally.*

Our real estate projects are located primarily in Nashik. As on date of this Prospectus, all our Completed, Ongoing and Planned projects are located in Nashik. For details of our projects and land reserves, please see the section entitled “*Business Overview*” on page no. 89 respectively of this Prospectus. As a result, our business, financial condition and results of operations have been and will continue to be heavily dependent on the performance of, and the prevailing conditions affecting, the real estate market in Nashik and in India generally.

The real estate market in Nashik and in India generally may be affected by various factors outside our control, including, among others:

- prevailing local economic, income and demographic conditions;
- availability of consumer financing (interest rates and eligibility criteria for loans);
- availability of and demand for properties comparable to those we develop;
- changes in governmental policies relating to zoning and land use;
- changes in applicable regulatory schemes; and
- the cyclical nature of demand for and supply of real estate.

These factors may result in fluctuations in real estate prices and the availability of land, which may negatively affect the demand for and the value of our projects, and may result in delays to or the cancellation of our projects, the cancellation of sales bookings or the termination of lease agreements. During times of crisis, market sentiment may be adversely affected, buyers may become cautious, rentals of office space may face downward pressure and sales or collections could be adversely affected which may have a material adverse effect on our financial condition and results of operations.

Our inability to acquire adjoining parcels of land may also affect some of our existing and future development activities as we acquire parcels of land at various locations, which can be subsequently consolidated to form a single land area, upon which we can undertake development. Any failure to acquire neighbouring parcels of land in the future on terms that are acceptable to us, or at all, may cause a delay or force us to abandon or modify our development plans, which may adversely affect our returns on our initial investment.

6. Our operations could be adversely affected by changes to the FSI/TDR regime in Nashik.

We and other developers are subject to municipal planning and land use regulations in effect in Nashik and in other cities in India, which limit the maximum square footage of completed buildings we may construct on plots to specified amounts, calculated based on a ratio of maximum floor space of completed buildings to the surface area of each plot of land (the floor space index, or “FSI”).

Transferable Development Rights (“TDRs”), in the form of a Development Rights Certificate granted by the relevant statutory authority, provide a mechanism by which a person, who is unable to use the available FSI of his/her plot for various reasons, is permitted to use the unused FSI on other properties in accordance with applicable regulations or transfer the unused FSI to a third party. Some of our development sites may be reserved for public purposes or for providing public amenities such as roads, gardens, playgrounds, hospitals and schools. If we decide to develop such sites, we are required to develop them in accordance with the applicable reservation and hand over the completed development to the relevant authority. In return, we are compensated by grants of TDRs in the form of FSI, which can be used by us within the same development or, subject to certain restrictions, within another development or transferred to a third party.

Sometimes, a development site has potential for development, but FSI has already been consumed. In such cases, we can acquire FSI by way of TDRs and utilise it on such developments. For example, we acquire TDRs from third parties to enable us to build beyond the approved limit for our buildings (therefore resulting in an increase in the total Saleable Area of our projects). If we are unable to acquire such TDRs or if we are unable to acquire them at the expected price, then this may impact our ability to complete certain projects due to us having insufficient FSI or because of a significant increase in the cost of completing such projects. The price and availability of TDRs may have an adverse affect on our ability to complete our projects and on our financial condition and results of operations.

7. We had negative net cash flows in the past and may do so in the future.

The details of Cash flows of the Company as per restated financial statement are as follows:

(₹ in lakhs)

| Particulars | As on Sept 30, 2017 | Financial Year Ended March 31, | | | | |
|---|---------------------|--------------------------------|------------|------------|----------|------------|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Net Cash flow from Operating activities | 2,272.78 | 4,061.10 | 488.34 | (2,526.37) | (367.23) | (3,100.72) |
| Net Cash Flow from Investing Activities | (4.95) | (932.97) | 928.10 | (761.94) | 101.28 | (19.67) |
| Net Cash Flow from Financing Activities | (2,199.01) | (3,020.78) | (2,020.36) | 3,685.10 | 140.70 | 3,331.72 |

In the last two financial years our Company has positive cash flows from operating activities, however if we are unable to continue this trend in future, our Company may not be able to generate sufficient amounts of cash flow to finance our Company’s working capital, make new capital expenditure, pay dividends, repay loans, make new investments or fund other liquidity needs which could have a material adverse effect on our business and results of operations.

8. Our Group Companies are engaged in the line of business similar to our Company. There are no non - compete agreements between our Company and such Group Companies. We cannot assure that our Promoter will not favour the interests of such Companies over our interest or that the said entities will not expand which may

increase our competition, which may adversely affect business operations and financial condition of our Company.

Our Group Companies namely, Karda Buildcon Private Limited, and Shree Sainath Land & Development (India) Private Limited, are engaged in the similar line of business of real estate development, as of our Company. Also, our Group Company, Gurkar Hotels Private Limited, though does not carry out any activities similar to ours, it is authorised by its MoA to carry on activities similar to us. Further, we have not entered into any non-compete agreement with any of said entities. Further some of our Promoter Group entities running as proprietary or partnership firms have also been undertaking real estate activities. We cannot assure that our Promoter who has common interest in said entities will not favour the interest of the said entities. As a result, conflicts of interests may arise in allocating business opportunities amongst our Company and our Group Companies in circumstances where our respective interests conflict. In cases of conflict, our Promoter may favour their companies in which our Promoter has interest. There can be no assurance that our Promoter or our Group Companies or members of the Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition which may adversely affect our profitability and results of operations. For further details, please refer to “Common Pursuits” on page no. 136 of this Prospectus.

- 9. Our Promoter and Directors have given personal guarantees in relation to borrowings made by the Company from Banks. In the event of default on the debt obligations, the personal guarantees may be invoked thereby adversely affecting our Promoter’s, Director’s ability to manage the affairs of our Company and consequently impact our business, prospects, financial condition and results of operations.**

Our Company has availed Credit facilities from The Navjeevan Co-op Bank Ltd, Axis Bank Limited and State Bank of India which is currently outstanding on September 30, 2017. Basic terms and conditions of the said facility stipulate that the facility shall be secured by personal guarantee of our Promoter, and Directors namely:

| Sr. No. | Name of the Bank | Personal Guarantee |
|---------|---|---|
| 1 | The Navjeevan Co-operative Bank Limited | Joint and several guarantee of all directors in their individual capacity |
| 2 | Axis Bank Limited | Personal guarantee of Mr. Naresh Karda and Mr. Manohar Karda |
| 3 | State Bank of India | Personal guarantee of Mr. Naresh Karda, Mr. Manohar Karda, Mrs. Disha Karda and Mr. Prem Karda. |

In event of default on the debt obligations, the security or personal guarantees may be invoked thereby adversely affecting the ability of our Promoter and Directors to manage the affairs of our Company and consequently impact our business, prospects, financial condition and results of operations of the Company. For further details in this regard, please refer to section titled “Financial Indebtedness” on page no. 183 of the Prospectus.

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

Our Company has entered into related party transactions with our Promoter, Directors and other related parties as summarized below:

(₹ in lakhs)

| Particulars | Sept 30, 2017 | For the year ended March 31, | | | | |
|--|---------------|------------------------------|------------|------------|------------|----------|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| 1) Finance | | | | | | |
| Loan Taken | 1,759.51 | 2,932.53 | 752.34 | 1,768.86 | 1,735.78 | 518.35 |
| Repayment of Loan taken | (1,355.94) | (2,792.82) | (355.24) | (1,789.66) | (1,769.51) | (557.52) |
| Capital Introduced (Partnership Firms) | (1,302.18) | (1,619.90) | (7,927.42) | (625.57) | (1,473.71) | (134.27) |
| Capital Withdrawn (Partnership Firms) | 2,128.72 | 2,981.70 | 7,887.75 | 1,593.71 | 377.30 | 203.52 |
| 2) Expenses | | | | | | |
| Salary/ Remuneration | 24.00 | 48.00 | 48.00 | 48.00 | 48.00 | 48.00 |

| | | | | | | |
|--|--------|--------|-------|-------|--------|-------|
| Rent Expenses | 9.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 |
| Material Purchased | 23.95 | 40.62 | 33.70 | 66.25 | - | - |
| Interest Expenses | 114.16 | 182.00 | 2.88 | - | 41.43 | 11.09 |
| 3) Incomes | | | | | | |
| Share of Profit from Partnership firms | 230.83 | 45.76 | 57.41 | 12.80 | 5.71 | 7.71 |
| Rent Earned | 0.93 | 1.86 | - | - | - | - |
| Interest Income | - | - | 3.16 | 7.12 | 111.12 | 85.96 |

Further, we have recently entered into a Works Contract Agreement with one of Group Companies, Shree Sainath Land & Development (India) Pvt. Ltd. for construction on residential building in Deolali, Maharashtra on a turnkey basis for an amount of ₹ 1,892.49 lakhs. We cannot be assured that we shall be able to adopt necessary measures for mitigating any conflicts arising and hence the same if not managed well, could adversely affect our results of operations and financial condition.

While our Company believes that all such transactions have been conducted on the arms length basis, there can be no assurance that it could not have been achieved on more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that our Company will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will continue to be at arms length basis and will not have an adverse effect on our financial condition and results of operation. For details, please refer to “Annexure XXV - Related Party Transactions” under section titled “Financial Statements” on page no. 164 of this Prospectus.

11. We have certain contingent liabilities and our cash flows, financial condition and profitability may be adversely affected if any of these contingent liabilities materialise.

As of September 30, 2017, the following contingent liabilities were not provided for in our Restated Financial Statements:

(₹ in lakhs)

| Sr. No. | Particulars | As at September 30, 2017 |
|---------|---|--------------------------|
| 1 | Guarantee given for loan taken by Karda Infrastructure | 500.00 |
| 2 | Guarantee given/ Co-Borrower for loan taken by Shree Sainath Land & Development (India) Pvt. Ltd. | 3,643.61 |
| 3 | Income Tax for AY 2010-11 | 200.00 |
| 4 | Sales tax for FY 2012-13 | 58.46 |
| 5 | Income Tax for AY 2014-15 | 31.28 |
| 6 | Income Tax for AY 2015-16 | 203.91 |
| | TOTAL | 4,637.26 |

If any of these contingent liabilities materialize, we may have to fulfill our payment obligations, which may have an adverse impact on our cash flows, financial conditions and results of operations. For further details, see the section titled “Financial Statements” on page no. 146 of this Prospectus.

12. The funds proposed to be utilised for general corporate purposes may constitute 22.64% of the Net Proceeds of the Fresh Issue Proceeds

The Company intends to use the Fresh Issue Proceeds for the purposes described in the section titled “Objects of the Issue” on the page no. 67 of this Prospectus. Our Company upon finalisation of the price as per the Book Building method may utilise an amount constituting 22.64% of the Net proceeds of the Fresh Issue Proceeds towards general corporate purposes. The Objects for which we will be using this amount shall include capital expenditure for the various operations of our Company, strategic initiatives, meeting exigencies and approved penalties, brand building exercises or any other purposes as approved by our Board. As of date, our Board has not yet authorised any specific commitments or acts, with respect to utilisation of the portion of the Fresh Issue Proceeds which will be used for the general corporate purposes.

13. The Company has made investments the same involves a substantial degree of liquidity risk.

As of March 31, 2017 and September 30, 2017, we have made investments in unquoted equity instruments, property, mutual funds, our Associates and partnership firms, of approximately ₹ 1,981.84 lakhs and ₹ 2,492.24 lakhs as per our restated financial statements. These investments may be illiquid and we may not be able to realise any benefits or may have to defer their realisation potentially for a considerable period of time.

Further, we may incur additional costs or be unable to participate in other opportunities which could have been more lucrative and thereby adversely affecting our financial condition and results of operations.

14. *The completion of our projects can be delayed on account of our dependency on our contracted labour force.*

Our projects require the services of third parties including architects, engineers, contractors and suppliers of labour and materials. The contractual construction work of our projects is performed by third party sub-contractors. The timely and quality construction of our projects depends on availability and skill of such third parties, as well as contingencies affecting them, including labour and raw material shortages. Even though; so far there has not been any such material delay in the completion of our projects due to our dependence on contracted labour force; we may (in the future) not be able to identify appropriately experienced third parties and cannot assure you that skilled third parties will continue to be available at reasonable rate and in area in which we undertake our present and future projects. As a result we may be required to make additional investments or provide additional services to ensure adequate performance and delivery of contracted services. Any consequent delay in project execution could adversely affect our profitability. Further we cannot assure you that the services rendered by these contractors will be satisfactory or match our requirements for quality. Additionally our operations may be adversely affected by circumstances beyond our control such as work stoppages, labour disputes and shortage of qualified skilled labour or lack of availability of adequate infrastructure.

15. *We cannot assure you that the construction of our projects will be free from any and all defects.*

We cannot assure you that we will always finish the construction or development of our projects in accordance with the requisite specifications or that the construction of our projects will be free from any and all defects. If the work is unsatisfactory, the work has to be redone as per the instructions of Site in Charge without any extra cost. In the event of discovery of defects/faults in our work, or due to damages to our construction due to factors beyond our control, or any of the other reasons, we may incur significant contractual liabilities and losses under our projects contracts and such losses may materially and adversely affect our financial performance and results of operations.

Further, it may result in cancellation by customers of any commitment to purchase in our real estate projects and/or refund of any advance deposited with us by any customer as a guarantee for purchase in our real estate projects, dissatisfaction among our customers, resulting in negative publicity, consumer litigation and lack of confidence among future buyers for our projects and all these factors could adversely affect our business, financial condition and results of operations. However, to safeguard the loss to an extent, majority of the contracts which we enter with our sub-contractees includes a clause relating to forfeiture of their security deposit in case of unsatisfactory work carried out by them.

16. *Our Company has availed ₹ 1,106.00 lakhs as unsecured loan which are repayable on demand. Any demand from the lenders for repayment of such unsecured loan may affect our cash flow and financial condition.*

Our Company as per the restated audited financial statement as on September 30, 2017 has availed total sum of ₹ 1,106.00 lakhs as unsecured loan which may be recalled at any time. Sudden recall may disrupt our operations and also may force us to opt for funding at higher interest rates, resulting in higher financial burden. Further, we will not be able to raise funds at short notice and thus result in shortage of working capital fund. For further details, please refer to the section “Unsecured Loans” under “Financial Statements” beginning on page no. 146 of this Prospectus. Any demand for the repayment of such unsecured loan, may adversely affect our cash flow and financial condition.



17. *We do not own the registered office from which we operate. Any dispute in relation to use of the premises would have a material adverse effect on our business and results of operations.*



The registered office of our company is located at 2nd floor, Gulmohar Status, above Business Bank, Samarth Nagar Nashik – 422 005. The said property is not owned by us and has been taken on lease. For further details regarding the terms and conditions of these properties refer “Property” on page no. 105 of this Prospectus. Any failure to renew the said agreement could force us to procure new premises, including substantial time and cost of

relocation or procure new premises. In addition, we may not be able to identify satisfactory new premises or may have to incur substantial additional costs towards those premises. Any of the aforesaid could have a material adverse effect on our business, results of operation and financial condition.

18. *We operate from a premise for which we do not have any formal agreement. Any dispute in relation to use of the premises would have a material adverse effect on our business and results of operations.*

We operate from a premises namely, Sai Kripa Commercial Complex, Tilak Road, Opp Muktidham, Nasik Road, Nashik – 422 214, Maharashtra, which is owned and provided by the Promoter for our business purpose. We have not entered into any formal agreement with our promoter for this premise. However, we do have an oral agreement and we have been using this premise for a few years. We believe that our relation with our Promoter is cordial as of now, but in absence of the formal agreement, we may be asked to vacate the premises with a shorter notice, which will adversely affect our operations and financial condition. For more information, please refer chapter titled “*Business Overview*” on page no. 89 of this Prospectus.

19. *Any infringement of our registered corporate logos  and  or failure to protect it may adversely affect our business.*

Our corporate logos  and  are registered with the Registrar of Trademarks under Trademark Nos. 2329723 and 2329722. Given the nature of our business, we cannot assure you that our corporate logos will not be infringed by our competitors and third parties, which may expose us to expensive legal proceedings and the same can have an adverse effect on our business, results of operations and financial condition. Our Company also may not be able to take timely steps to curb such infringement or adequately protect our intellectual property data, trade secrets or proprietary technology from infringement by competitors. Any litigation undertaken to protect our intellectual property could be time consuming and costly and the outcome thereof cannot be guaranteed. Such infringement may also lead to our Company losing business to such competitors and might adversely affect our goodwill. For further details please refer to section titled “*Government and Other Approvals*” beginning on page no. 202 of this Prospectus.

20. *Our Company has, Post filing of the Draft Red Herring Prospectus with SEBI and the Stock Exchanges, replaced a Director due to disqualification of that Director under section 164(2) of the Companies Act, 2013.*

Our Company has, Post filing of the Draft Red Herring Prospectus with SEBI and the Stock Exchanges, replaced a Director. One of our Non-Executive Independent Directors as mentioned in the Draft Red Herring Prospectus, Mr. Mohan Gurnani (DIN: 00347916), was declared as a disqualified director under section 164(2)(a) of the Companies Act, 2013 due to which he was ineligible to be a Director of our Company. Accordingly, our Company on February 16, 2018, replaced Mr. Mohan Gurnani and appointed Mr. Sandeep Shah (DIN: 06402659) as a Non-Executive Independent Director of our Company.

Further, since our Company was unable to disclose this Post-DRHP development to SEBI on a timely basis, SEBI has issued a warning letter to the Company dated March 01, 2018 informing the Company that the non-compliance has been viewed seriously, further advising the Company to be careful in the future and to improve the compliance standards to avoid recurrences of such lapses. Any future such occurrence or any other non-compliance may result in penalty and / or other non-monetary repercussions which would adversely affect our share price, day-to-day operations and reputation of Company.

21. *Changes in market conditions between the time that we acquire land, enter into development agreements, construct and ultimately sale, may affect our ability to achieve the estimated profits out of our projects or at all, which could adversely affect our revenues and earnings.*

There is a time gap between our acquisition of land or development rights to the land and the development and sale of our projects, during which, we may be exposed to risks of fluctuation in market value of land. Any downward changes in the market value of land could have a material adverse effect on our business. Our ability to mitigate the risk of any market value fluctuations is limited by the illiquid nature of real estate investments. We could be adversely affected if the market conditions deteriorate or if we purchase land at higher prices and the value of the land subsequently declines subsequently. As a result, we may experience fluctuations in property values and rental income over time which in turn may adversely affect our business, financial condition and results of operations.

22. *We have issued Equity Shares in the last 12 months at a price which may be lower than the Issue Price.*

We have issued certain Equity Shares in the last twelve months, at a price that may be lower than the Issue Price. Details of such issuances are given in the table below:

| Date of Allotment | Name of the Allottees | Number of Shares | Issue Price (₹) | Nature of Allotment |
|-------------------|-----------------------|------------------|-----------------|---------------------|
| July 24, 2017 | Mr. Naresh Karda | 7,60,000 | Nil | Bonus Allotment |
| | Mr. Prem Karda | 59,000 | | |
| | Mr. Laxman Karda | 55,000 | | |
| | Mr. Manohar Karda | 37,000 | | |
| | Mrs. Disha Karda | 25,000 | | |
| | Mr. Karamchand Karda | 34,000 | | |
| | Mrs. Bharti Karda | 10,000 | | |
| | Mrs. Neha Prem Karda | 10,000 | | |
| | Mrs. Komal Karda | 10,000 | | |

23. Inability to comply with the provisions of RERA may subject us to penal consequences there under.

We are required to be compliant with the provisions of the RERA viz. the recently enacted legislation to regulate the real estate sector. RERA has inter-alia prescribed (i) registration of construction projects, (ii) conditions to monitor the funds allocated towards each project and placed restrictions on the usage of the same, (iii) submission of specific details of the projects for public access, (iv) disclosure of timeline for construction, completion and delivery of project and (v) regulation of the advertising of the projects. Even though until now there have been no instances of non-compliance with its provisions; failure to comply with the requirements of RERA in the future (if any) may subject us to penalties upto 10% of the project costs and/or imprisonment.

24. Certain information in this Prospectus is based on management estimates which may change, and we cannot assure you of the completeness or the accuracy of other statistical and financial data contained in this Prospectus.

Certain information contained in this Prospectus, such as the amount of land or development rights owned by us, the location and type of development, the Carpet/Saleable Area, estimated construction commencement and completion dates, and our intended use of proceeds of the Issue, is based solely on management estimates and our business plan and has not been appraised by any bank, financial institution or independent agency. The total area of property that is ultimately developed and the actual total Saleable Area may differ from the descriptions of the property presented herein and a particular project may not be completely booked, sold, or developed until a date subsequent to the expected completion date.

We may also have to revise our funding estimates, development plans (including the type of proposed development) and the estimated construction commencement and completion dates of our projects depending on future contingencies and events, including, among others:

- changes in laws and regulations;
- competition;
- receipt of statutory and regulatory approvals and permits;
- irregularities or claims with respect to title to land or agreements related to the acquisition of land;
- the ability of third parties to complete their services on schedule and on budget;
- delays, cost overruns or modifications to our ongoing and planned projects;
- commencement of new projects and new initiatives; and
- changes in our business plans due to prevailing economic conditions.

In addition, while facts and other statistics in this Prospectus relating to India, the Indian economy, as well as the Indian real estate sector have been based on various publications and reports from agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials. Industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisers and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the section entitled “*Industry Overview*”. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon.

- 25. We have entered into joint development agreements with third parties to acquire construction and/or land development rights. Such agreements contain conditions and requirements, the non-fulfilment of which could result in delays or inability to implement and complete our projects as contemplated.**

Some of our On-going projects are in joint development agreement with third parties. The agreement confers rights on us to construct and develop the land. Such project involves working together with several third parties and our relationships are governed by such joint development agreement. Though we are generally empowered to make all operating decisions for development of the project, we may be required to make certain decisions in consultation with such parties. These arrangements may limit our flexibility to make certain decisions in relation to the projects. In the event of any delay in the completion of the project within the envisaged time frame, we may be required to indemnify and compensate land owners who are also a party to the joint development agreement. Any disputes that may arise between us and our joint development agreement parties may cause delay in completion, suspension or complete abandonment of the project we undertake. This may have a material adverse effect on our business, financial condition and reputation.

- 26. We face significant risk with regard to length of time needed to complete each project and there could be unscheduled delays and cost overruns in relation to our ongoing and future projects.**

We have so far delivered over 10 lakhs sq. ft to our customers and we are currently on schedule to deliver over 15 lakhs sq. ft of real estate in the coming few years. There have not been any material past instances of unscheduled delays and cost overruns with respect to our completed projects that have caused serious cost overruns. However; our business is extremely dynamic in nature and there could be unscheduled delays and cost overruns in relation to our ongoing or forthcoming projects. The time it takes to complete a project generally ranges between 18 months to 60 months depending upon type of project. During this time there can be changes to the national, state and local business climate and regulatory environment, local real estate market conditions, perception of prospective customers with respect to the convenience and attractiveness of the project and changes with respect to competition from other property developments. Further, any changes to the business environment such as non availability of raw materials or increase in cost of construction materials during such time may affect the cost and revenues associated with the project and may ultimately affect the profitability of a project.

Additionally, there could be unscheduled delays and cost overruns in relation to ongoing and future projects and we cannot assure you that we will be able to complete these projects within the expected budgets and time schedules at all. Further, we may be penalized from our client for delay in completion of project.

- 27. Increased raw material, labour and other costs, may adversely affect our results of operation and feasibility of our development plan.**

As our company is significantly into construction of residential and residential-cum-office space projects, our business would adversely be affected by availability cost and quality of raw materials and labour. The prices and supply of raw materials and labour depend on factors not under our control, including general economic conditions, competition, production levels, transportation costs etc. Additionally inflation would play a critical role in the cost of construction and could directly impact the profitability of the company. We cannot assure you that we will be able to procure raw material and labour at competitive prices. In addition, during the period of significant increases in prices of raw materials, we may not be able to pass price increases to our customers, which would reduce or eliminate our profits.

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

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

- 29. Our insurance coverage may be inadequate, as a result of which the loss or destruction of our assets could have a material adverse effect on our financial condition and results of operations.**

In relation to the projects under construction, we are required to obtain the insurance policies as per the terms of our lenders. Such insurance policy is taken on the basis of estimated period of completion of the project. Our insurance coverage aggregates to a sum insured of ₹ 1,062 lakhs which is around 5% in value of the total assets as on September 30, 2017. We face uninsured loss risks to the extent of remaining assets of the company. Further; in case, existing policies expire before completion of the project, we face risk of losses from a variety of sources, including, but not limited to, risks relating to construction, catastrophic events, terrorist risk, vandalism, theft of construction supplies. For instance, the policies for our ongoing projects, which are upon the stage of completion, have expired. Further, if we suffer any losses, damages and liabilities in the course of our operations and real estate development, we may not have sufficient insurance or funds to cover such losses. Any such uninsured losses or liabilities could result in a material adverse effect on our business operations, financial conditions and results of operations. In addition, any claim under the insurance policies maintained by us may not be honoured fully or on time.

30. *We may not be able to successfully identify and acquire suitable land for development, which may adversely affect our business and growth prospects.*

Our ability to identify suitable land for development is vital to our business. Once a potential development site has been identified, site visits and feasibility studies/surveys are undertaken, which include detailed analyses of factors such as regional demographics, gap analysis of current property development initiatives and market needs, and market trends. Our ability to acquire ownership or development rights over suitable sites is dependent on a number of factors that may be beyond our control. These factors include the availability of suitable land, market conditions, the willingness of land owners to sell or grant development rights over land on attractive terms, the availability and cost of any required financing, encumbrances on the land, government directives on land use, and the obtaining of permits and approvals for land development. However, conveyance of the land does not occur upon signing of the memorandum of understanding and formal transfer of title to or interest in land by the seller (at which time stamp duty becomes payable) is generally completed only after all requisite governmental consents and approvals have been obtained. Our acquisition of interests in land are therefore also subject to the risk that sellers may during such time identify and transact with alternative purchasers or decide not to sell the land.

31. *The success of our residential real estate development business is dependent on our ability to anticipate and respond to consumer requirements.*

We depend on our ability to understand the preferences of our customers and to accordingly develop projects that suit their tastes and preferences. The growing disposable income of India's middle and upper income classes has led to a change in popular lifestyle resulting in substantial changes in the nature of their demands. The range of amenities now demanded by consumers include those that have historically been uncommon in India's residential real estate market such as gardens, community space, security systems, playgrounds, fitness centres, tennis courts, etc. As customers continue to seek better housing and better amenities as part of their residential needs, we are required to continue to focus on the development of quality residential accommodation with various amenities. We also intend to continue to provide quality facilities even in our middle-income housing projects. Our inability to provide customers with certain amenities or our failure to continually anticipate and respond to customer needs may affect our business and prospects.

32. *Our lenders have imposed certain restrictive conditions on us under our financing arrangements. Under our financing arrangements, we are required to obtain the prior, written lender consent for, among other matters, changes in our capital structure, formulate a scheme of amalgamation or reconstruction and entering into any other borrowing arrangement. Further, we are required to maintain certain financial ratios.*

Our lenders have imposed certain restrictive conditions on us under our financing arrangements. Under our financing arrangements, we are required to obtain the prior, written lender consent for, among other matters, changes in our capital structure, formulate a scheme of amalgamation or reconstruction and entering into any other borrowing arrangement.

There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain the consents necessary to take the actions we believe are necessary to operate and grow our business. Further, in the event we are able to procure the above mentioned consents / NoC, our lenders may impose further restricting covenants in these Consents / NoC which may affect our capital raising or any such other activity. Our level of existing debt and any new debt that we incur in the future has important consequences. Any failure to comply with these requirements or other conditions or covenants under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may require us to repay the borrowing in whole or part and may

include other related costs. Our Company may be forced to sell some or all of its assets or limit our operations. This may adversely affect our ability to conduct our business and impair our future growth plans.

33. *We will continue to be controlled by our Promoter and Promoter Group after the listing of the Equity Shares in the Issue.*

Upon successful completion of the Issue, our Promoter and Promoter Group will collectively control, directly or indirectly, approximately 65.04 % of our outstanding Equity Shares (assuming full subscription to the Issue). As a result, our Promoter and Promoter Group will continue to have the ability to exercise significant control over our Company and all matters requiring shareholder approval, including election of directors, our business strategy and policies, and approval of significant corporate transactions such as mergers and business combinations. The extent of their shareholding in our Company may also have the effect of delaying, preventing or deterring a change in control of our Company, even if such a transaction may be beneficial to the other shareholders. The interests of our Promoter and Promoter Group as controlling shareholders of our Company could be in conflict with the interests of our other shareholders. We cannot assure you that our Promoter and Promoter Group will act to resolve any conflicts of interest in favour of our Company or the other shareholders. For details of our shareholding please refer section titled “*Capital Structure*” beginning on page no. 57 of this Prospectus.

34. *Certain of our Group Companies have incurred losses in the three fiscal years ended March 31, 2017.*

The details of the Group Companies which have incurred losses during the three fiscal years ended March 31, 2017 are provided in the following table:

(₹ in lakhs)

| Sr. No. | Name of the Company | Profit/(Loss) after tax for the year ended March 31, | | |
|---------|--|--|--------|--------|
| | | 2017 | 2016 | 2015 |
| 1 | Gurkar Hotels Private Limited | (3.42) | (2.13) | (1.61) |
| 2 | Shree Sainath Land & Development (India) Private Limited | (7.31) | (5.16) | 0.19 |

35. *Our Company's activities are labour intensive and depend on availability of skilled and unskilled labourers in large numbers. In case of unavailability of such labourers and / or inability to retain such personnel or occurrence of any work stoppages, our business operations could be affected.*

We operate in a labour intensive industry and our contractors hire casual labour to work on our projects. In the event of a labour dispute, if our contractors are unable to successfully negotiate with the workmen or sub-contractors, it would result in work stoppages or increased operating costs. It may also be difficult to procure the required skilled workers for existing or future projects. In addition we may also be liable for or exposed to sanctions, penalties or losses arising from accidents or damages caused by our workers or contractors. Though we have not experienced any major disruptions in our business operations due to disputes or other problems with our work force in the past; however there can be no assurance that we will not experience such disruptions in the future. Such disruptions may adversely affect our business and results of operations and may also divert the management’s attention and result in increased costs.

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

36. *Quality concerns could adversely impact our business.*

The business of our Company is dependent on the trust of our customers they are having in the quality of our construction. Any flats sold to customers, which do not comply with the quality specifications or standards prevalent in the business or market segment, may result in customer dissatisfaction, which may have an adverse effect on our sales and profitability.

37. *We may not be able to manage our growth strategy effectively or it may change in the future.*

Our business strategy includes the development of residential and residential-sum-office space projects primarily in and around Nashik. Our developments have primarily focused on residential projects but, pursuant to this strategy, we currently have various real estate projects under development. In the future, we may decide to undertake projects in additional business lines of real estate development, such as IT parks, special economic zones and serviced apartments. As we grow and diversify, we may not be able to execute our projects efficiently on such an increased scale, which could result in delays, increased costs and diminished quality, each adversely affecting our reputation. This future growth may strain our managerial, operational, financial and other resources. If we are unable to manage our growth strategy effectively, our business, financial condition and results of operations may be adversely affected. In addition, depending on prevailing market conditions, regulatory changes and other commercial considerations, we may be required to change our business model and we may therefore decide not to continue to follow our business strategies described in this Prospectus.

38. *We may experience difficulties in expanding our business into additional geographical markets in India.*

While Nashik remains and is expected to remain our primary focus, we may evaluate growth opportunities in other parts of India on a case-by-case basis. However, we have limited experience in conducting business outside Nashik and have not previously completed any real estate development projects outside of Nashik. We may not be able to leverage our experience in Nashik to expand into other cities as a result of various features which may differ in other cities and with which we may be unfamiliar, such as:

- competition;
- regulatory and taxation regimes;
- business practices and customs;
- languages;
- customer tastes, preferences, behaviour and culture;
- construction methods because of different terrains; and
- land and related laws applicable in other states.

If we enter new markets and geographical areas in India, we are likely to compete not only with national developers, but also local developers who may have an established local presence, are more familiar with local regulations, business practices and customs, have stronger relationships with local contractors, suppliers, relevant government authorities, and who have access to existing land reserves, all of which may give them a competitive advantage over us. Our inability to expand into and compete successfully in areas outside the Nashik real estate market may adversely affect our business prospects.

39. *It is difficult to predict our future performance, or compare our historical performance between periods, as our revenue fluctuates significantly from period to period.*

Under the percentage of completion method of revenue recognition, our revenue from sales depends upon the volume of bookings that we are able to obtain in relation to our projects as well as the rate of progress of construction. Our bookings depend on our ability to market and pre-sell our projects and the willingness of our customers to pay for developments or enter into sale agreements well in advance of receiving possession of properties, which can be affected by prevailing market sentiment. Construction progress depends on various factors, including the availability of labour and raw materials, the timely receipt of regulatory clearances and the absence of contingencies such as litigation and adverse weather conditions. The occurrence of any such contingencies could cause our revenues to fluctuate significantly, which could in turn adversely affect our margins. We also cannot predict when and at what prices we may acquire the TDRs we require for a given project. In addition, we complete differing numbers of projects in each period, and cannot predict with certainty the rate of progress of construction or time of the completion of our real estate developments due to lags in development timetables occasionally caused by unforeseen circumstances.

Our revenue from operations for the last three years have been ₹ 4,514.03 lakhs; ₹ 10,071.58 lakhs and ₹ 10,530.56 lakhs respectively showing a YoY increase of 223.12% and 4.56% for FY 16 and FY 17 respectively. Further, our revenue from operations for the period ended September 30, 2017 ended was ₹ 4,569.73 lakhs. Our results of operations may also fluctuate from period to period due to a combination of other factors beyond our control, including the timing during each year of the sale of properties that we have developed, and any volatility in expenses such as land and development right acquisition and construction costs. Depending on our operating results in one or more periods, we may experience cash flow problems, thereby resulting in our business, financial

condition and results of operations being adversely affected. Such fluctuations may also adversely affect our ability to fund ongoing and 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. Therefore, we believe that period-to-period comparisons of our results of operations are not necessarily meaningful and should not be relied upon as indicative of our future performance.

40. *We have reversed some of the revenue recognised in prior periods as a result of cancelled bookings for certain of our projects and may be required to do so in the future.*

We and our customers have cancelled bookings for certain of our projects in past years. For example, we have cancelled bookings where our customers have failed to make instalment payments. In addition, where projects are delayed beyond the scheduled completion date, our customers may have a right to cancel their bookings. For some of these projects, we had recognized all or a portion of the income from these bookings as revenue. We have consequently been required to reverse the revenue recognized from these bookings. The aggregate amount of reversed revenue due to cancellation of bookings for the last three years is ₹ 38.83 lakhs and total number of such bookings cancelled was 7. If an increasing number of bookings are cancelled in respect of projects where we have recognized revenue, this could lead to a decline in our business prospects, financial position and results of operations.

41. *We may not be able to generate profits at the same rate of return that we earn from our historical projects.*

We acquired a substantial portion of the land for our currently completed, Ongoing and Planned projects when land prices were generally lower than prevailing market prices. The profits that we generate from our projects may not be utilised in our business at or above the rate of return that we earn from these projects and we may not utilise capital in the most efficient manner. For example, there may be periods during which we may deposit funds in fixed deposits or other short term investments that generate low post-tax returns. We may also invest in mutual funds which are exposed to market and credit risks and may not generate rates of return above the rates of return we earn on our other investments, or at all, or such investments may result in losses. Our failure to generate rates of return on our capital equal to or above the rate of return we earn on our projects may decrease our return on net worth and capital employed, which may in turn adversely affect our business prospects, financial condition and results of operation.

42. *We may be involved in legal and administrative proceedings arising from our operations from time to time.*

We may be involved from time to time in disputes with various parties involved in the development and sale of our properties, such as contractors, sub-contractors, suppliers and governmental authorities. These disputes may result in legal and/or administrative proceedings, and may cause us to suffer litigation costs and project delays. We may, for example, have disagreements over the application of law with regulatory bodies or third parties in the ordinary course of our business, which may subject us to administrative proceedings and unfavourable decisions, resulting in financial losses and the delay of commencement or completion of our projects.

43. *We face competition in our business from organized and unorganized players, which may adversely affect our business operation and financial condition.*

The market for our industry is competitive on account of both the organized and unorganized players. Players in this industry generally compete with each other on key attributes such as quality of construction, pricing and timely delivery. Some of our competitors may have longer industry experience and greater financial, technical and other resources, which may enable them to react faster in changing market scenario and remain competitive. Moreover, the unorganized sector offers their products at highly competitive prices which may not be matched by us and consequently affect our volume of sales and growth prospects. Growing competition may result in a decline in our market share and may affect our margins which may adversely affect our business operations and our financial condition.

44. *We are dependent upon the experience and skills of our senior management team and skilled employees.*

We believe that our senior management team has contributed significantly to the development of our business. In particular, Mr. Naresh Karda, our Chairman and Managing Director, has been instrumental in the development and implementation of our business strategy. The loss or interruption of the continued services of any member of our senior management team, and Mr. Naresh Karda in particular, would disrupt our business and adversely affect our financial condition and results of operations.

We also believe that the success of our real estate development activities is dependent on our ability to attract, train, motivate, and retain highly skilled employees. Our professionally qualified staff members include site engineers, design consultants, marketing specialists, costing consultants, procurement officers and accountants. In the event we are unable to maintain or recruit a sufficient number of skilled employees, our business and results of operations may be adversely affected. Competition for senior management and skilled employees is intense and the pool of qualified candidates is limited. We may not therefore be able to attract and/or retain suitable senior management and skilled employees. In addition, if any member of our senior management team or any of our other key personnel joins a competitor or forms a competing company, we may lose key future development opportunities to our competitors, and our business prospects, financial condition and results of operations will be adversely affected.

45. *We benefit from our relationship with our Promoter and our business and growth prospects may decline if we cannot benefit from this relationship in the future.*

We benefit in many ways from our relationship with our Promoter, Mr. Naresh Karda, as a result of his reputation, experience and knowledge of the real estate and property development industry. Mr. Naresh Karda has been associated with the property development, real estate and construction sector in Nashik for over 23 years, has been primarily responsible for the direction and growth of our business and has been instrumental in our strategic planning, including identifying our current development projects.

Our growth and future success is influenced, in part, by our continued relationship with Mr. Naresh Karda. We cannot assure you that we will be able to continue to take advantage of the benefits from this relationship in the future. If we lose our relationship with Mr. Naresh Karda for any reason, our business and growth prospects may decline and our financial condition and results of operations may be adversely affected.

46. *The leave and license agreement executed for the Registered Office of our Company is not registered and is insufficiently stamped.*

The leave and license agreement executed for the registered office of our Company is insufficiently stamped (i.e. an unpaid amount of stamp duty of around ₹ 0.23 lakhs) and has not been registered as required by the Registration Act, 1908. In sufficiency of stamping could lead to monetary penalties not exceeding ₹ 0.90 lakhs in future.

Further according to Section 17 of the Registration Act, 1908, the effect such non registration is that it (i) does not affect any immovable property comprised therein (ii) cannot be received as evidence of any transaction affecting such property, thus making it redundant for practical purposes and any future enforcement of the same may expose our Company to dangers comprised therein.

47. *The requirements of being a listed company may strain our resources.*

We are not a listed Company and have not, historically, been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the listing agreements with the Stock Exchanges and compliances of SEBI Listing Regulations, 2015 which will require us to file audited annual and unaudited semi-annual and limited review reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies which may adversely affect the financial position of the Company.

As a listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions to support the existence of effective disclosure controls and procedures, internal control over financial reporting and additional compliance requirements under the Companies Act, 2013. In order to maintain and improve the

effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management oversight will be required. As a result, management's attention may be diverted from other business concerns, which could adversely affect our business, prospects, financial condition and results of operations. In addition, we may need to hire additional legal and accounting staff with appropriate listed company experience and technical accounting knowledge and we cannot assure you that we will be able to do so in a timely manner.

RISKS RELATING TO OUR EQUITY SHARES

48. The Equity Shares have never been publicly traded and the Issue may not result in an active or liquid market for the Equity Shares.

Prior to the Issue, there has been no public market for the Equity Shares and an active public market for the Equity Shares may not develop or be sustained after the Issue. Listing and quotation does not guarantee that a trading market for the Equity Shares will develop or, if a market does develop, the liquidity of that market for the Equity Shares. Although we currently intend that the Equity Shares will remain listed on the Stock Exchanges, there is no guarantee of the continued listing of the Equity Shares. Failure to maintain our listing on the Stock Exchanges or other securities markets could adversely affect the market value of the Equity Shares.

The Issue Price of the Equity Shares is proposed to be determined following a book-building process by agreement between the BRLM and the Company on the Pricing Date and may not be indicative of prices that will prevail in the trading market. You may not be able to resell your Equity Shares at a price that is attractive to you.

49. The price of the Equity Shares may be volatile, which could result in substantial losses for investors acquiring the Equity Shares in the Issue.

The market price of the Equity Shares may be volatile and could fluctuate significantly and rapidly in response to, among others, the following factors, some of which are beyond our control:

- volatility in the Indian and global securities market or in the value of the Rupee relative to the U.S. Dollar, the Euro and other foreign currencies;
- our profitability and performance;
- changes in financial analysts' estimates of our performance or recommendations;
- perceptions about our future performance or the performance of Indian companies in general;
- performance of our competitors and the perception in the market about investments in the real estate sector;
- adverse media reports about us or the Indian real estate sector;
- significant developments in India's economic liberalisation and deregulation policies;
- significant developments in India's fiscal and environmental regulations;
- economic developments in India and in other countries; and
- any other political or economic factors.

These fluctuations may be exaggerated if the trading volume of the Equity Shares is low. Volatility in the price of the Equity Shares may be unrelated or disproportionate to our results of operations. It may be difficult to assess our performance against either domestic or international benchmarks.

In addition, Indian securities markets are more volatile than the securities markets in certain countries which are members of the OECD. Indian stock exchanges, including the Stock Exchanges, have experienced substantial fluctuations in the prices of listed securities and problems such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. The governing bodies of Indian stock exchanges have also, from time to time, imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Further, disputes have occurred between listed companies, stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on market sentiment. If such or similar problems were to continue or recur, they could affect the market price and liquidity of the securities of Indian companies, including the Equity Shares.

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

Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realised on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax (“STT”) has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the equity shares are sold. Any gain realised on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of 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. In addition, changes in the terms of tax treaties or in their interpretation, as a result of renegotiations or otherwise, may affect the tax treatment of capital gains arising from a sale of Equity Shares.

51. *Future issuances or sales of the Equity Shares could dilute your shareholding and significantly affect the trading price of the Equity Shares.*

The future issuance of Equity Shares by us, the disposal of Equity Shares by any of our major shareholders or the perception that such issuance or sales may occur, may lead to the dilution of your shareholding in the Company or significantly affect the trading price of the Equity Shares. These sales could also impair our ability to raise additional capital through the sale of our equity securities in the future.

Furthermore, under the Securities Contract (Regulation) Rules, 1957, as amended (“SCRR”), listed companies are required to maintain public shareholding of at least 25% of their issued share capital. Failure to comply with the minimum public shareholding provision would require a listed company to delist its shares and may result in penal action being taken against the listed company pursuant to the SEBI Act. This may require us to issue additional Equity Shares or require our Promoter or Promoter Group to sell their Equity Shares, which may adversely affect our trading price.

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

We are a real estate development company. Our future ability to pay dividends will depend on the earnings, financial condition and capital requirements of our Company. Dividends distributed by us will attract dividend distribution tax at rates applicable from time to time. We cannot assure you that we will generate sufficient income to cover our operating expenses and pay dividends to our shareholders, or at all.

Our business is capital intensive and we may plan to make additional capital expenditures to complete the real estate that we are developing. Our ability to pay dividends could also be restricted under certain financing arrangements that we may enter into. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements for the real estate projects, financial condition and results of operations.

EXTERNAL RISK FACTORS

RISKS RELATING TO THE REAL ESTATE DEVELOPMENT INDUSTRY IN INDIA

53. *We may require real estate financing, which may not be available to us on commercially viable terms, or at all.*

Our business is cyclical and highly capital intensive, requiring substantial capital to develop and market our projects. We expect that we will require additional funding to meet our capital expenditure needs, which could result in incurrence of indebtedness and leverage and therefore, borrowing costs and require us to comply with certain restrictive covenants.

Our ability to obtain financing on favourable commercial terms, if at all, will depend on a number of factors, including:

- our future financial condition, results of operations and cash flows;
- the amount and terms of any existing indebtedness;

- general market conditions and market conditions for financing activities by real estate companies; and
- economic, political and other conditions in India and, in particular, Nashik.

Challenging conditions such as the global financial conditions, including continued disruptions in the capital and credit markets as a result of uncertainty, changing or increased regulation of financial institutions, reduced alternatives or failures of significant financial institutions, may significantly diminish the availability of credit to us and our customers. This may require us to delay or abandon some or all of our planned projects, reduce planned expenditures and advances to obtain land or development rights, and reduce the scale of our operations, and may adversely affect the sales of, and market rates for, our projects, and, consequently, our profitability. In addition, Indian regulations on foreign investment in housing, built-up infrastructure and construction and development projects impose significant restrictions, which may impact the availability of financing for our operations. Further, under current Indian regulations except for certain limited purposes, external commercial borrowings cannot be raised for investment in real estate, which may further restrict our ability to obtain necessary financing. In the event we are not able to raise additional financing on favourable terms, or at all, our planned capital expenditure, business, results of operations and prospects could be adversely affected.

54. *Our business and growth plan could be adversely affected by the incidence and rate of property taxes and stamp duties, service and other value added taxes.*

As a property owning and development company, we are subject to the property tax regimes in jurisdictions in which we operate. Stamp duty is payable for the agreements entered into in respect of the properties we buy and sell. These taxes could increase in the future, and new types of property taxes, stamp duties and goods and services tax shall increase our overall costs. If these property taxes, stamp duties and goods and service tax were to increase, our acquisition costs and sale values may be affected, resulting in a reduction of our profitability. Any such changes in the incidence or rates of property taxes or stamp duties or goods and service tax could have an adverse effect on our financial condition and results of operations.

55. *We face labour risks, including potential increases in labour costs.*

We operate in a labour - intensive industry and we or our contractors hire casual labour to work on our projects. In the event of a labour dispute, if our contractors are unable to successfully negotiate with the workmen or sub-contractors, it could result in work stoppages or increased operating costs as a result of higher than anticipated wages or benefits. It may also be difficult to procure the required skilled workers for existing or future projects. Either of these factors could adversely affect our business, financial condition, results of operations and cash flows. In addition, we may be liable for or exposed to sanctions, penalties or losses arising from accidents or damages caused by our workers or contractors.

56. *Our operations and the work force on our development sites are exposed to various hazards.*

We conduct various site studies prior to the acquisition of any parcel of land and its construction and development. However, there are certain unanticipated or unforeseen risks that may arise due to adverse weather and geological conditions, such as storms, outbreaks of disease, hurricanes, lightning, floods, landslides, rockslides and earthquakes and other reasons. Additionally, our operations are subject to hazards inherent in providing these services, such as the risk of equipment failure, impact from falling objects, collision, work-related accidents, fire, or explosion, including hazards that may cause injury and loss of life, severe damage to and destruction of property and equipment, and environmental damage. If any one of these hazards or other hazards were to affect our business, our results of operations may be adversely affected. Moreover, any injury to or loss of life of the workers employed on our construction sites may expose us to liability and / or compensation claims.

57. *Changes in interest rates in India could adversely affect our business and the market for our real estate developments.*

Our results of operations, and the purchasing power of our real estate customers, are substantially affected by prevailing interest rates and the availability of credit in the Indian economy. Interest rates in India have fluctuated over the last few years. Our ability to borrow funds for the development of our real estate projects is affected in part by the prevailing interest rates available to us from leading Indian banks. Changes in prevailing interest rates affect our interest expense in respect of our borrowings, and our interest income in respect of our interest on short-term deposits with banks and loans to associates. Significantly, the interest rate at which we may borrow funds, and the availability of capital to us for development purposes, affects our results of operations by limiting or

facilitating the number of projects we may undertake and determining the return which we must obtain from each project to meet our obligations under our borrowings.

Changes in interest rates also affect the ability and willingness of our prospective real estate customers, particularly the customers for our residential properties, to obtain financing for their purchases of our completed developments. The interest rate at which our real estate customers may borrow funds for the purchase of our properties affects the affordability and purchasing power of, and hence the demand for, our real estate developments.

There can be no assurance that variations in interest rates and interest rate policy by the RBI will not adversely affect our financial condition and results of operations.

58. *Our business is subject to extensive regulation, including various environmental laws and regulations, which may become more stringent in the future.*

The real estate sector in India is heavily regulated by the central, state and local governments. Real estate developers are therefore required to comply with various Indian laws and regulations, including policies and procedures established and implemented by local authorities. Regulatory authorities may allege that we are not in compliance with applicable laws and regulations and may subject us to regulatory action including penalties, seizure of land and other civil or criminal proceedings. We may also not be able to adapt to new laws, regulations or policies that may come into effect from time to time with respect to the real estate sector, which may cause a delay in the implementation of our projects.

In particular, we are subject to various national and local laws and regulations relating to the protection of the environment. These may require us to investigate and clean-up hazardous or toxic substances and materials at a property and be liable for the costs of removal or remediation of such substances and materials. Such liability may be imposed irrespective of whether we knew of, or were responsible for, any environmental damage or pollution or the presence of such substances and materials. The cost of investigation, remediation or removal of these substances and materials may be substantial. Environmental laws may also impose compliance obligations on owners and operators of real property with respect to the management of hazardous materials and other regulated substances. Failure to comply with these laws can result in penalties or other sanctions and we cannot assure you that we will be at all times in full compliance with these regulatory requirements.

59. *We face significant risks before we realise any income from our real estate developments because of the length of time required for completion of each project.*

Real estate developments typically require substantial capital outlay during the acquisition of land or development rights and/or construction phases and it may take a year or more before income or positive cash flows may be generated through sales of a real estate development. Depending on the size of the development, the time span for completing a real estate development runs into several years. Consequently, changes in the business environment during the length of time a project requires for completion may affect the revenue and cost of the development during the period from project commencement to completion, directly impacting on the profitability of the project. Factors that may affect the profitability of a project include the risk that the receipt of government approvals may take more time than expected, the failure to complete construction according to original specifications, schedule or budget, and lack lustre sales or leasing of properties. The sales and the value of a real estate development project may be adversely affected by a number of factors, including but not limited to the national, state and local business climate and regulatory environment, local real estate market conditions, perceptions of property buyers and tenants in terms of the convenience and attractiveness of the project and competition from other available or prospective properties developments.

If any of the risks described above materialises, our returns on investment may be delayed and/or lower than originally expected by us and our financial performance may be adversely affected.

RISKS RELATING TO THE INDIAN ECONOMY

60. *Our business is substantially affected by prevailing economic conditions in India.*

We perform all of our real estate development activities in India, all of our projects are located in India, and the predominant portions of our customers are Indian nationals. As a result, we are highly dependent on prevailing economic conditions in India and our results of operation are significantly affected by factors influencing the

Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, include:

- any increase in Indian interest rates or inflation;
- any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our real estate developments and the purchase thereof by our customers;
- prevailing income conditions among Indian consumers and Indian corporations;
- changes in India's present tax, trade, fiscal or monetary policies;
- natural disasters, political instability, communal disturbances, riots, civil unrest, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- prevailing national, regional or global economic conditions, including in India's principal export markets; and
- other significant regulatory or economic developments in or affecting India or its real estate development sector.

In addition to the factors set forth above, our business may be affected by adverse changes specific to the residential, and office space real estate markets. Demand in the residential real estate market may be adversely affected by changes such as a decrease in disposable income or a rise in residential mortgage rates or a decline in the population. Demand for our office space developments may be adversely affected by deteriorating economic conditions that could prompt current and potential tenants to place any expansion plans on hold or to search for locations with lower rental rates.

61. Foreign investors are subject to foreign investment restrictions under Indian law.

Under the foreign exchange regulations currently in force in India, transfers of shares between non residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions, 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 you that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

62. Public companies in India, including our Company, are required to compute Income Tax under the Income Computation and Disclosure Standards (the "ICDS"). The transition to ICDS in India is very recent and we may be negatively affected by such transition.

The Ministry of Finance had issued a notification dated September 29, 2016 notifying ICDS which creates a new framework for the computation of taxable income. The ICDS shall apply from assessment year 2017-18 onwards. This will have impact on computation of taxable income for Financial Year 2017 onwards. ICDS deviates in several respects from concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. For example, where ICDS-based calculations of taxable income differ from Indian GAAP or Ind AS-based concepts, the ICDS-based calculations have the effect of requiring taxable income to be recognised earlier, increasing overall levels of taxation or both. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operation and financial condition.

Prominent Notes:

1. Investors are free to contact the Book Running Lead Manager (BRLM) for any clarification, complaint or information pertaining to the Issue. The BRLM and our Company shall make all information available to the public and investors at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever.
2. The Net Worth of our Company is ₹ 3,035.05 lakhs and ₹ 3,586.94 lakhs and the book value of each Equity Share was ₹ 33.72⁽¹⁾ and ₹ 35.87 as of March 31, 2017 and September 30, 2017 as per our Restated Financial Statements. For more information, please refer the Section titled "Financial Information" beginning on page no. 146 of this Prospectus.

⁽¹⁾ As on March 31, 2017 the Company's paid-up equity capital consists of 90,00,000 number of fully paid up equity shares of face value ₹ 10/- each. Our Company had allotted 10,00,000 bonus shares on July 24, 2017 in the

ratio of 1:9. Hence the pre-issue NAV as on March 31, 2017 should be read as ₹ 30.35 per share after adjusting for this event.

3. Public Issue of 43,00,000 Equity Shares* for cash at price of ₹ 180 per share including a premium of ₹ 170 aggregating to ₹ 7,740.00 lakhs. The Issue will constitute 34.96% of the post-Issue paid-up Equity Share capital of our Company.

* Subject to finalisation of Basis of Allotment

4. The average cost of acquisition of Equity Shares by our Promoter is.

| Promoter | Average cost (₹) |
|------------------|------------------|
| Mr. Naresh Karda | 5.00 |

5. Investors are advised to refer to the chapter titled “Basis for Issue Price” beginning on page no. 72 of this Prospectus.
6. The details of transactions by our Company with our Group Companies or subsidiary during the last year are disclosed under “Annexure XXV - Related Party Transactions” on page no. 164 of this Prospectus.
7. There are no financing arrangements whereby the Promoter Group, the Directors of our Company who are the Promoter of our Company, the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of 6 (six) months immediately preceding the date of the Draft Red Herring Prospectus.
8. Our Company was originally incorporated on September 17, 2007 as “Karda Constructions Private Limited” vide Registration no. 174194 (CIN No: U45400MH2007PTC174194) under the provisions of the Companies Act, 1956 with the Registrar of Companies, Maharashtra Mumbai. Subsequently, our Company was converted into a public limited company pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting of the Company held on February 29, 2016 and the name of our Company was changed to “Karda Constructions Limited” vide a fresh Certificate of Incorporation dated March 17, 2016 (CIN No: U45400MH2007PLC174194), issued by the Registrar of Companies, Maharashtra Mumbai.

SECTION III: INTRODUCTION

SUMMARY OF OUR INDUSTRY

THE REAL ESTATE SECTOR IN INDIA

Real Estate as a sector is the second largest employer, after agriculture and constitutes almost 6% of our GDP. In India, urbanization is the biggest growth driver for real estate, which is fuelled by growth in business environment in the country and it is estimated that around 10-12 million people getting urbanized annually. Further, the government is backing the sector with several initiatives like a push to develop 100 cities into smart cities, initiatives like “Housing for all by 2022” for a growing population in both urban as well a rural India backed by both financial and regulatory support for the buyers and developers. In a falling interest rate scenario with the GDP of the country growing at the fastest pace among the major economies and an easy business environment which is being pushed by the government to bolster the “Make in India” initiative, the demand for assets across the sector may see gradual revival in the next 1-3 years.

The sector is broadly classified into three segments viz. Residential, Commercial and Retail-Malls. There are 8 major real estate markets in the country, with Mumbai, NCR and Bengaluru being the top cities, followed by Pune, Hyderabad, Chennai, Kolkata and Ahmedabad.

The residential real estate segment is fragmented by nature with dominant regional players and very few developers having a pan-India presence. Commercial real estate and Retail real estate segment has fewer players which hold most of the quality office and retail spaces which ensures transparent transactions and accountability in the business for investors and buyers/leasers alike compared with the residential segment.

The real estate sector is headed for greater transparency, and accountability after the introduction of Real Estate Regulation and Development Act, 2016 (RERA) and various other regulatory and policy initiatives. Sources of funds to the cash-starved sector have recently witnessed innovation with introduction of structured products through CMBS, REITs, PE funding etc.

Summary

| | Residential segment | Commercial segment | Retail segment |
|-----------------------|---|--|--|
| Inventory | Excessive inventory in big-ticket housing segments and huge demand-supply Gap in affordable segments. | Lack of A-grade space in high demand markets. | Lack of quality retail space in high demand markets and excess inventory in lower grade retail space. |
| Regulations | RERA 2016. | RERA 2016 & REIT | RERA 2016& REIT |
| Challenges | Implementation of RERA, Lack of transparency and inefficient approval process for construction. | Decreased demand from ITES, BFSI, E-commerce and Telecom sectors. | Competition from technology platforms like e-commerce. |
| Financing cost | Industry average of 15% and above | | |
| Demand drivers | <ul style="list-style-type: none"> - Economic growth - Urbanization - Low bank loan rates for housing. - Development of infrastructure and transport. | <ul style="list-style-type: none"> - Industrialization - Ease of doing business. - Improved regulations and taxation norms for investors. | <ul style="list-style-type: none"> - Urbanization - Higher disposable income among the urban population. |

| | | | |
|-------------------------------|--|---|---|
| Investments | Relaxed FDI norms, REIT implementation, Union Budget 2017 announcements like reduced duration for capital gains, change in nominal tax on unsold inventory, Infrastructure status to affordable housing, would be a boost for investments into the sector. | | |
| FDI and Private Equity | \$2.26 billion cumulative investment. \$816 million through FDI in this segment in 2016 YTD [^] . | \$852 million cumulative Investment in 2016 YTD. \$195 million through FDI in this segment YTD. | \$569 million cumulative Investment in 2016 YTD. \$460 million through FDI YTD. |
| Outlook for the year | Residential sales to remain weak during 2017. Addition of inventory to see higher affordable housing units due to new policy initiatives. | Commercial sales and Leasing to remain stable, investment activity to remain strong. First REIT listing expected during the year. | Retail leasing and sales to remain stable. Higher inventory addition and strong investment demand expected. |

(Source: CARE Report – Industry / Real Estate- Opportunities, challenges and outlook)

Financing mechanisms in Real Estate Sector in India

Debt financing in real estate

The table given below shows the debt outstanding, sales and interest expense of sample of 109 companies.

| Year | 2012 | 2013 | 2014 | 2015 | 2016 | Growth | CAGR |
|----------------------|----------|----------|----------|----------|----------|---------------|---------------|
| Debt | 40,908.8 | 41,445.0 | 43,039.3 | 47,580.8 | 53,136.1 | 29.8% | 6.7% |
| Net sales | 30,323.3 | 32,825.4 | 34,271.4 | 36,251.7 | 38,118.8 | 25.7% | 5.8% |
| EBITDA (Mar%) | 8,668.9 | 9,021.9 | 7,888.1 | 9,108.7 | 7,022.1 | -19.0% | -5.1% |
| Int. Exp. | 4,877.7 | 5,794.6 | 6,250.3 | 6,430.3 | 6,770.2 | 38.8% | 8.5% |
| PBT | 6,778.5 | 5,581.6 | 4,425.2 | 4,875.1 | 3,698.6 | -45.4% | -14.0% |
| PAT | 5,043.5 | 4,196.6 | 3,559.4 | 3,681.1 | 2,958.6 | -41.3% | -12.4% |

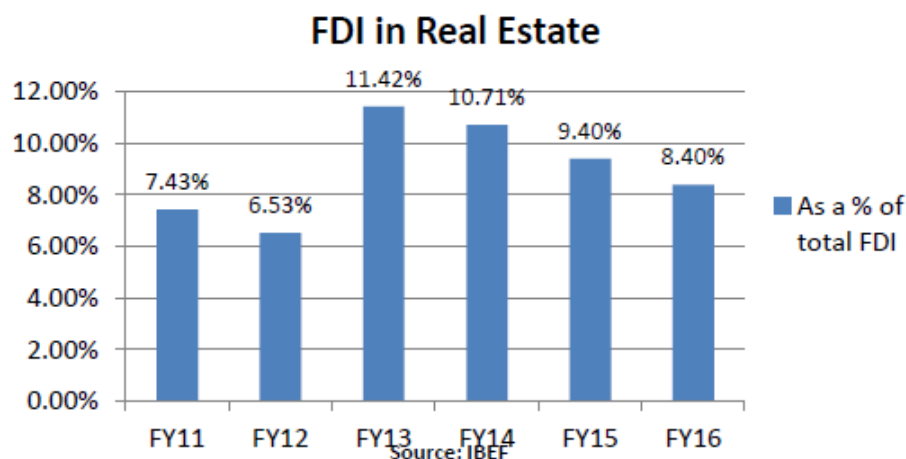
*Source: Aceequity (All figures in Crores)

On a CAGR basis they have grown 6.8%, 5.9% and 8.5% respectively between 2012 and 2016 while on an absolute basis, they have grown 29.9%, 25.7% and 38.8% respectively. This shows that while the sales growth has been tepid in the broader market, the debt outstanding and interest expenditure has outpaced the same consistently. This suggests addition in debt levels are not in line with the sales growth for the overall industry. In the last couple of years, with stress in the banking system due to mounting NPA's, domestic non-banking finance companies; private equity etc. have stepped in with funds for longer duration and structured project-specific debt in order to aid the ailing developers.

(Source: CARE Report – Industry / Real Estate- Opportunities, challenges and outlook)

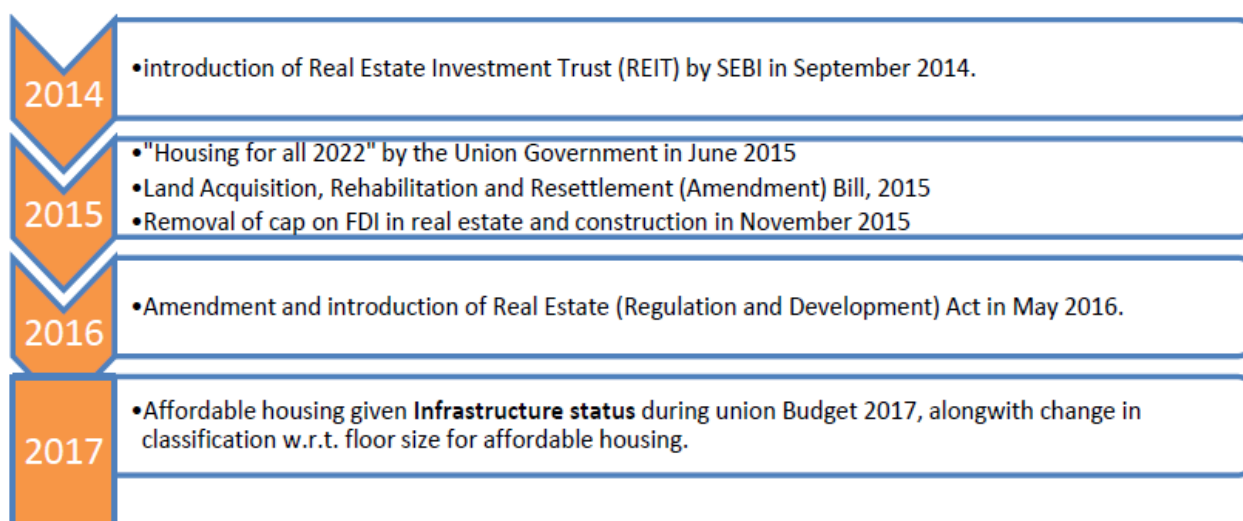
Private Equity investment in real estate (PERE) in India

Real estate as a sector has been at a disadvantage when it comes to sourcing of funds. Most of the funding occurred either through debt which entails higher interest cost of around 15% and above on an average. Funding through equity is scarce but is one of the avenues. With the opening up of the sector for investments by FDI, global private equity players have been steadily investing in the real estate sector in India with an eye on the urbanization and industrialization theme. Data from a Cushman & Wakefield report states that Private Equity investment in Real Estate (PERE) in India increased 20% to US\$ 4.2 billion from US\$ 3.6 billion in FY15. On a cumulative basis it is forecasted to touch US\$ 7.2 billion in PERE in 2016. Out of this, US\$ 2.5 billion worth of investment has been made by domestic investors. Investment from domestic investors across realty segments constituted of 63% in residential projects, 20% in office projects, and 12% in mixed use projects and rest in retail. While most of these investments are at project level, foreign investors mostly invest in the form of equity due to regulatory restriction on investment through debt. An insight into city level investment shows that Mumbai topped in attracting investments with 41% of residential segment investments and 61% of office segment investments followed by Delhi-NCR in all the three segments namely residential, commercial and retail. Up to Q3 of 2016, foreign investors invested about US\$ 1.15 billion in the Indian real estate markets if one were to go by forecasts made by leading consultants. In terms of segmental investment, 40% were into retail, 36% in residential, 17% in office spaces whereas rest in others like hospitality.



(Source: CARE Report – Industry / Real Estate- Opportunities, challenges and outlook)

Regulatory changes and policy initiatives for the industry



The industry witnessed introduction of regulatory changes and policy initiatives in order to transform it into an organized, transparent, accountable and investor-friendly sector. Lack of long term funds has been the biggest impediment for the sector which could not be fulfilled by banking institutions owing to regulatory restrictions of the Central bank. Some of the regulatory changes and additions between 2014-16 are as follows-

Real Estate Investment Trusts (REITs): One of the most transformational changes which have been brought in to make the entire sector more transparent and investor centric. Apart from the fact that REIT would let small investors buy into the real estate asset class at a much smaller ticket size, REIT gives large portfolio investors the chance to exit from investments, which makes Indian real estate market favorable for more investments from global investor community. Additionally, Budget 2016-17 exempted dividend distribution tax (DDT) on special purpose vehicles (SPVs). Rules for REITs were relaxed, and the investment cap in under-construction projects was raised from 10% to 20%. Currently, around 229 m. s. ft. of office space can be seen as REIT compliant. (Source: JLL Research)

Real Estate (Regulation & Development) Act 2016: RERA, was passed by the Parliament in March 2016. States have to implement the bill within one year from the time it was passed. This bill is primarily aimed at bringing in transparency to the sector and is being touted as a pro-consumer law. One of the biggest industry wide change is registration of properties under development by developers which would mean only organized and professionally managed companies would be able to carry on with the business, thus the sector would see lot of consolidation going forward.

Goods and Services Tax: The GST is the single-biggest tax reform to be ever introduced in India. GST aims at eliminating the difference in indirect taxes applicable across various states, hence bringing in ease of doing business and simplified taxation procedure for businesses. The tax regime would be introduced in the year 2017, with most states having accepted the law after debate and discussion. The sector stands to benefit from the fact that GST would provide more clarity on tax-credits for RE transactions and allowance of input credit would reduce the price of properties. GST rate for the real estate sector is expected to be announced in the next year.

Infrastructure status to affordable housing: The affordable housing segment has been accorded infrastructure status which would ensure more funding from the banking system as well as Pension funds being eligible to invest long term into affordable housing segment which in turn would reduce the cost of construction. For classification of affordable housing, instead of “built-up” area of 30/60 sqm, the new classification is “carpet- area” of 30/60 sqm. The 30 sqm limit applies only in case of municipal limits of 4 metropolitan cities while for the rest of the country including the peripheral areas of metros, limit of 60 sqm will apply. The government has also extended the time of completion of such projects from 3 years to 5 years.

Benami Transactions Act 2016: This bill will curb black money flow into real estate and will render holding of property under fictitious names a punishable offence. This bill aims at bringing transparency and accountability in the sector as a whole especially with regard to funding.

Policy initiatives: Pradhan Mantri Awas Yojana and National Urban Housing Policy 2015 set up to meet the gap of housing through increased private sector participation and policy initiatives to support housing for all across by 2022. Total housing shortage envisaged to be addressed through the new mission is 20 million by 2022.

Smart Cities mission for revival and creation of 100 cities into smart cities, Atal mission for rejuvenation and urban transformation, heritage city development and augmentation yojana (HRIDAY) are some other policy initiatives, which if implemented in line with the projected plan of implementation would be huge growth drivers for housing segment of real estate.

(Source: *CARE Report – Industry / Real Estate- Opportunities, challenges and outlook*)

THE REAL ESTATE SECTOR IN NASHIK

About Nashik

Known as the wine capital of India, Nashik is now attracting scores of property buyers and investors excited by the city's affordable realty prices, excellent infrastructure, temperate climate and better quality of life in stark contrast to saturated cities like Mumbai and Pune.

Nashik, popularly known as the 'wine city' of India is located around 190 km away from Mumbai and Pune. Besides being a famous pilgrimage centre, Nashik also boasts of a strong industrial base with a strong presence spanning the auto, engineering and electrical industries. Ambad, Satpur, Gonde, Igatpuri and Sinnar are the five major industrial zones developed by the Maharashtra Industrial Development Corporation (MIDC) here and host reputed corporate majors including Hindustan Aeronautics Ltd (HAL), Mahindra & Mahindra, CEAT, LG Electronics, Samsonite, Garware, Siemens, Blow Plast, Bosch, Carbon, Thyssen Krupp, Ceat, Atlas Copco, TI Cycles and Glaxo among others.

Private banks have been major drivers for commercial real estate in Nashik, with ICICI, HDFC and HSBC having expanded their operations phenomenally. Moreover, the Government of Maharashtra is investing heavily into the already thriving Wine Parks industry in Nashik, which is already famous for its Sula Vineyards and York Vinery. It also plays an utmost important role in agriculture. Onion, tomatoes and many other vegetables are exported from Nashik to various parts of the world.



Nashik has been the educational hub of North Maharashtra. The city has two state run universities: Yashwantrao Chavan Maharashtra Open University (YCMOU), near Gangapur village on the outskirts of the city and the Maharashtra University of Health Sciences. Also located here are several leading educational institutions including: Adv. Baburao Ganpatrao Thakare College of Engineering, SND College of Engineering & Research Centre, KTHM College, NDMVP's College of Engineering, Symbiosis Institute of Operations Management and BYK College to name a few. Further Nashik also scores well above average in the infrastructure front with well-developed roads, ample water supply and fast developing social infrastructure. In recent years the city has witnessed huge investments in the infrastructure sector especially in the development of National Highways.

(Source: https://www.propertycrow.com/blog/news_nashik-city-of-limitless-real-estate-potential_171.html)

Real Estate Overview

Nashik's realty market is geared for rapid growth going forward given its proximity to major cities like Mumbai and Pune and current saturation of the realty markets in both these cities. Another important factor likely to influence the real estate growth of Nashik is its lower entry costs vis-a-vis Mumbai and Pune and attractive appreciation rates that have made it a haven for property investors. Adding to its lure as a commercial destination has been the entry of several IT, ITeS, BPO and KPO companies who have set up base here attracted by the city's much-lower property prices and the abundant supply of young, English-speaking youth.

Nashik realty has also benefited from a slew of major infrastructure development projects like the four-laning of the Nashik-Mumbai highway and the coming of the Nashik-Pune highway which have done wonders on the connectivity front.



The Sinnar SEZ is at an advanced stage and Accenture has recently announced setting up of a massive 200-acre facility in Nashik. The recently upgraded airport at Ozar with an air cargo terminal and the proposed international airport at Shirdi have catapulted Nashik's to one of the country's fastest developing cities.

Ample water supply and excellent road and rail connectivity to most major cities are some of the other key factors that have played a key role in its rise as a hot realty destination. Other key factors that have also contributed towards this end include its salubrious climate (much like Pune had about two decades ago), affordable property prices, low cost of living and the world-renowned Kumbh Mela, which is hosted here every twelve years.

(Source: https://www.propertycrow.com/blog/news_nashik-city-of-limitless-real-estate-potential_171.html)

Key Trends

Traditionally locations adjoining the old city like College Road and Gangapur Road have been the front runners in terms of Nashik's real estate development. However with rapid highway development in recent years areas near the Mumbai-Agra National Highway (NH-3) and Nashik-Pune National Highway (NH-50) are also witnessing a hectic pace of realty development. Other fast upcoming realty destinations include areas such as Pathardi, Adgaon, Nashik Road and Deolali Camp.

The city's residential landscape is in the midst of a change and villas and row houses are now being replaced by apartment complexes and high-rises equipped with the latest amenities. Some of Nashik's leading developers include: Thakkers Developers, Archit Group, Karda Constructions, Samraat Group, Nishant Builders, Nayantara Estates, Shree Buildcon, Deepak Builders & Developers, Mittal Developers and Lalwani Constructions among several others.

With the exception of a few prime areas, residential rates here are in the range of ₹ 3, 000 - 4500 psf, while prime locations such as Gangapur and College Road command a premium with prices in the region of ₹ 5,000 - 6,000 psf. The prime areas for commercial development are still the Old City, College Road, Nashik Road and Gangapur Road.

(Source: https://www.propertycrow.com/blog/news_nashik-city-of-limitless-real-estate-potential_171.html)

SUMMARY OF OUR BUSINESS

OVERVIEW

The Karda Group is a well established Nashik based group having its presence in the construction industry for more than two decades. The group was founded by our promoter Mr. Naresh Karda in year 1994. In the years following its inception the group concentrated on developing affordable housing in the residential segment and from year 2001 onwards, the group diversified into commercial segment.

Our Company, Karda Constructions Limited was incorporated in 2007 with a view to corporatize the group's activities in the real estate sector. Our Company is focused on quality and affordable developments. We believe we have an established brand and reputation, and a track record of developing innovative projects through our emphasis on contemporary architecture, strong project execution and quality construction in the real estate industry, for which our Company had received "*Mega Builder of the Year*" award of Divya Marathi in June 2013. Further our Promoter, Mr. Naresh Karda had also been awarded as "*Business Icon of Nashik*" by Lokmat in December 2014.

Our Company has contributed significantly towards the development of Nashik and has so far successfully completed and delivered significant amount of real estate as shown below:

| Project Type | Carpet Area (in sq. ft.) | No. of Projects | No. of Units |
|------------------------------|--------------------------|-----------------|----------------------|
| Residential | 8,57,417 | 12 | 834 flats |
| Residential-cum-Office Space | 1,93,108 | 5 | 210 flats & 63 Shops |
| Total | 10,50,525 | 17 | 1,107 units |

We currently have 11 Ongoing and 3 Planned projects, which we expect to provide an estimated total Carpet Area of 17,13,725 square feet. The estimated Carpet Area of our Ongoing and Planned projects is summarised in the table below:

| Project Type ⁽¹⁾ | Ongoing | | Percentage of Total Ongoing Estimated Carpet Area | Planned | | Percentage of Total Planned Estimated Carpet Area | Grand Total | | Percentage of Total Estimated Carpet Area |
|------------------------------|--|-----------------|---|--|-----------------|---|--|-----------------|---|
| | Estimated Carpet Area (in sq. ft.) ⁽¹⁾⁽²⁾ | No. of Projects | | Estimated Carpet Area (in sq. ft.) ⁽¹⁾⁽²⁾ | No. of Projects | | Estimated Carpet Area (in sq. ft.) ⁽¹⁾⁽²⁾ | No. of Projects | |
| Residential | 10,98,954 | 10 | 71.95% | 1,86,357 | 3 | 100.00% | 12,85,311 | 13 | 75.00% |
| Residential-cum-Office Space | 4,28,414 | 1 | 28.05% | - | - | - | 4,28,414 | 1 | 25.00% |
| Total | 15,27,368 | 11 | 100.00% | 1,86,357 | 3 | 100.00% | 17,13,725 | 14 | 100.00% |

⁽¹⁾ Information provided in respect of our Ongoing and Planned projects is based on current management plans and subject to change.

⁽²⁾ We classify our projects as Completed, Ongoing or Planned depending on their respective stages of development.

Further in order to expand our portfolio of business activities our Company has recently ventured into Construction Contracts. For further details refer section titled "*Description of Our Business*" on page no. 91 of this Prospectus.

Our total income and net profit after tax as restated were ₹ 4,328.65 lakhs and ₹ 270.39 lakhs for the year ended March 31, 2013, ₹ 5,907.39 lakhs and ₹ 360.55 lakhs for the year ended March 31, 2014, ₹ 4,653.44 lakhs and ₹ 307.56 lakhs for the year ended March 31, 2015, ₹ 10,593.47 lakhs and ₹ 637.43 lakhs for the year ended March 31, 2016 and ₹ 11,002.26 lakhs and ₹ 803.14 lakhs for the year ended March 31, 2017, showing a CAGR of 19.57 % in profit after tax. Further, our total income and net profit after tax for the period ended September 30, 2017 ended were ₹ 4,569.73 lakhs and ₹ 551.88 lakhs.

As on December 31, 2017 we have 64 employees on the pay roll of our Company.

COMPETITIVE STRENGTHS

We believe that the following are our primary competitive strengths:

Strong presence in Nashik

Nashik's realty market is geared for rapid growth going forward given its proximity to major cities like Mumbai and Pune and current saturation of the realty markets in both these cities. Another important factor likely to influence the real estate growth of Nashik is its lower entry costs vis-a-vis Mumbai and Pune and attractive appreciation rates that have made it a haven for property investors (*Source: https://www.propertycrow.com/blog/news_nashik-city-of-limitless-real-estate-potential_171.html*). Our Company as on the date of the Prospectus has successfully completed and delivered 10,50,525 sq. ft. of carpet area, comprising of 17 projects and 1,107 units. Having successfully completed and delivered such significant amount of carpet area, we believe that we have good knowledge of the market and regulatory environment in Nashik that assists us in identifying opportunities in this region. Further we currently have 11 Ongoing and 3 Planned projects, with which we expect to provide a total carpet area of approximately 17,13,725 square feet. We believe that having an experience of over two decades of developing real estate projects in Nashik, and having a strong presence in the Nashik real estate market we can exploit the growth opportunities in the Nashik.

Established brand and reputation

All of our Completed, Ongoing and Planned projects are located in Nashik. Further most of our project names begin with the word "Hari" (such as "Hari Vishwa", "Hari Sanskruti" "Hari Amrut", etc) which differentiates our projects from the projects of the other developers in Nashik. The term "Hari", has become Synonymous with our Company and its path breaking constructions that have contributed immensely in revamping Nasik's Skyline over the years. We believe that over the years through successful completion and delivery of the projects we have been able to establish and strengthen the "Hari" brand will enable us to get a positive support for future projects using the same brand in the form of advance bookings, revenue share deals, development rights, government approvals, etc.

Our proven execution capabilities

We believe that we are a knowledge-based organisation and we undertake research for our projects prior to making any decisions to acquire, develop or sell our properties. Our projects span different segments of the real estate market, such as residential and office space and we believe this diversity will allow us to better weather market cycles. We have also demonstrated our ability to develop projects in diverse market conditions. Our track record of successful developments is due primarily to our Promoter who has an established reputation in the industry and has completed a significant number of projects. Our Company has successfully completed and delivered 15 residential projects and office space projects as on the date of this Prospectus and had received "***Mega Builder of the Year***" award of Divya Marathi in June 2013, for having an exceptional performance in the real estate segment in Nashik. Further our Mr. Naresh Karda had also been awarded as "***Business Icon of Nashik***" by Lokmat in December 2014.

Further as on the date of this Prospectus, our Company has been successful in getting all its ongoing projects registered under the "Real Estate (Regulation and Development) Act 2016" (RERA) which we believe will help us compete against other real estate developers in Nashik.

Strong project pipeline providing cash flow visibility

We believe that we have a strong project pipeline, which provides cash flow visibility. We currently have 13 Ongoing and 3 Planned projects, which we expect to provide a total Carpet Area of approximately 17,13,725 square feet. These include twelve Ongoing and three Planned residential projects with approximately 12,85,311 square feet of estimated Carpet Area, one Ongoing residential-cum-office space project with approximately 4,28,414 square feet of estimated Carpet Area.

In addition, we follow a sale model for our residential and residential-cum-office projects and may in the future also follow this model. For these projects we typically receive a certain portion of the purchase price as down payment at the time of booking a particular unit and the remainder through periodic payments linked to certain other construction milestones while the project is being developed. We generally launch such projects and commence the sales process for a portion of the total number of units to be sold around the time of commencing construction. As on September 30, 2017 our Company has collected advances of ₹ 5,240.12 lakhs from our customers towards the units sold.

Vast land reserves and an ability to identify new projects

An important element of our success is our acquisition of land in and around Nashik. As on the date of this Prospectus, our land reserves included approximately 4,06,970 square feet of estimated Developable Land Area in and around Nashik. We actively attempt to identify and acquire land that may be available for sale in areas where our customers demand residential or commercial projects or where we foresee development in the future. We have the ability to assess the potential of a location, identify locations that are relatively underdeveloped and gain the first mover advantage in such locations at a reasonable cost.

For risks related to our business, our Company and our industry, please refer “Risk Factors” on page no. 15 of this Prospectus.

OUR STRATEGY

Diversify the portfolio of projects we undertake and our business activities

Our Company has so far been a real estate development company, developing residential and residential-cum commercial projects in Nashik. However with a view to expand the portfolio of our business activities our Company recently has ventured into construction contracts. For further details refer section titled “Description of Our Business” on page no. 91 of this Prospectus. By diversifying the portfolio of our activities we intend to create additional sources of income which will further increase the cash flow visibility of our Company. Further we believe diversification of our portfolio of our activities will help us mitigate the risk caused by any adverse effect on the real estate sector in Nashik and the country as a whole.

Continue to strengthen relationships with key service providers and take benefit of scalability by outsourcing model

We intend to continue to follow our outsourcing model and further strengthen our relationships with key service providers such as architects and contractors. This will enable our management to focus more on our core business by continuing to outsource the design and construction to our service providers. We also believe that our outsourcing model will enable us to develop projects with quality design and construction as we are able to access the best service providers in their respective fields to create the type of projects that we believe our customers want.

Cultivate long-term relationships with major financial institutions and others

We cultivate long-term relationships with the banks, financial institutions, and individual investors as lenders and co-investors in future projects. Entering into co-investor relationships with the banks, financial institutions and individual investors provides a number of benefits, including a lower cost of funds; access to larger fund pools; improved sourcing capabilities; assistance in entering new markets; and access to the expertise and general manpower of the organization. The expertise and resources available to us as a result of such relationships improve our ability to assess the economic risks involved in potential deals and thereby allow us to make more informed investment decisions.

Continue our focus on developing projects in and around Nashik

All of our Ongoing and Upcoming Projects are concentrated in and around Nashik. We believe that the real estate industry in India is predominantly regional due to difficulties with respect to large scale land acquisition in unfamiliar locations, inadequate infrastructure to market projects in new locations, the complex legal framework and the large number of approvals which must be obtained from different authorities at various stages of construction under local laws, and the long gestation period of projects. We believe that due to our familiarity and experience of the markets in and around Nashik, we will be able to use our expertise to expand our business in and around Nashik. Further, we believe that the real estate market in India will be dominated by local players rather than pan-India players and therefore, we will continue to focus on these core markets.

SUMMARY OF FINANCIAL INFORMATION

Annexure I
STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(₹ in lakhs)

| Particulars | September 30, 2017 | As at March 31, | | | | |
|--|--------------------|------------------|------------------|------------------|------------------|------------------|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| EQUITY AND LIABILITIES | | | | | | |
| Shareholder's fund | | | | | | |
| a) Equity Share Capital | 1,000.00 | 900.00 | 500.00 | 500.00 | 500.00 | 150.00 |
| b) Reserves and surplus | 2,586.94 | 2,135.05 | 1,755.18 | 1,125.91 | 820.49 | 478.09 |
| Total Shareholders Fund | 3,586.94 | 3,035.05 | 2,255.18 | 1,625.91 | 1,320.49 | 628.09 |
| Share Application Pending Allotment | - | - | - | - | - | 900.00 |
| Non-current liabilities | | | | | | |
| a) Long Term Borrowings | 6,934.91 | 7,991.32 | 7,412.20 | 6,127.84 | 2,828.34 | 1,238.56 |
| b) Other Long Term Liabilities | 5,249.33 | 5,855.84 | 8,580.18 | 12,480.41 | 10,538.85 | 10,449.32 |
| c) Deferred Tax Liability | 5.05 | 5.68 | 5.66 | 6.15 | 6.86 | 2.80 |
| d) Long Term Provisions | 13.95 | 12.65 | 9.98 | 7.51 | 5.57 | 4.49 |
| Total | 12,203.24 | 13,865.49 | 16,008.03 | 18,621.91 | 13,379.63 | 11,695.17 |
| Current liabilities | | | | | | |
| a) Short-term borrowings | 3,615.82 | 3,212.60 | 2,744.54 | 310.35 | 532.97 | 389.64 |
| b) Trade payables | 707.44 | 654.67 | 931.85 | 815.19 | 725.10 | 898.09 |
| c) Other Current Liabilities | 5,555.59 | 3,655.64 | 2,732.22 | 1,797.12 | 2,486.10 | 1,619.66 |
| d) Short-term provisions | 632.97 | 430.26 | 289.61 | 134.14 | 168.10 | 108.09 |
| Total | 10,511.82 | 7,953.18 | 6,698.21 | 3,056.81 | 3,912.27 | 3,015.48 |
| TOTAL | 26,302.00 | 24,853.72 | 24,961.42 | 23,304.63 | 18,612.39 | 16,238.73 |
| ASSETS | | | | | | |
| Non - Current Assets | | | | | | |
| a) Fixed Assets | | | | | | |
| i.) Tangible assets | 288.82 | 271.85 | 227.54 | 207.44 | 203.89 | 165.78 |
| ii) Intangible assets | 4.95 | 3.60 | 2.79 | 1.58 | 1.58 | 1.26 |
| Gross Block | 293.77 | 275.45 | 230.33 | 209.03 | 205.48 | 167.04 |
| Less Depreciation | 91.91 | 77.72 | 51.21 | 29.21 | 8.68 | 1.40 |
| Net Block | 201.86 | 197.73 | 179.13 | 179.82 | 196.80 | 165.64 |
| b) Non- Current Investments | 2,492.24 | 1,981.84 | 642.28 | 1,070.76 | 187.20 | 184.52 |
| c) Long term Loans & Advances | 651.45 | 666.96 | 1,149.27 | 1,023.65 | 803.97 | 540.99 |
| Total | 3,345.56 | 2,846.53 | 1,970.67 | 2,274.23 | 1,187.98 | 891.15 |
| Current Assets | | | | | | |
| a) Inventories | 17,171.78 | 17,107.79 | 18,803.25 | 18,327.58 | 15,287.27 | 13,058.41 |
| b) Trade Receivables | 26.56 | 69.49 | 22.45 | 30.33 | 54.65 | 66.67 |
| c) Cash and Cash equivalents | 289.38 | 220.56 | 113.21 | 717.13 | 320.34 | 445.59 |
| d) Short-term loans and advances | 4,687.02 | 4,085.62 | 3,497.00 | 1,507.25 | 436.10 | 1,636.00 |
| e) Other Current Asset | 781.69 | 523.73 | 554.83 | 448.11 | 1,326.05 | 140.91 |
| Total | 22,956.43 | 22,007.19 | 22,990.74 | 21,030.40 | 17,424.42 | 15,347.58 |
| TOTAL | 26,302.00 | 24,853.72 | 24,961.42 | 23,304.63 | 18,612.39 | 16,238.73 |

Annexure II
STATEMENT OF PROFIT AND LOSS ACCOUNT, AS RESTATED

(₹ in lakhs)

| Particulars | September 30, 2017 | For the year ended March 31, | | | | |
|---|-----------------------|------------------------------|------------------|-----------------|-----------------|-----------------|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| INCOME: | | | | | | |
| Revenue from Operations | 4,034.90 | 10,530.56 | 10,071.58 | 4,514.03 | 5,753.84 | 4,225.14 |
| Other Income | 534.83 | 471.71 | 521.89 | 139.41 | 153.55 | 103.51 |
| | | | | | | |
| Total income | 4,569.73 | 11,002.26 | 10,593.47 | 4,653.44 | 5,907.39 | 4,328.65 |
| | | | | | | |
| EXPENSES: | | | | | | |
| Changes in Inventory of work-in-progress and finished goods | (64.00) | 1,695.47 | (475.68) | (3,040.30) | (2,228.87) | (3,365.93) |
| Construction Expenses | 2,422.92 | 5,473.24 | 7,796.33 | 5,179.34 | 6,206.83 | 6,526.65 |
| Employee benefits expense | 105.54 | 220.31 | 172.45 | 157.09 | 178.41 | 111.42 |
| Finance cost | 954.82 | 1,825.92 | 1,713.05 | 1,113.66 | 868.97 | 411.12 |
| Depreciation and amortization expense | 14.19 | 26.51 | 22.00 | 20.76 | 7.51 | 1.63 |
| Administration and other expenses | 322.28 | 513.41 | 429.17 | 778.26 | 338.63 | 257.04 |
| Total expenses | 3,755.75 | 9,754.86 | 9,657.33 | 4,208.81 | 5,371.47 | 3,941.95 |
| | | | | | | |
| Net Profit / (Loss) before extraordinary items and tax | 813.97 | 1,247.41 | 936.14 | 444.63 | 535.92 | 386.70 |
| Extraordinary items – Provision for gratuity | - | - | 2.54 | 1.98 | 1.10 | 2.38 |
| Net Profit / (Loss) before tax | 813.97 | 1,247.41 | 933.61 | 442.65 | 534.82 | 384.32 |
| Less: Tax expense | | | | | | |
| Current tax | 202.50 | 430.00 | 289.40 | 134.00 | 168.00 | 108.00 |
| Deferred tax | (0.64) | 0.02 | (0.49) | (0.71) | 4.06 | 2.78 |
| Tax expense (Firms) | 60.23 | 14.24 | 7.27 | 1.80 | 2.21 | 3.14 |
| Total Tax Expense | 262.09 | 444.26 | 296.18 | 135.09 | 174.27 | 113.93 |
| | | | | | | |
| Net Profit / (Loss) after tax | 551.88 | 803.14 | 637.43 | 307.56 | 360.55 | 270.39 |

Annexure III
CASH FLOW STATEMENT, AS RESTATED

(₹ in lakhs)

| Particulars | September 30, 2017 | As at March 31, | | | | |
|--|--------------------|-----------------|-----------------|-------------------|-----------------|-------------------|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Cash Flow From Operating Activities | | | | | | |
| Net Profit Before Tax | 813.97 | 1,247.41 | 933.61 | 442.65 | 534.82 | 384.32 |
| Adjustments for : | | | | | | |
| Depreciation/Amortisation | 14.19 | 26.51 | 22.00 | 20.76 | 7.51 | 1.40 |
| Provision for Gratuity | 1.36 | 2.73 | 2.54 | 1.98 | 1.10 | 2.38 |
| Interest received on Fixed Deposit | (13.70) | (28.33) | (33.53) | (23.19) | (13.17) | (5.93) |
| Interest received on Advances | (176.48) | (344.83) | (281.09) | (77.35) | (121.64) | (86.00) |
| Share of Profit from Partnership firms | (230.83) | (45.76) | (57.41) | (12.80) | (5.71) | (7.71) |
| Dividend on Shares | (0.20) | (2.52) | (1.78) | (2.34) | (1.88) | (1.88) |
| Profit on ICICI Prudential Savings Fund | (102.62) | (30.31) | (147.17) | (9.53) | - | - |
| Finance Cost | 954.82 | 1,825.92 | 1,713.05 | 1,113.66 | 868.97 | 411.12 |
| Operating Profit Before Working Capital Changes | 1,260.51 | 2,650.80 | 2,150.21 | 1,453.85 | 1,269.99 | 697.72 |
| Adjusted for (Increase)/ Decrease: | | | | | | |
| Inventories | (64.00) | 1,695.47 | (475.68) | (3,040.30) | (2,228.87) | (3,365.93) |
| Trade Receivables | 42.93 | (47.04) | 7.88 | 24.32 | 12.02 | (64.12) |
| Short Term Loans and Advances | (601.40) | (588.62) | (1,989.75) | (1,071.15) | 1,199.90 | (1,575.25) |
| Other Current Assets | (257.95) | 31.10 | (106.72) | 877.70 | (1,185.38) | (56.23) |
| Trade Payables | 52.77 | (277.18) | 116.66 | 90.09 | (172.99) | (252.86) |
| Other Current Liabilities | 1899.95 | 923.42 | 935.10 | (688.98) | 866.44 | 1,571.21 |
| Cash Generated From Operations Before Exceptional Items | 2,332.82 | 4,387.94 | 637.71 | (2,354.47) | (238.88) | (3,045.45) |
| Add:- Exceptional Items | - | - | - | - | - | - |
| Cash Generated From Operations | 2,332.82 | 4,387.94 | 637.71 | (2,354.47) | (238.88) | (3,045.45) |
| Less: Direct Tax paid | 60.04 | 326.84 | 149.37 | 171.90 | 128.35 | 55.27 |
| Net Cash flow from/(used in) Operating Activities (A) | 2,272.78 | 4,061.10 | 488.34 | (2,526.37) | (367.23) | (3,100.72) |
| Cash Flow From Investing Activities | | | | | | |
| Interest received from Fixed Deposits | 13.70 | 28.33 | 33.53 | 23.19 | 13.17 | 5.93 |
| Sale/(Purchase) of fixed assets | (18.32) | (45.12) | (21.36) | (3.59) | (38.44) | (164.62) |
| Sale/(Purchase) of investments | (510.46) | (1,339.62) | 428.48 | (883.55) | (2.68) | 43.44 |
| Dividend on Shares | 0.20 | 2.52 | 1.78 | 2.34 | 1.88 | 1.88 |
| Share of Profit from Partnership firms | 230.83 | 45.76 | 57.41 | 12.80 | 5.71 | 7.71 |
| Profit on ICICI Prudential Savings Fund | 102.62 | 30.31 | 147.17 | 9.53 | - | - |
| Interest received on advances | 176.48 | 344.83 | 281.09 | 77.35 | 121.64 | 86.00 |
| Net Cash Flow from Investing Activities (B) | (4.95) | (932.97) | 928.10 | (761.94) | 101.28 | (19.67) |
| Cash Flow From Financing Activities | | | | | | |
| Proceeds from Share Capital | - | - | - | - | 350.00 | - |
| Proceeds from Share Application Money | - | - | - | - | (900.00) | 900.00 |
| Increase/(Decrease) of Long Term Borrowing | (1,056.40) | 579.12 | 1,284.36 | 3,299.50 | 1,589.78 | (54.92) |
| Increase/(Decrease) of Short Term Borrowing | 403.22 | 468.06 | 2,434.18 | (222.62) | 143.34 | (487.77) |
| Increase / (Decrease) in Other Long Term Liabilities | (606.51) | (2,724.35) | (3,900.22) | 1,941.55 | 89.53 | 3,761.92 |
| Increase/ (Decrease) of Long Term Loans & Advances | 15.51 | 482.31 | (125.62) | (219.68) | (262.98) | (376.38) |
| Finance Cost | (954.82) | (1,825.92) | (1,713.05) | (1,113.66) | (868.97) | (411.12) |

| Particulars | September 30, 2017 | As at March 31, | | | | |
|---|--------------------|-------------------|-------------------|-----------------|-----------------|-----------------|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Net Cash Flow from Financing Activities (C) | (2,199.01) | (3,020.78) | (2,020.36) | 3,685.10 | 140.70 | 3,331.72 |
| Net Increase/ (Decrease) in Cash and Cash Equivalents (A + B + C) | 68.82 | 107.35 | (603.91) | 396.79 | (125.26) | 211.34 |
| Cash & Cash equivalent at the beginning of the year | 220.56 | 113.21 | 717.13 | 320.34 | 445.59 | 234.25 |
| Cash & Cash Equivalent at the end of the year | 289.38 | 220.56 | 113.22 | 717.13 | 320.34 | 445.59 |

THE ISSUE

The following table summarises the Issue details:

| Equity Shares Issued | Particulars |
|---|--|
| Issue of Equity Shares | 43,00,000 Equity Shares*, aggregating to ₹ 7,740.00 lakhs |
| <i>Of which:</i> | |
| Fresh Issue ⁽¹⁾ | 23,00,000 Equity Shares*, aggregating to ₹ 4,140.00 lakhs |
| Offer for Sale by Mr. Naresh Karda ⁽²⁾ | 20,00,000 Equity Shares*, aggregating to ₹ 3,600.00 lakhs |
| <i>The Issue consists of:</i> | |
| A) QIB Portion ⁽³⁾⁽⁴⁾ | At least 4,30,000 Equity Shares* |
| <i>of which:</i> | |
| Available for allocation to Mutual Funds only (5% of the QIB Portion) | 21,500 Equity Shares* |
| Balance for all QIBs including Mutual Funds | 4,08,500 Equity Shares* |
| B) Non-Institutional Portion ⁽⁴⁾⁽⁵⁾ | Not less than 17,20,000 Equity Shares* |
| C) Retail Portion ⁽⁴⁾⁽⁵⁾ | Not less than 21,50,000 Equity Shares* |
| Pre and post Issue Equity Shares | |
| Equity Shares outstanding prior to the Issue | 1,00,00,000 Equity Shares |
| Equity Shares outstanding after the Issue ⁽⁶⁾ | 1,23,00,000 Equity Shares* |
| Use of Net Proceeds | See “ <i>Objects of the Issue</i> ” on page no. 67 of this Prospectus for information about the use of the proceeds from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale. |

* Subject to finalisation of Basis of Allotment

Allocation to all categories, except the Retail Portion, if any, shall be made on a proportionate basis, subject to valid Bids received at or above the Issue Price. The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of shares in Retail Portion, and the remaining available Equity Shares, if any, shall be Allocated on a proportionate basis. For further details, see “*Issue Procedure*” on page no. 228 of this Prospectus.

⁽¹⁾The present Issue has been authorized pursuant to a resolution of our Board dated August 04, 2017 and by special resolution passed at an Annual General Meeting of our shareholders held on August 29, 2017.

⁽²⁾The Selling Shareholder i.e Mr. Naresh Karda has authorized offer of 20,00,000 Equity Shares in the Offer for Sale by way of letter dated August 02, 2017. He has confirmed that the Equity Shares proposed to be offered and sold in the Issue are eligible to be offered for sale in accordance with the SEBI (ICDR) Regulations and has been held for a period of at least one year prior to the date of filing of the Draft Red Herring Prospectus with SEBI calculated in the manner as set out under Regulation 26(6) of SEBI ICDR Regulations.

⁽³⁾ 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Any unsubscribed portion in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders in proportion to their Bids. For details, see “*Issue Procedure*” on page no. 228 of this Prospectus. Allocation to all categories shall be made in accordance with SEBI ICDR Regulation.

⁽⁴⁾Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company and Selling Shareholder in consultation with the BRLM and the Designated Stock Exchange.

⁽⁵⁾In the event of under subscription, if any, in this issue, allotment from fresh issue shall be given priority over allotment from the offer for sale upto minimum subscription.

⁽⁶⁾Assuming full subscription of the Fresh Issue and transfer of all the Equity Shares offered for sale by the Selling Shareholder through the Offer for Sale.

GENERAL INFORMATION

Our Company was incorporated as Karda Constructions Private Limited on September 17, 2007 as a Private Limited Company under the Companies Act, 1956 with the Registrar of Companies, Mumbai bearing Registration No. 174194. Subsequently, our Company was converted to a public limited company and a fresh certificate of incorporation consequent upon conversion to a public limited company was issued by the Registrar of Companies on March 17, 2016 in the name of Karda Constructions Limited. The Company's Corporate Identity Number is U45400MH2007PLC174194.

For further details pertaining to the change in Registered Office, please refer to the chapter titled “*History and Certain Corporate Affairs*” beginning on page no. 117 of this Prospectus.

Brief Company and Issue Information

| | |
|---|---|
| Registered Office | 2 nd Floor, Gulmohar Status, Above Business Bank, Samarth Nagar, Nashik – 422 005 |
| Corporate Office | 2 nd Floor, Saikrupa Complex, Tilak Road, Muktidham, Nashik Road, Nashik – 422 101 |
| Date of Incorporation | September 17, 2007 |
| Company Registration No. | 174194 |
| Company Identification No. | U45400MH2007PLC174194 |
| Address of Registrar of Companies | Address: Everest, 100, Marine Drive, Mumbai – 400 002. Tel No.: +91 –22 - 2281 7259 / 22811493 Fax No.: +91 – 22 – 22812389 |
| Company Secretary & Compliance Officer | Mrs. Mayura Marathe Address: 2 nd Floor, Gulmohar Status, Above Business Bank, Samarth Nagar, Nashik – 422 005 Tele No.: +91 – 253 – 235 1090 Email: admin@kardaconstruction.com |
| Chief Finance Officer | Mr. Anil Nahata Address: 2 nd Floor, Saikrupa Complex, Tilak Road, Muktidham, Nashik Road, Nashik – 422 101 Telefax No.: +91 – 253 – 246 5436 Email: admin@kardaconstruction.com |

Board of Directors of our Company

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

| Name | Designation | Director's Identification No. |
|--------------------|---|-------------------------------|
| Mr. Naresh Karda | Chairman & Managing Director | 01741279 |
| Mr. Manohar Karda | Whole Time Director | 01808564 |
| Mrs. Disha Karda | Executive Director | 06424475 |
| Mr. Sandeep Shah | Non Executive Independent Director (Additional Director) | 06402659 |
| Mr. Rahul Dayama | Non Executive Independent Director | 07906447 |
| Mrs. Shweta Tolani | Non Executive Independent Director | 07575484 |

For further details pertaining to the educational qualification and experience of our Directors please refer to the chapter titled “*Our Management*” beginning on page no. 121 of this Prospectus.

Investor Grievances

Investors can contact the Company Secretary and Compliance Officer, the BRLM, or the Registrar to the Issue in case of any pre Issue or post Issue related problems, such as non-receipt of letters of allotment, non-credit of allotted shares in the respective beneficiary account and non-receipt of refund orders and non receipt of funds by electronic mode.

All grievances in relation to the Issue may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary with whom the Bid cum Application Form was submitted. The Bidder should give full details such as full name of the sole or first Bidder, Bid cum Application Form number, address of the Bidder, Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the relevant Designated Intermediary, where the Bid was submitted and ASBA Account number in which the amount equivalent to the Bid Amount was blocked, Bid Amount paid on submission of the Bid cum Application Form.

Further, the Bidder shall enclose the Acknowledgment Slip/application number from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

Details of Key Intermediaries pertaining to this Issue and Our Company

BOOK RUNNING LEAD MANAGER



ARYAMAN FINANCIAL SERVICES LIMITED
60, Khatau Building, Gr. Floor,
Alkesh Dinesh Modi Marg, Opp. P.J. Tower (BSE Bldg.),
Fort, Mumbai – 400 001
Tel. No.: +91 – 22 – 6216 6999
Fax No.: +91 – 22 – 2263 0434
Website: www.afsl.co.in
Email: ipo@afsl.co.in
Investor Grievance Email: feedback@afsl.co.in
Contact Person: Mr. Deepak Biyani
SEBI Registration No.: INM000011344

REGISTRAR TO THE ISSUE



BIGSHARE SERVICES PRIVATE LIMITED
1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis,
Makwana Road, Marol, Andheri East, Mumbai – 400 059
Tel No.: +91 – 22 – 6263 8200
Fax No.: +91 – 22 – 6263 8299
Email: ipo@bigshareonline.com
Website: http://www.bigshareonline.com
Contact Person: Mr. Ashok Shetty
SEBI Registration No.: INR000001385

REGISTRAR TO THE COMPANY



SHAREX DYNAMIC (I) PRIVATE LIMITED
Unit No 1, Luthra Ind. Premises, 1st Floor, 44 – E,
M. Vasanji Marg, Andheri Kurla Road, Safed Pool,
Andheri (E), Mumbai – 400 072
Tel No.: +91 – 22 – 2851 5606
Fax No.: +91 – 22 – 2851 2885
Email: shareindia@vsnl.com
Website: www.sharexindia.com
Contact Person: Mr. K. C. Ajitkumar
SEBI Registration No.: INR000002102

LEGAL COUNSEL TO THE ISSUE



KANGA & CO., ADVOCATE AND SOLICITORS,
Readymoney Mansion,
43, Veer Nariman Road, Fort,
Mumbai - 400 001.
Tel No.: +91 - 22 - 6623 0000/ +91 - 22 - 6623 2288
Fax No.: +91 - 22 - 6633 9656/ 57
Email: chetanthakkar@kangacompany.com
Website: www.kangacompany.com
Contact Person: Mr. Chetan Thakkar

STATUTORY AUDITOR

M/S. JPL & ASSOCIATES, CHARTERED ACCOUNTANTS

251, A- Wing, New JB Market,
Near Professional Courier,
Jalgaon- 425 001.
Tel No.: +91 - 90110 79383
Email: vipul.ca1986@gmail.com
Contact Person: CA Vipul Lathi

BANKERS TO OUR COMPANY



THE NDVS BANK LIMITED
Kalpawruksha, Asha Nagar,
Nashik Road - 422 101.
Tel No.: +91 - 94222 57672
Fax No.: +91 - 253 - 246 0914
Email: vyapari.bank@gmail.com
Website: www.nasikrdvyaparibank.com
Contact Person: Mr. E. V. Kadam, CEO (In-Charge)



AXIS BANK LIMITED
Mazda Tower, Gpo Road, Trambak Naka, Nashik.
Tel No.: +91 - 253 - 662 7400
Email: nashik.branchhead@axisbank.com
Website: www.axisbank.com
Contact Person: The Branch Head



STATE BANK OF INDIA
Prosper Park, Shingada Talao,
Nashik - 422 001.
Tel No.: +91 - 253 - 250 0905
Fax No.: +91 - 253 - 250 0906
Email: sbi.14885@sbi.co.in
Website: www.sbi.co.in
Contact Person: Mr. Vineeta Srivastava



THE NAV JEEVAN CO-OP. BANK LIMITED
Bhawani Saw Mills Compound,
Near Furniture Bazar, Ulhasnagar -421 003.
Tel No.: +91 - 251 - 661 8181
Fax No.: +91 - 251 - 256 7523
Email: dinesh.harchandani@njcb.in
Website: www.navjeevanbank.com
Contact Person: Mr. Dinesh Harchandani (MD cum CEO)

BANKERS TO THE ISSUE



AXIS BANK LIMITED

Jeevan Prakash Bldg,
Sir P M Road, Fort Mumbai- 400 001.
Tel No.: +91 – 22 - 4086 7336/ 7474
Fax No.: +91 - 22 - 4086 7327/7378
Email: fort.operationshead@axisbank.com
Contact Person: Mr. Anil Kanekar

SYNDICATE MEMBERS



ARYAMAN FINANCIAL SERVICES LIMITED

60, Khatau Building, Gr. Floor,
Alkesh Dinesh Modi Marg, Opp. P.J. Tower (BSE Bldg.),
Fort, Mumbai – 400 001
Tel. No.: +91 – 22 – 6216 6999
Fax No.: +91 – 22 – 2263 0434
Website: www.afsl.co.in; **Email:** ipo@afsl.co.in
Investor Grievance Email: feedback@afsl.co.in
Contact Person: Mr. Deepak Biyani
SEBI Registration No.: INM000011344



ARYAMAN CAPITAL MARKETS LIMITED

60, Khatau Building, Gr. Floor,
Alkesh Dinesh Modi Marg, Opp. P. J. Tower (BSE Bldg.),
Fort, Mumbai – 400 001
Tel. No.: +91 – 22 – 6216 6999
Fax No.: +91 – 22 – 2263 0434
Email: aryacapm@gmail.com
Contact Person: Mr. Harshad Dhanawade
SEBI Registration No.: INZ000004739

SELF CERTIFIED SYNDICATE BANKS

The lists of Banks that have been notified by SEBI to act as SCSBs for the ASBA process are provided on SEBI website at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/recognised-intermediaries>. For details of list branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, Please refer to above mentioned link. Further, the branches of the SCSBs where the syndicate at the specific locations could submit the Bid Cum Application Forms is provided on SEBI Website at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/recognised-intermediaries>.

REGISTERED BROKERS

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the BSE and NSE, at www.bseindia.com and www.nseindia.com, respectively, as updated from time to time.

REGISTRAR TO ISSUE AND SHARE TRANSFER AGENTS

The list of the RTAs eligible to accept Bid cum Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of Stock Exchange at <http://www.bseindia.com/static/markets/publicissues/rtadp.aspx?expandable=6> and https://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

COLLECTING DEPOSITORY PARTICIPANTS

The list of the CDPs eligible to accept Bid cum Applications forms at the Designated CDP Locations, including details such as address, telephone number and e-mail address, are provided on the website of Stock Exchange at <http://www.bseindia.com/static/markets/publicissues/rtadp.aspx?expandable=6> and

https://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

EXPERT OPINION

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

Our Company has received written consent from the Auditor namely, M/s. JPL & Associates, Chartered Accountants, (Statutory Auditor) to include their name as expert under section 26 of the Companies Act, 2013 in this Prospectus in relation to the reports on the Restated Financial Statements dated February 03, 2018 and the Statement of Tax Benefits dated September 20, 2017, included in this Prospectus and such consent has not been withdrawn as on the date of this Prospectus.

Our Company has received written consent from the Anita Prakash Mungase, Advocate, to include their name as expert under section 26 of the Companies Act, 2013 in this Prospectus in relation to the reports on the Master Title Certificate dated February 01, 2018 issued by them, included in this Prospectus and such consent has not been withdrawn as on the date of this Prospectus.

As the Equity Shares in the Issue will not be registered under the Securities Act, any references to the term “expert” herein and the Auditors consent to be named as an “expert” to the Issue are not in the context of a registered offering of securities under the Securities Act.

MONITORING AGENCY

As on the date of this Prospectus, we are not required to appoint a monitoring agency under Regulation 16(1) of the SEBI Regulations since the size of the Fresh Issue does not exceed ₹ 100 Crores. If required, our Company will appoint a monitoring agency in relation to the Fresh Issue prior to the filing of the Red Herring Prospectus.

IPO Grading

No credit agency registered with SEBI has been appointed in respect of obtaining grading for the Issue.

TRUSTEES

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

DETAILS OF THE APPRAISING AUTHORITY

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

CREDIT RATING

This being an Issue of Equity Shares, no credit rating is required

INTER-SE ALLOCATION OF RESPONSIBILITIES

Aryaman Financial Services Limited is the Sole Book Running Lead Manager to this Issue, and hence is responsible for all the Issue management related activities.

BOOK BUILDING PROCESS

Book building, with reference to the Issue, refers to the process of collection of Bids from investors on the basis of the Prospectus and the Bids cum Application Forms within the Price Band, which will be decided by our Company and the Selling Shareholder, in consultation with the BRLM, and advertised in, all editions of the English national newspaper, Business Standard, all editions of the Hindi national newspaper Business Standard and Nashik edition of Marathi daily newspaper, Divya Marathi, (Marathi being the regional language of Maharashtra, where our registered office is located), each with wide circulation, at least five working days prior to the Bid/Issue opening date. The Issue Price shall be determined Company and the Selling Shareholder, in consultation with the BRLM after the Bid/Issue closing date.

All Investors can participate in the Issue only through the ASBA process.

In terms of the SEBI Regulations, QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bid(s) or withdraw their Bids prior to the Bid/Issue Closing Date. For further details on method and process of Bidding, see “*Issue Structure*” on page no. 225 of this Prospectus

Investors should note that the Issue is also subject to obtaining (i) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for, after allotment; and (ii) the approval of the RoC after the Prospectus is filed with the RoC.

Illustration of Book Building and Price Discovery Process

(Investors should note that the following is solely for the purpose of illustrative and is not specific to this Issue, and does not illustrate bidding by Anchor Investors)

For an illustration of the Book Building Process and the price discovery process, please see the section entitled “*Issue Procedure – Part B – Basis of Allocation – Illustration of Book Building Process and Price Discovery Process*” on page no. 228 of this Prospectus.

UNDERWRITING AGREEMENT

After the determination of the Issue Price, but prior to filing of the Prospectus with the RoC, our Company and the Selling Shareholder intend to enter into the Underwriting Agreement with the Underwriter for the Equity Shares proposed to be offered through the Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the Book Running Lead Manager shall be responsible for bringing in the amount devolved in the event the respective Syndicate Members do not fulfil their underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriter are several and are subject to certain conditions specified therein.

The Underwriting Agreement is dated March 22, 2018. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

| Details of the Underwriter(s) | Indicated Number of Equity Shares to be Underwritten | Amount Underwritten (In ₹ lakhs) | % of Amount Underwritten |
|--------------------------------------|---|---|---------------------------------|
| Aryaman Financial Services Limited | 42,50,000 | 7,650.00 | 98.84% |
| Aryaman Capital Markets Limited | 50,000 | 90.00 | 1.16% |
| TOTAL | 43,00,000 | 7,740.00 | 100.00% |

In the opinion of our Board (based on representations made to our Company by the Underwriter), the resources of the Underwriter are sufficient to enable them to discharge their respective underwriting obligations in full. The above-mentioned underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges.

Allocation among the Underwriter may not necessarily be in the proportion of their underwriting commitments set forth in the table above. Notwithstanding the above table, each of the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors procured by them, in accordance with the Underwriting Agreement.

The underwriting arrangements mentioned above shall not apply to the subscriptions by the ASBA Bidders in the Issue (except for ASBA Bids procured by any member of the Syndicate). The Underwriting Agreement shall list out the role and obligations of each Syndicate Member, and *inter alia* contain a clause stating that margin collected shall be uniform across all categories indicating the percentage to be paid as margin by the investors at the time of Bidding.

CAPITAL STRUCTURE

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

(₹ in lakhs, except share data)

| Sr. No. | Particulars | Aggregate Value at Nominal Value | Aggregate Value at Issue Price** |
|----------|--|----------------------------------|----------------------------------|
| A | Authorised Share Capital | | |
| | 1,40,00,000 Equity Shares of face value of ₹ 10 each | 1,400.00 | - |
| B | Issued, Subscribed and Paid-up Share Capital before the Issue | | |
| | 1,00,00,000 Equity Shares of face value of ₹ 10 each | 1,000.00 | - |
| C | Present Issue in terms of this Prospectus | | |
| | Public Issue of 43,00,000 Equity Shares* of face value of ₹ 10 each | 430.00 | 7,740.00 |
| | <i>Which comprises:</i> | | |
| | Fresh Issue of 23,00,000 Equity Shares* of face value of ₹ 10 each ⁽¹⁾ | 230.00 | 4,140.00 |
| | Offer for Sale of 20,00,000 Equity Shares* of face value of ₹ 10 each ⁽²⁾ | 200.00 | 3,600.00 |
| D | Issued, Subscribed and Paid-up Share Capital after the Issue | | |
| | 1,23,00,000 Equity Shares of face value of ₹ 10 each | 1,230.00 | |
| E | Securities Premium Account | | |
| | Before the Issue | | Nil |
| | After the Issue | | 3,910.00 |

* Subject to finalisation of Basis of Allotment

** The Issue Price is ₹ 180 per Equity Share

⁽¹⁾ The present Issue has been authorized pursuant to a resolution of our Board dated August 04, 2017 and by special resolution passed at an Annual General Meeting of our shareholders held on August 29, 2017.

⁽²⁾ The Selling Shareholder i.e Mr. Naresh Karda has authorized offer of 20,00,000 Equity Shares in the Offer for Sale by way of letter dated August 02, 2017. He has confirmed that the Equity Shares proposed to be offered and sold in the Issue are eligible to be offered for sale in accordance with the SEBI (ICDR) Regulations and has been held for a period of at least one year prior to the date of filing of the Draft Red Herring Prospectus with SEBI calculated in the manner as set out under Regulation 26(6) of SEBI ICDR Regulations.

Changes in Authorised Share Capital

Since incorporation, the Authorized Share Capital of our Company has been altered in the following manner:

- The initial authorised share capital of ₹ 1,00,000 divided into 1,000 Equity Shares of ₹ 100 each was increased to ₹ 50,00,000 divided into 50,000 Equity Shares of ₹ 100 each, pursuant to resolution of shareholders passed at the EGM held on March 26, 2009.
- The authorised share capital of ₹ 50,00,000 divided into 50,000 Equity Shares of ₹ 100 each was increased to ₹ 1,50,00,000 divided into 1,50,000 Equity Shares of ₹ 100 each, pursuant to resolution of shareholders passed at the EGM held on March 30, 2012.

3. The authorised share capital of ₹ 1,50,00,000 divided into 1,50,000 Equity Shares of ₹ 100 each was increased to ₹ 5,00,00,000 divided into 5,00,000 Equity Shares of ₹ 100 each, pursuant to resolution of shareholders passed at the EGM held on January 20, 2014.
4. The authorised share capital of ₹ 5,00,00,000 divided into 5,00,000 Equity Shares of ₹ 100 each was increased to ₹ 10,00,00,000 divided into 10,00,000 Equity Shares of ₹ 100 each, pursuant to resolution of shareholders passed at the EGM held on February 29, 2016.
5. Pursuant to resolution of shareholders passed at the EGM held on February 29, 2016, the authorised share capital ₹ 10,00,00,000 divided into 10,00,000 equity shares of ₹ 100 each were sub-divided as ₹ 10,00,00,000 divided into 1,00,00,000 equity shares of ₹ 10 each..
6. The authorised share capital of ₹ 10,00,00,000 divided into 1,00,00,000 Equity Shares of ₹ 10 each was increased to ₹ 14,00,00,000 divided into 1,40,00,000 Equity Shares of ₹ 10 each, pursuant to resolution of shareholders passed at the EGM held on June 27, 2016.

NOTES TO THE CAPITAL STRUCTURE

1. Share Capital History of our Company:

a) Equity Share Capital

The following table sets forth the history of the equity share capital of our Company:

| Date of Allotment of Equity Shares | No. of Equity Shares | Face Value (₹) | Issue Price (₹) | Nature / Reason of Allotment | Nature of Consideration | Cumulative No. of Equity Shares | Cumulative Paid Up Share Capital (₹) | Cumulative Share Premium (₹) | |
|------------------------------------|--|----------------|-----------------|------------------------------------|-------------------------|---------------------------------|--------------------------------------|------------------------------|-----|
| September 07, 2007 | 1,000 | 100 | 100 | Subscription to MoA ⁽¹⁾ | Cash | 1,000 | 1,00,000 | Nil | |
| March 31, 2009 | 49,000 | 100 | 100 | Further Allotment ⁽²⁾ | Cash | 50,000 | 50,00,000 | Nil | |
| March 31, 2012 | 1,00,000 | 100 | 100 | Further Allotment ⁽³⁾ | Cash | 1,50,000 | 1,50,00,000 | Nil | |
| March 29, 2014 | 3,50,000 | 100 | 100 | Further Allotment ⁽⁴⁾ | Cash | 5,00,000 | 5,00,00,000 | Nil | |
| February 29, 2016 | Sub Division of the Face Value of the Equity Shares from ₹ 100 to ₹ 10 each ⁽⁵⁾ | | | | | | 50,00,000 | 5,00,00,000 | Nil |
| July 11, 2016 | 40,00,000 | 10 | - | Bonus Allotment ⁽⁶⁾ | Other than Cash | 90,00,000 | 9,00,00,000 | Nil | |
| July 24, 2017 | 10,00,000 | 10 | - | Bonus Allotment ⁽⁷⁾ | Other than Cash | 1,00,00,000 | 10,00,00,000 | Nil | |

- 1) Allotment of 1,000 equity shares of face value of ₹ 100 each were allotted to Mr. Naresh Karda (800), Mrs. Disha Karda (100) and Mr. Hiralal Kalani (100) as a result of subscription to the MoA.
- 2) Further allotment of 49,000 equity shares of face value of ₹ 100 each were allotted to Mr. Naresh Karda (39,090), Mrs. Disha Karda (2,400), Mr. Prem Karda (2,500), Mr. Lakshman Karda (2,500), Mr. Manohar Karda (2,500), Mr. Anil V Gada (1), Ms. Dharshi Premji Nandu (1), D Premji Nandu – HUF (1), Mr. Gajesh V Gada (1), Mr. Ghansham M. Sharma (1), Ghansham M. Sharma – HUF (1), Mrs. Jaisinghani Roma K (1), Mr. Parag Premji Nandu (1), Ms. Rasika P Nandu (1) and S G Nihalani (1).
- 3) Further allotment of 1,00,000 equity shares of face value of ₹ 100 each were allotted to Mr. Naresh Karda (90,000) and Mrs. Disha Karda (10,000).
- 4) Further allotment of 350,000 equity shares of face value of ₹ 100 each were allotted to Mr. Naresh Karda (250,000), Mr. Prem Karda (27,000), Mr. Lakshman Karda (25,000), Mr. Manohar Karda (16,000), Mr.

Karamchand Karda (17,000), Mrs. Bharti Karda (5,000), Mrs. Komal Karda (5,000) and Mrs. Neha Karda (5,000).

- 5) Pursuant to EGM held on February 29, 2016, our Company has subdivided the face value of the Equity Share from ₹ 100/- each to ₹ 10/- each.
- 6) Pursuant to EGM held on June 27, 2016, our Company has issued 4,000,000 Bonus Shares in the ratio of 4:5 to all the existing shareholders of the Company i.e to Mr. Naresh Karda (3,040,000), Mrs. Disha Karda (100,000), Mr. Prem Karda (236,000), Mr. Lakshman Karda (220,000), Mr. Manohar Karda (148,000), Mr. Karamchand Jagumal Karda (136,000), Mrs .Bharti Manohar Karda (40,000), Mrs .Komal Lakshman Karda (40,000) and Mrs. Neha Prem Karda (40,000).
- 7) Pursuant to EGM held on July 24, 2017, our Company has issued 1,000,000 Bonus Shares in the ratio of 1:9 to all the existing shareholders of the Company i.e to Mr. Naresh Karda (760,000), Mrs. Disha Karda (25,000), Mr. Prem Karda (59,000), Mr. Lakshman Karda (55,000), Mr. Manohar Karda (37,000), Mr. Karamchand Jagumal Karda (34,000), Mrs. Bharti Manohar Karda (10,000), Mrs. Komal Lakshman Karda (10,000) and Mrs. Neha Prem Karda (10,000).

b) Issue of Equity Shares in the last one preceding year below the Issue Price

Our Company has not issued Equity Shares in the last one preceding year below the Issue Price except as below

| Date of Allotment | Name of the Allottees | Number of Shares | Face Value (₹) | Issue Price (₹) | Reasons |
|-------------------|-----------------------|------------------|----------------|-----------------|--|
| July 24, 2017 | Mr. Naresh Karda | 7,60,000 | 10 | - | Bonus issue in the ratio of 1:9 authorised by our Shareholders through a resolution dated July 24, 2017. |
| | Mrs .Disha Karda | 25,000 | | | |
| | Mr. Prem Karda | 59,000 | | | |
| | Mr. Lakshman Karda | 55,000 | | | |
| | Mr. Manohar Karda | 37,000 | | | |
| | Mr. Karamchand Karda | 34,000 | | | |
| | Mrs. Bharti Karda | 10,000 | | | |
| | Mrs. Komal Karda | 10,000 | | | |
| | Mrs. Neha Karda | 10,000 | | | |

c) Shares issued for consideration other than cash

Our Company has not issued Equity Shares for consideration other than cash since incorporation to the date of this Prospectus except as mentioned below:

| Date of Allotment | No. of Equity Shares | Face Value (₹) | Issue Price (₹) | Reason for Allotment |
|-------------------|----------------------|----------------|-----------------|---|
| July 11, 2016 | 40,00,000 | 10 | - | Bonus issue in the ratio of 4:5 to all the existing shareholders of the Company |
| July 24, 2017 | 10,00,000 | 10 | - | Bonus issue in the ratio of 1:9 to all the existing shareholders of the Company |

2. History of the Equity Share Capital held by our Promoter

As on the date of this Prospectus, our Promoter hold 76,00,000 Equity Shares, constituting 76.00% of the issued, subscribed and paid-up Equity Share capital of our Company. The details regarding our Promoters' shareholding is set out below.

Build-up of our Promoter's shareholding in our Company

| Date of Allotment /Transfer | Nature of Transaction | Nature of Consideration | No of Equity Shares | FV (₹) | Issue / Transfer Price (₹) | Cumulative No. Of Shares | % of Pre Offer Paid – Up Capital | % of Post Offer Paid – Up Capital | Lock in Period |
|-----------------------------|---|-------------------------|---------------------|--------|----------------------------|--------------------------|----------------------------------|-----------------------------------|-------------------|
| Mr. Naresh Karda | | | | | | | | | |
| September 17, 2007 | Subscription to the MoA | Cash | 800 | 100 | 100 | 800 | | | |
| March 31, 2009 | Further Allotment | Cash | 39,090 | 100 | 100 | 39,890 | | | |
| March 31, 2012 | Further Allotment | Cash | 90,000 | 100 | 100 | 1,29,890 | | | |
| March 29, 2014 | Further Allotment | Cash | 2,50,000 | 100 | 100 | 3,79,890 | | | |
| February 29, 2016 | Sub Division of the Face Value of the Equity Shares of our Company from ₹ 100 to ₹ 10 each. | | 20,00,000 | 10 | Nil | 37,98,900 | 20.00% | NA ⁽¹⁾ | NA ⁽¹⁾ |
| | | | 17,98,900 | | | | 17.99% | 14.63% | 3 Years |
| April 11, 2016 | Transfer | Cash | 1,100 | 10 | 10 | 38,00,000 | 0.01% | 0.01% | 3 Years |
| July 11, 2016 | Bonus Allotment | Other than Cash | 6,70,000 | 10 | Nil | 68,40,000 | 6.70% | 5.45% | 3 Years |
| | | | 23,70,000 | | | | 23.70% | 19.27% | 1 Year |
| July 24, 2017 | Bonus Allotment | Other than Cash | 7,60,000 | 10 | Nil | 76,00,000 | 7.60% | 6.18% | 1 Year |

⁽¹⁾Out of total holding of Mr. Naresh Karda, shares aggregating to 20,00,000 Equity Shares are offered through this Prospectus.

Notes:

- None of the shares belonging to our Promoter have been pledged till date.
- The entire Promoter' shares shall be subject to lock-in from the date of allotment of the equity shares offered through this Prospectus for periods as per applicable Regulations of the SEBI (ICDR) Regulations. For details please see Note no. 2 of "Capital Structure" on page no. 58 of this Prospectus.
- Our Promoter has confirmed to the Company and the BRLM that the Equity Shares held by him has been financed from his personal funds and no loans or financial assistance from any bank or financial institution has been availed by them for this purpose.
- All the shares held by our Promoter were fully paid-up on the respective dates of acquisition of such shares.

3. Pre-Issue and Post-Issue Shareholding of our Promoter and Promoter' Group

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

| Sr. No. | Name of Shareholder | Pre-Issue | | Post-Issue* | |
|----------|---|----------------------|-------------------------|----------------------|-------------------------|
| | | No. of Equity Shares | % of total shareholding | No. of Equity Shares | % of total shareholding |
| A | Promoter | | | | |
| 1 | Mr. Naresh Karda | 76,00,000 | 76.00% | 56,00,000 | 45.53% |
| | Total (A) | 76,00,000 | 76.00% | 56,00,000 | 45.53% |
| B | Promoter Group (As defined by SEBI ICDR Regulations) | | | | |
| 1 | Mr. Prem Karda | 5,90,000 | 5.90% | 5,90,000 | 4.80% |
| 2 | Mr. Lakshman Karda | 5,50,000 | 5.50% | 5,50,000 | 4.47% |
| 3 | Mr. Manohar Karda | 3,70,000 | 3.70% | 3,70,000 | 3.01% |
| 4 | Mr. Karamchand Karda | 3,40,000 | 3.40% | 3,40,000 | 2.76% |
| 5 | Mrs. Bharti Karda | 1,00,000 | 1.00% | 1,00,000 | 0.81% |
| 6 | Mrs. Disha Karda | 2,50,000 | 2.50% | 2,50,000 | 2.03% |

| Sr. No. | Name of Shareholder | Pre-Issue | | Post-Issue* | |
|--|---------------------|----------------------|-------------------------|----------------------|-------------------------|
| | | No. of Equity Shares | % of total shareholding | No. of Equity Shares | % of total shareholding |
| 7 | Mrs. Komal Karda | 1,00,000 | 1.00% | 1,00,000 | 0.81% |
| 8 | Mrs. Neha Karda | 1,00,000 | 1.00% | 1,00,000 | 0.81% |
| | Total (B) | 24,00,000 | 24.00% | 24,00,000 | 19.51% |
| Total Promoter & Promoter Group Holding (A+B) | | 1,00,00,000 | 100.00% | 80,00,000 | 65.04% |

*Assuming full subscription in the Issue.

4. Details of Offer for Sale

The Selling Shareholder i.e. Mr. Naresh Karda has authorized offer of 20,00,000 Equity Shares in the Offer for Sale by way of letter dated August 02, 2017. He has confirmed that the Equity Shares proposed to be offered and sold in the Issue are eligible to be offered for sale in accordance with the SEBI (ICDR) Regulations and has been held for a period of at least one year prior to the date of filing of the Draft Red Herring Prospectus with SEBI. For details regarding the build-up of the shares being offered in Offer for sale by Mr. Naresh Karda, please refer Note no. 2 under “Notes to Capital Structure” on page no. 58 of this Prospectus.

5. Details of Promoter’s contribution locked in for three years:

Pursuant to Regulations 32 and 36 of the SEBI ICDR Regulations, at least an aggregate of 20% of the fully diluted post-Issue equity share capital of our Company held by our Promoter shall be locked-in for a period of three years from the date of Allotment and our Promoter’ shareholding in excess of 20% shall be locked in for a period of one year from date of Allotment.

The details of the Equity Shares held by our Promoter, which shall be locked-in for a period of three years from the date of Allotment are set out in the following table:

| Name of Promoter | No. of Shares locked in ⁽¹⁾ | As a % of Post Issue Share Capital |
|------------------|--|------------------------------------|
| Mr. Naresh Karda | 24,70,000 | 20.08% |
| Total | 24,70,000 | 20.08% |

⁽¹⁾ For details on the date of Allotment of the above Equity Shares, the nature of Allotment, face value and the price at which they were acquired, please refer Note no. 2 under “Notes to Capital Structure” on page no. 58 of this Prospectus.

Except for 20,00,000 Equity Shares, which is being offered for Offer for Sale, the entire balance Pre-Issue Shareholding of our Promoter i.e. 56,00,000 equity shares are eligible for lock-in for a period of three years in accordance with Regulation 33 of the SEBI (ICDR) Regulations, 2009, as amended from time to time. Our Promoter has confirmed to our Company and the BRLM that no loans or financial assistance from any bank or financial institution has been availed for acquiring Equity Shares, which form part of the Promoter’s contribution.

We confirm that the minimum Promoter contribution of 20% as shown above which is subject to lock-in for three years does not consist of:

- Equity Shares acquired during the preceding three years for consideration other than cash and out of revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or reserves without accrual of cash resources.
- Equity Shares acquired, except the bonus shares issued, by the Promoter during the preceding one year, at a price lower than the price at which Equity Shares are being offered to public in the Issue.
- The Equity Shares held by the Promoter and offered for minimum 20% Promoter’s contribution are not subject to any pledge.
- Equity Shares for which specific written consent has not been obtained from the shareholders for inclusion of their subscription in the minimum promoter’s contribution subject to lock-in.
- Equity shares issued to our promoter on conversion of partnership firms into limited companies.

The lock in period shall commence from the date of allotment of Equity Shares in the proposed public issue as per the applicable SEBI Regulations.

Our Promoter has given his written undertaking for inclusion of the aforesaid Equity Shares as a part of Promoter's contribution which is subject to lock-in for a period of 3 years from the date of Allotment of Equity Shares in the proposed Issue.

In terms of undertaking executed by our Promoter, Equity Shares forming part of Promoter's contribution subject to lock-in will not be disposed/ sold/ transferred by our Promoter during the period starting from the date of filing of the Draft Red Herring Prospectus with the Board till the date of commencement of lock in period specified above, or for such other time as required under SEBI (ICDR) Regulations.

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

6. Details of share capital locked-in for one year

In terms of the Regulation 37 of the SEBI ICDR Regulations, in addition to the Equity Shares proposed to be locked- in as part of our Promoter's contribution as stated above, the entire pre- Issue equity share capital of our Company will be locked-in for a period of one year from the date of Allotment of Equity Shares in the Issue except the Equity Shares transferred pursuant to the Offer for Sale.

7. Other requirements in respect of lock-in

Pursuant to Regulation 39 of the SEBI ICDR Regulations, the locked-in Equity Shares held by our Promoter can be pledged with any scheduled commercial bank or public financial institution as collateral security for loans granted by such scheduled commercial bank or public financial institution, provided that (i) the pledge of shares is one of the terms of sanction of the loan; and (ii) if the shares are locked- in as Promoter's contribution for three years under Regulation 36(a) of the SEBI ICDR Regulations, then in addition to the requirement in (i) above, such shares may be pledged only if the loan has been granted by the scheduled commercial bank or public financial institution for the purpose of financing one or more of the objects of the Issue.

Pursuant to Regulation 40 of the SEBI ICDR Regulations, Equity Shares held by our Promoter, which are locked-in in accordance with Regulation 36 of the SEBI ICDR Regulations, may be transferred to and among our Promoter and any member of the Promoter Group, or to a new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferee for the remaining period and compliance with the Takeover Regulations, as applicable and such transferee shall not be eligible to transfer them till the lock-in period stipulated in SEBI ICDR Regulations has expired.

Further, pursuant to Regulation 40 of the SEBI ICDR Regulations, Equity Shares held by shareholders other than our Promoter which are locked-in in accordance with Regulation 37 of the SEBI ICDR Regulations, may be transferred to any other person holding shares which are locked-in, subject to continuation of the lock-in in the hands of the transferee for the remaining period and compliance with the SEBI Takeover Regulations, as applicable and such transferee shall not be eligible to transfer them till the lock-in period stipulated in SEBI ICDR Regulations has expired.

Other than the Equity Shares locked-in as Promoter's Contribution for a period of three years as stated in the table above, the entire pre-Issue capital of our Company, except the Equity Shares subscribed to and allotted pursuant to the Offer for Sale, including the excess of minimum Promoter' Contribution, as per Regulation 36 and 37 of the SEBI ICDR Regulations, shall be locked in for a period of one year from the date of Allotment of Equity Shares in the Issue. Additionally, any unsubscribed portion of the Offer for Sale being offered by the Selling Shareholder would also be locked-in as required under the SEBI ICDR Regulations. Such lock-in of the Equity Shares would be created as per the byelaws of the Depositories.

8. Shareholding Pattern of the Company

The table below presents the shareholding pattern of our Company as on the date of filing of this Prospectus

| Category (I) | Category of Share-holder (II) | No. of Share-holder (III) | No. of fully paid-up equity shares held (IV) | No. of Partly paid-up equity shares held (V) | No. of shares Underlying Depository Receipts (VI) | Total Nos. Shares held (VII) = (IV) + (V) + (VI) | Share holding as a % of total No. of Shares (calculated As per SCRR, 1957)(VIII)As a % of (A+B+C2) | Number of Voting Rights held in each Class of securities (IX) | | | | No of Underlying Outstanding Convertible securities (incl. Warrants) (X) | Share Holding as a % assuming Full convertible securities (as a % of Diluted Share Capital)(XI)=(VII)+(X) As a % of (A+B+C2) | Number of Locked In shares (XII) | | No. of shares Pledged Or Otherwise encumbered (XIII) | | No. of Equity shares held in De-mat form (XIV) |
|--------------|--------------------------------|---------------------------|--|--|---|--|--|---|----------|--------------------|------------------------|--|--|----------------------------------|---------------------------------|--|---------------------------------|--|
| | | | | | | | | No of voting Right | | | Total As a % of(A+B+C) | | | No (a) | As a % of total shares held (b) | No (a) | As a % of total shares held (b) | |
| | | | | | | | | Class-Equity | Class | Total | | | | | | | | |
| (A) | Promoter & Promoter Group | 9 | 1,00,00,000 | - | - | 1,00,00,000 | 100.00% | 1,00,00,000 | - | 1,00,00,000 | 100.00% | - | 100.00% | - | - | - | - | 1,00,00,000 |
| (B) | Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C) | Non Promoter Non Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C1) | Shares Underlying DRs | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C2) | Shares held by Employee Trusts | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Total | 9 | 1,00,00,000 | - | - | 1,00,00,000 | 100.00% | 1,00,00,000 | - | 1,00,00,000 | 100.00% | - | 100.00% | - | - | - | - | 1,00,00,000 |

9. There are no public shareholders holding more than 1% of the pre-Issue paid-up capital of our Company as on the date of this Prospectus.

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

Other than as set forth below, none of the Directors and Key Managerial Personnel holds Equity Shares as on the date of this Prospectus:

| Sr. No. | Name | Number of Equity Shares | % of pre-Issue equity share capital |
|--|-------------------|-------------------------|-------------------------------------|
| Directors | | | |
| 1 | Mr.Naresh Karda | 76,00,000 | 76.00% |
| 2 | Mrs. Disha Karda | 2,50,000 | 2.50% |
| 3 | Mr. Manohar Karda | 3,70,000 | 3.70% |
| Key Managerial Personnel (other than covered above) | | | |
| 1 | Mr. Prem Karda | 5,90,000 | 5.90% |
| Total | | 88,10,000 | 88.10% |

11. The list of top 10 Shareholders of our Company and the number of Equity Shares held by them are set forth below:

a. The top ten Shareholders of our Company as on the date of this Prospectus are as follow:

| Sr. No. | Particulars | No. of Shares of ₹ 10 each | % of Shares to Pre – Issue Share Capital |
|--------------|----------------------|----------------------------|--|
| 1 | Mr. Naresh Karda | 76,00,000 | 76.00% |
| 2 | Mr. Prem Karda | 5,90,000 | 5.90% |
| 3 | Mr. Lakshman Karda | 5,50,000 | 5.50% |
| 4 | Mr. Manohar Karda | 3,70,000 | 3.70% |
| 5 | Mr. Karamchand Karda | 3,40,000 | 3.40% |
| 6 | Mrs. Disha Karda | 2,50,000 | 2.50% |
| 7 | Mrs. Bharti Karda | 1,00,000 | 1.00% |
| 8 | Mrs. Komal Karda | 1,00,000 | 1.00% |
| 9 | Mrs. Neha Karda | 1,00,000 | 1.00% |
| Total | | 1,00,00,000 | 100.00% |

Note: There are only 9 Shareholders as on this date.

b. The top ten Shareholders of our Company ten days prior to date of this Prospectus are as follow:

| Sr. No. | Particulars | No. of Shares of ₹ 10 each | % of Shares to Pre – Issue Share Capital |
|--------------|----------------------|----------------------------|--|
| 1 | Mr. Naresh Karda | 76,00,000 | 76.00% |
| 2 | Mr. Prem Karda | 5,90,000 | 5.90% |
| 3 | Mr. Lakshman Karda | 5,50,000 | 5.50% |
| 4 | Mr. Manohar Karda | 3,70,000 | 3.70% |
| 5 | Mr. Karamchand Karda | 3,40,000 | 3.40% |
| 6 | Mrs. Disha Karda | 2,50,000 | 2.50% |
| 7 | Mrs. Bharti Karda | 1,00,000 | 1.00% |
| 8 | Mrs. Komal Karda | 1,00,000 | 1.00% |
| 9 | Mrs. Neha Karda | 1,00,000 | 1.00% |
| Total | | 1,00,00,000 | 100.00% |

Note: There are only 9 Shareholders as on this date.

c. The top ten Shareholders of our Company two years prior to date of this Prospectus are as follow:

| Sr. No. | Particulars | No. of Shares of ₹ 100 each | % of Shares of then Paid-up Capital |
|--------------|----------------------|-----------------------------|-------------------------------------|
| 1 | Mr. Naresh Karda | 3,79,890 | 75.98% |
| 2 | Mr. Prem Karda | 29,500 | 5.90% |
| 3 | Mr. Lakshman Karda | 27,500 | 5.50% |
| 4 | Mr. Manohar Karda | 18,500 | 3.70% |
| 5 | Mr. Karamchand Karda | 17,000 | 3.40% |
| 6 | Mrs. Disha Karda | 12,500 | 2.50% |
| 7 | Mrs. Bharti Karda | 5,000 | 1.00% |
| 8 | Mrs. Komal Karda | 5,000 | 1.00% |
| 9 | Mrs. Neha Karda | 5,000 | 1.00% |
| 10 | Mr. Hiralal Kalani | 100 | 0.02% |
| Total | | 4,99,990 | 99.99% |

12. None of the members of the Promoter, Promoter Group or our Directors or their immediate relatives have purchased or sold any Equity Shares or other specified securities of our Company during the six months immediately preceding the date of the Draft Red Herring Prospectus except for the allotment of the bonus issue.
13. As on the date of this Prospectus, the BRLM and its associates do not hold any Equity Shares in our Company.
14. As on the date of this Prospectus, our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 or under the provisions of Sections 230 to 240 of the Companies Act, 2013.
15. Our Company has nine (9) shareholders, as on the date of this Prospectus.
16. Neither the Company, nor it's Promoter, Directors or the Book Running Lead Manager have entered into any buyback and/or standby arrangements for purchase of Equity Shares of the Company from any person.
17. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares as on the date of this Prospectus.
18. Our Company has not issued any Equity Shares out of revaluation reserves or unrealised profits.
19. All Equity Shares transferred pursuant to the Issue will be fully paid-up at the time of allotment and there are no partly paid-up Equity Shares as on the date of this Prospectus.
20. Any oversubscription to the extent of 10% of the Issue can be retained for the purposes of rounding off to the nearer multiple of minimum allotment lot. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
21. Except for the sale of Equity Shares in the Offer for Sale by our Promoter, our Promoter Group and Group Companies will not participate in the Issue.
22. There have been no financial 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, during a period of six months immediately preceding the date of the Draft Red Herring Prospectus.
23. No person connected with the Issue, including, but not limited to, the BRLM, the members of the Syndicate, our Company, the Directors, the Selling Shareholder, the Promoter, members of our Promoter Group and Group Entity, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid.

24. Except for the Issue, our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/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 by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placements or otherwise.
25. Except for the Fresh Issue, there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of the Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges.
26. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
27. Our Company shall ensure that transactions in the Equity Shares by the Promoter and the Promoter Group during the period between the date of registering the Red Herring Prospectus with the RoC and the date of closure of the Issue shall be reported to the Stock Exchanges within 24 hours of the transactions.
28. Our Company does not have any employee stock option plan.
29. This Issue is being made under Rule 19(2)(b)(i) of the SCRR read and in accordance with Regulation 26(1) of the SEBI ICDR Regulations. The Issue is being made through the Book Building Process, wherein at least 10% of the Issue shall be allocated to QIBs on a proportionate basis. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Further, not less than 40% of the Issue shall be available for allocation on a proportionate basis to Non- Institutional Bidders and not less than 50% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price.
30. Under subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company and the Selling Shareholder in consultation with the BRLM and the Designated Stock Exchange. Such inter-se spillover, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines. Under subscription, if any, in the QIB Category will not be allowed to be met with spillover from any category or combination thereof.
31. Our Company has not made any public issue (including any rights issue to the public) since its incorporation.
32. There are no outstanding convertible securities or any other right which would entitle any person any option to receive Equity Shares, as on the date of this Prospectus.

SECTION IV – PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

The Issue comprises of a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholder.

The Offer for Sale

Our Company will not receive any proceeds of the Offer for Sale by the Selling Shareholder.

The Fresh Issue

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

- (a) Part repayment of our overdraft facilities
- (b) Part repayment of our term loans
- (c) General corporate purpose
- (d) Issue related expenses

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

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

Fresh Issue Proceeds & Net Fresh Issue Proceeds

The details of the proceeds of the Fresh Issue are set forth in the table below:

(₹ in lakhs)

| Sr. No. | Particulars | Amount |
|---------|--|-----------------|
| 1 | Gross Proceeds from the Fresh Issue | 4,140.00 |
| 2 | Company's share of Issue related Expenses ⁽¹⁾ | 262.00 |
| | Net Proceeds from the Fresh Issue | 3,878.00 |

⁽¹⁾ Except for the Regulatory related expenses, which will be borne by our Company, all other expenses relating to the Issue as mentioned above (rounded off) will be borne by our Company and the Selling Shareholder in proportion to the Equity Shares contributed to the Issue. The Issue expenses are estimated expenses and subject to change.

Requirement of Funds and Means of Finance

The fund requirements described below are based on internal management estimates and our Company's current business plan and have not been appraised by any bank, financial institution.

We intend to utilise the Net Proceeds of the Fresh Issue ("Net Proceeds") of ₹ 3,878.00 lakhs for financing the objects as set forth below:

(₹ in lakhs)

| Sr. No. | Particulars | Amount |
|---------|--|-----------------|
| 1 | Part repayment of our overdraft facilities | 2,300.00 |
| 2 | Part repayment of our term loans | 700.00 |
| 3 | General corporate purpose | 878.00 |
| | Total | 3,878.00 |

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

For further details on the risks involved in our proposed fund utilization as well as executing our business strategies, please see the section titled “*Risk Factors*” beginning on page no. 15 of this Prospectus.

DETAILS OF THE FUND REQUIREMENTS

1) *Part repayment of our overdraft facilities*

We have availed certain overdraft facilities from Axis Bank Limited, State Bank of India, The Navjeevan Co-op Bank Limited and Nashik Road Deolali Vyapari Bank Limited. As on September 30, 2017 an amount of ₹ 2,509.23 lakhs was outstanding from these facilities. The details of overdraft facilities are as below:

(₹ in lakhs)

| Name of Lender | Type of Loan | Amount Sanctioned | Amount outstanding as on Sept 30, 2017 | Interest (in % p.a.) | Repayment Schedule |
|------------------------------------|----------------------|------------------------|--|----------------------|---|
| Axis Bank Ltd | Over Draft | 260.00 | 185.25 | 14.00% | Repayable on demand |
| State Bank of India | Drop line Over Draft | 1800.00 ⁽¹⁾ | 1,431.89 | 11.80% | Repayable in 36 months with quarterly reduction |
| State Bank of India | Cash Credit Facility | 1,700.00 | 401.40 | 12.50% | Repayment within a period of 36 months |
| The Navjeevan Co-op Bank Ltd | Over Draft | 300.00 | 292.24 | 12.50% | Repayable in 24 months |
| The Nashik Rd Deolali Vyapari Bank | Working Capital Loan | 250.00 | 199.05 | 13.00% | Repayable in 12 months |

⁽¹⁾ The above Drop line Over Draft limit has been revised to be ₹ 1,225.00 lakhs

For further details regarding the security offered for these loans please refer to “*Financial Indebtedness*” on page no. 183 of this Prospectus.

We intend to utilize an amount of ₹ 2,300.00 lakhs out of the Net Proceeds in Fiscal 2019 to repay the amounts outstanding in each of our overdraft facilities. Repayment of these facilities would help us in maintaining a favorable debt-equity ratio and enhance our leveraging capacity. As certified by M/s. JPL and Associated, Chartered Accountants, our overdraft facilities have been utilized by us in accordance with the terms and conditions of their sanction.

We may be required to notify some of our lenders prior to the repayment, which we shall do prior to such repayment.

2) *Part repayment of our term loans*

Our Company has availed term loans from ICICI Home Finance Company Ltd and from Indiabulls Commercial Credit Ltd for funding the construction of our projects, namely “Hari Sanskruti-I, Hari Sanskruti –II, Hari Sparsh, Hari Niwas and Hari Vishwa”. For further details regarding our projects, see the section titled “*Business Overview*” beginning on page no. 89 of this Prospectus. As on September 30, 2017 our Company had outstanding indebtedness amounting to ₹ 8,622.76 lakhs in respect of these loans. The details are as below:

(₹ in lakhs)

| Name of Lender | Type of Loan | Amount Sanctioned | Amount outstanding as on Sept 30, 2017 | Interest (in % p.a.) | Repayment Schedule |
|--------------------------------|--------------|-------------------|--|----------------------|--|
| ICICI Home Finance Company Ltd | Term Loan | 5,000.00 | 3,596.96 | 14.00% | Repayment of principal amount commences from May 15, 2017 in 24 monthly instalments, However the lender shall have a right to transfer certain percentage of the receivables |

| Name of Lender | Type of Loan | Amount Sanctioned | Amount outstanding as on Sept 30, 2017 | Interest (in % p.a.) | Repayment Schedule |
|----------------------------------|-----------------------|-------------------|--|----------------------|---|
| | | | | | from the Escrow Account towards the outstanding facility. |
| Indiabulls Commercial Credit Ltd | Loan Against Property | 5,200.00 | 4,576.85 | 15.50% | Repayable within 60 months from the date of disbursement, with a moratorium period of 18 months. Further the lender shall have a right to transfer 70% of the receivables from the Escrow Account towards the outstanding facility. |

For further details regarding the security offered for these loans please refer to “Financial Indebtedness” on page no. 183 of this Prospectus.

Note:

As certified by M/s. JPL and Associates, Chartered Accountants, our Term Loans have been utilized by us in accordance with the terms and conditions of their sanction

We intend to utilize an amount of ₹ 700.00 lakhs out of the Net Proceeds in Fiscal 2019 to repay an amount of ₹ 350.00 lakhs each in respect of these loans. We believe that such repayment will help reduce our outstanding indebtedness and improve our debt-equity ratio. We believe that reducing our indebtedness will result in enhanced equity base, reduce our financial cost, improve our profitability and improve our leverage capacity.

3) General Corporate Purpose

We propose to deploy ₹ 878.00 lakhs, aggregating to 22.64% of the Net Proceeds of the Fresh Issue towards general corporate purposes, including but not restricted to strategic initiatives, partnerships, joint ventures and acquisitions, meeting exigencies which our Company may face in the ordinary course of business, to renovate and refurbish certain of our existing Company owned/leased and operated facilities or premises, towards brand promotion activities or any other purposes as may be approved by our Board.

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

ISSUE RELATED EXPENSES

The total estimated Issue Expenses are ₹ 445.00 lakhs, which is 5.75% of the total Issue Size. The details of the Issue Expenses are tabulated below:

| Sr. No. | Particulars | Amount R/o (₹ in lakhs) | % of Total Expenses | % of Total Issue size |
|--------------|---|-------------------------|---------------------|-----------------------|
| 1 | Issue Management fees including fees and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses. | 250.00 | 56.18% | 3.23% |
| 2 | Brokerage and selling commission ⁽¹⁾⁽²⁾⁽³⁾ | 45.00 | 10.11% | 0.58% |
| 3 | Printing & Stationery, Distribution, Postage, etc. | 50.00 | 11.24% | 0.65% |
| 4 | Advertisement and Marketing Expenses | 50.00 | 11.24% | 0.65% |
| 5 | Stock Exchange Fees, Regulatory and other Expenses | 50.00 | 11.24% | 0.65% |
| Total | | 445.00 | 100.00% | 5.75% |

1) Selling commission payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Bidders, which are directly procured by the SCSBs would be as follows:

| | |
|--|---|
| Portion for Retail Individual Bidders [#] | 0.25% of the Amount Allotted (plus GST) |
| Portion for Non-Institutional Bidders [#] | 0.25% of the Amount Allotted (plus GST) |

[#] Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.

No additional uploading/processing charges shall be payable by the Company to the SCSBs on the Bid cum Application Forms directly procured by them. The selling commission payable to the SCSBs will be determined on the basis of the bidding terminal ID as captured in the Bid book of BSE or NSE.

- 2) Processing fees payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Bidders, which are procured by the members of the Syndicate / sub-Syndicate / Registered Brokers / RTAs / CDPs and submitted to SCSBs for blocking, would be as follows.

| | |
|--|-------------------------------|
| Portion for Retail Individual Bidders [#] | ₹ 10 per ASBA Form (plus GST) |
| Portion for Non-Institutional Bidders [#] | ₹ 10 per ASBA Form (plus GST) |

[#]Based on valid Bid cum Application Forms.

- 3) Selling commission on the portion for Retail Individual Bidders and Non-Institutional Bidders, which are procured by members of the Syndicate (including their sub-Syndicate members), RTAs and CDPs would be as follows:

| | |
|--|---|
| Portion for Retail Individual Bidders [#] | 0.25% of the Amount Allotted (plus GST) |
| Portion for Non-Institutional Bidders [#] | 0.25% of the Amount Allotted (plus GST) |

[#] Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.

- 4) Bidding/uploading Charges payable to members of the Syndicate (including their Sub-Syndicate Members), Registered Brokers, RTAs and CDPs on the portion for Retail Individual Bidders and Non-Institutional Bidders, which are procured by them and submitted to SCSB for blocking, would be ₹ 10 per valid application. The selling commission and Bidding Charges payable to the Registered Brokers, RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

Except for the Regulatory related expenses, which will be borne by our Company, all other expenses relating to the Offer as mentioned above will be borne by the Company and Selling Shareholder in proportion to the Equity Shares contributed to the Offer. The Offer expenses are estimated expenses and subject to change.

The Issue expenses shall be payable within 30 working days post the date of receipt of the final invoice from the respective Intermediaries by our Company.

Appraisal and Bridge Loans

The Objects have not been appraised by any banks, financial institutions or agency. Further, our Company has not raised any bridge loans from any bank or financial institution as on the date of this Prospectus, which are proposed to be repaid from the Net Proceeds.

Year wise Deployment of Funds / Schedule of Implementation

The entire net proceeds of Fresh Issue are proposed to be deployed in the Financial Year 2018 – 19.

Monitoring of Utilization of Funds

Since the proceeds from the Fresh Issue do not exceed ₹ 10,000 lakhs, in terms of Regulation 16 of the SEBI Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Board and Audit Committee will monitor the utilisation of the proceeds of the Fresh Issue. Our Company will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate investments, if any, of unutilised Net Proceeds in the balance sheet of our Company for the relevant fiscals subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to the SEBI Listing Regulations, our Company shall disclose to the Audit Committee of the Board of Directors the uses and applications of the Net Proceeds. Our Company shall prepare a statement of funds utilised for purposes other than those stated in this Prospectus and place it before the Audit Committee of the Board of Directors, as required under applicable law. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with the Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock

Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the utilisation of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above; and (ii) details of category wise variations in the utilisation of the proceeds from the Fresh Issue from the objects of the Fresh Issue 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 of the Board of Directors.

Interim Use of Funds

Pending utilization of the Net Proceeds for the purposes described above, our Company will deposit the Net Proceeds with scheduled commercial banks included in schedule II of the RBI Act. Our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any listed company or for any investment in the equity markets.

Variation in Objects

In accordance with Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Issue without our Company being authorised to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act. The notice in respect of such resolution to Shareholders shall simultaneously be published in the newspapers, one in English and one in Regional language of the jurisdiction where our Registered Office is situated. The Shareholders who do not agree to the above stated proposal, our Promoter or controlling Shareholders will be required to provide an exit opportunity to such dissenting Shareholders, at a price as may be prescribed by SEBI, in this regard.

Other Confirmations

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

BASIS FOR ISSUE PRICE

The Issue Price has been determined by our Company and the Selling Shareholder, in consultation with the Book Running Lead Manager on the basis of the key business strengths. The face value of the Equity Shares is ₹ 10 and Issue Price is ₹ 180 per Equity Shares and is 18 times of the face value. Investors should read the following basis with the sections titled “Risk Factors” and “Financial Information” and the chapter titled “Business Overview” beginning on page nos. 15, 146 and 89 respectively, of this Prospectus to get a more informed view before making any investment decisions. The trading price of the Equity Shares of our Company could decline due to these risk factors and you may lose all or part of your investments.

Qualitative Factors

We believe that the following strengths help differentiate us from our competitors and enable us to compete successfully in our industry:

- ✓ Strong presence in Nashik
- ✓ Established brand and reputation
- ✓ Our proven execution capabilities
- ✓ Strong project pipeline providing cash flow visibility
- ✓ Vast land reserves and an ability to identify new projects

For further details regarding some of the qualitative factors, which form the basis for computing the Issue Price, please see “Business Overview – Competitive Strengths” on page no. 90 of this Prospectus.

Quantitative Factors

Information presented in this chapter is derived from restated financial statements prepared in accordance with Indian GAAP.

1) Earnings per Share (EPS)

| Year ended March 31, | Basic & Diluted EPS (in ₹)* | Weight (Standalone) |
|-------------------------|-----------------------------|---------------------|
| 2017 | 8.03 | 3 |
| 2016 | 6.37 | 2 |
| 2015 | 3.08 | 1 |
| Weighted Average | 6.65 | |

*Based on Standalone restated Financials of our Company

The Basic & Diluted EPS for the six month period ended September 30, 2017 (not annualised) is ₹ 5.52.

Notes:

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

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

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

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

- c. Earnings per share calculations are in accordance with Accounting Standard 20 “Earnings per Share” prescribed by the Companies (Accounting Standard) Rules, 2006
- d. The face value of each Equity Share is ₹ 10.

Price Earnings Ratio (P/E) in relation to the Issue price of ₹ 180 per share of ₹ 10 each

| Particulars | |
|---|-------|
| P/E ratio based on basic and diluted EPS for the year ended March 31, 2017 at the Issue Price | 22.42 |
| P/E ratio based on weighted average EPS for the year ended March 31, 2017 at the Issue Price | 27.07 |

| Industry P/E* | |
|---------------------------------|-------|
| Highest – Shristi Infra Limited | 205.6 |
| Lowest – IL&FS Engg. | 6.80 |
| Industry Average | 40.20 |

* Source: Capital Market, Vol. XXXII/25, Jan 29 –Feb 11, 2018; Segment: Construction

2) Return on Net Worth (RoNW)

| Year ended March 31 | RoNW (%) | Weight |
|-------------------------|----------|--------------|
| 2017 | 26.46% | 3 |
| 2016 | 28.27% | 2 |
| 2015 | 18.92% | 1 |
| Weighted Average | | 25.81 |

The Return on Networth for the six month period ended September 30, 2017 (not annualised) is 15.39%.

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

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

3) Minimum Return on Net Worth (RoNW) after Issue needed to maintain the Pre-Issue Basic & diluted EPS

The minimum return on increased net worth i.e. after Issue, required to maintain pre-Issue Basic / Diluted EPS for the F.Y. 2016-17 is 12.78%.

4) Net Asset Value (NAV)

| Financial Year | Standalone |
|------------------------------|----------------------|
| NAV as at September 30, 2017 | 35.87 |
| NAV as at March 31, 2017 | 33.72 ⁽¹⁾ |
| NAV after Issue | 62.82 |
| Issue Price ⁽²⁾ | 180 |

⁽¹⁾ As on March 31, 2017 the Company's paid-up equity capital consists of 90,00,000 number of fully paid up equity shares of face value ₹ 10/- each. Our Company had allotted 10,00,000 bonus shares on July 24, 2017 in the ratio of 1:9. Hence the pre-issue NAV as on March 31, 2017 should be read as ₹ 30.35 per share after adjusting for this event.

⁽²⁾ The Issue Price of ₹ 180 per Equity Share has been determined on the basis of the demand from investors through the Book Building Process and is justified based on the above accounting ratios.

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

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

5) Comparison with Industry peers

| Particulars | F.Y. 2016-17 | Source |
|-------------|--------------|--------|
|-------------|--------------|--------|

| | Face Value (₹) | Basic EPS (₹) | P/E Ratio | RONW (%) | NAV (₹) | |
|---------------------------------------|-------------------|------------------|-----------|----------|---------|---|
| Kolte-Patil Developers Limited | 10 | 4.47 | 43.13 | 4.25% | 105.26 | www.bseindia.com – Financial Results of the Companies |
| Purna Infrabuild Limited | 10 | 1.48 | 26.69 | 5.51% | 25.73 | |
| Arihant Superstructures Limited | 10 | 6.47 | 28.18 | 29.01% | 222.95 | |
| Karda Constructions Limited | 10 | 8.03 | 22.42 | 26.46% | 33.72 | Restated Financial Statements |

Notes:

1. The figures for the peer group are based on the standalone audited results for the year ended March 31, 2017.
 2. Current Market Price (CMP) is the closing prices of respective scripts as on September 15, 2017.
 3. NAV is computed as the closing networth divided by the closing outstanding number of equity shares.
 4. P/E Ratio has been computed based on the closing market price of equity shares on September 15, 2017, divided by the EPS.
 5. RONW is computed as net profit after tax divided by the closing networth. Networth has been computed as the aggregate of share capital and reserves and surplus (excluding Revaluation Reserves).
- 6) The Company and the Selling Shareholder, in consultation with the Book Running Lead Manager believes that the Issue price of ₹ 180 per share for the Public Issue is justified in view of the above parameters. The investors may also want to peruse the Risk Factors and Financials of the company including important profitability and return ratios, as set out in the Financial Statements included in this Prospectus to have more informed view about the investment proposition. The Face Value of the Equity Shares is ₹ 10 per share and the Issue Price is 18 times of the face value i.e. ₹ 180 per share.

STATEMENT OF TAX BENEFITS

**The Board of Directors,
Karda Constructions Limited**
2nd floor, Gulmohar Status,
Above Business Bank,
Samarth Nagar, Nashik – 422005.

Dear Sirs,

Sub: Statement of possible special direct tax benefits available to Karda Constructions Limited and its shareholders

We refer to the proposed initial public offer of equity shares of Karda Constructions Limited (**‘the Company’**) and enclose the statement showing the current position of special direct tax benefits available to the Company, and to its shareholders as per the provisions of the Income-tax Act, 1961 (**‘the Act’**) for inclusion in the Offer Document.

This statement is provided for general information purposes only and each investor is advised to consult its own tax consultant with respect to specific income tax implications arising out of participation in the issue.

Unless otherwise specified, sections referred below are sections of the Act. The benefits set out below are subject to conditions specified therein read with the Income Tax Rules, 1962, as amended from time to time, presently in force.

The benefits outlined in the enclosed statement based on the information and particulars provided by the Company are neither exhaustive nor conclusive.

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

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

We hereby give our consent to include the enclosed statement regarding special direct tax benefits available to the Company and to its shareholders in the Offer Documents for the proposed initial public offer of equity shares issued under the Securities and Exchange Board of India (“SEBI”) (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.

Yours faithfully,

**For M/s. JPL & Associates,
Chartered Accountants**
(Firm Registration No. 132748W)

CA Vipul Lathi
Partner
Membership number: 134897

Date: September 20, 2017
Place: Jalgaon
Encl: a/a

Annexure

Statement of possible special tax benefits available to Karda Constructions Limited (“the Company”) and to its shareholders.

Under the Income-tax Act, 1961 (“the Act”)

A. Special tax benefits available to the Company

There are no special tax benefits available the Company.

B. Special tax benefits available to the shareholders of the Company

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

Notes:

1. The above is position as per the current tax law as amended by the Finance Act, 2017.
2. We have not commented on the taxation aspect under any law for the time being in force, as applicable, of any country other than India. Each investor is advised to consult its own tax consultant for taxation in any country other than India.

SECTION V – ABOUT THE ISSUER COMPANY

INDUSTRY OVERVIEW

The information in this chapter has been extracted from the websites of and publicly available documents from various sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with this Issue has independently verified the information provided in this chapter. Industry sources and publications, referred to in this chapter, generally state that the information contained therein has been obtained from sources generally believed to be reliable but 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.

THE INDIAN ECONOMY

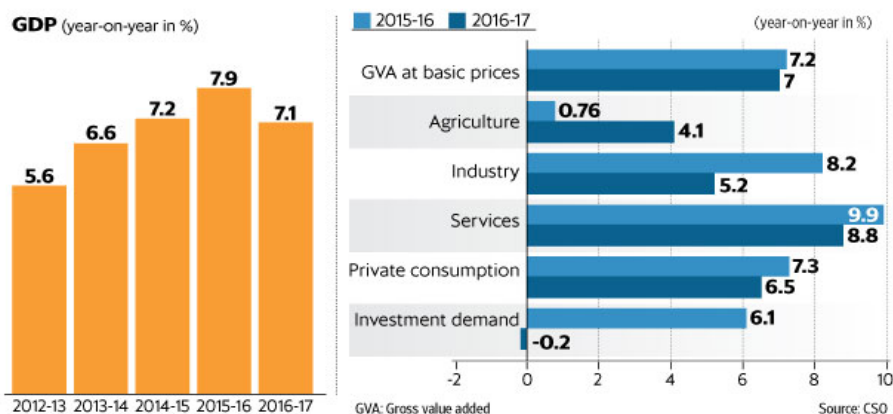
India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF). The Government of India has forecasted that the Indian economy will grow by 7.1 per cent in FY 2016-17. As per the Economic Survey 2016-17, the Indian economy should grow between 6.75 and 7.5 per cent in FY 2017-18. The improvement in India's economic fundamentals has accelerated in the year 2015 with the combined impact of strong government reforms, Reserve Bank of India's (RBI) inflation focus supported by benign global commodity prices.

India's consumer confidence index stood at 136 in the fourth quarter of 2016, topping the global list of countries on the same parameter, as a result of strong consumer sentiment, according to market research agency, Nielsen.

India's gross domestic product (GDP) grew by 7 per cent year-on-year in October-December 2016 quarter, which is the strongest among G-20 countries, as per Organisation for Economic Co-operation and Development (OECD) Economic Survey of India, 2017. According to IMF World Economic Outlook Update (January 2017), Indian economy is expected to grow at 7.2 per cent during FY 2016-17 and further accelerate to 7.7 per cent during FY 2017-18.

GROWTH PATTERN

While the industrial sector is now estimated to have grown at 8.2% against the earlier estimation of 7.4%, the services sector is estimated to have grown at 9.9% against 8.9% earlier.



The tax collection figures between April 2016 and January 2017 show an increase in Net Indirect taxes by 16.9 per cent and an increase in Net Direct Taxes by 10.79 per cent year-on-year, indicating a steady trend of healthy growth. The total number of e-filed Income Tax Returns rose 21 per cent year-on-year to 42.1 million in 2016-17 (till 28.02.17), whereas the number of e-returns processed during the same period stood at 43 million.

Corporate earnings in India are expected to grow by over 20 per cent in FY 2017-18 supported by normalisation of profits, especially in sectors like automobiles and banks, while GDP is expected to grow by 7.5 per cent during the same period, according to Bloomberg consensus. India has retained its position as the third largest startup base in the world with over 4,750 technology startups, with about 1,400 new start-ups being founded in 2016, according to a report by NASSCOM. India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute.

India's foreign exchange reserves stood at US\$ 366.781 billion as on March 17, 2017 as compared to US\$ 360 billion by end of March 2016, according to data from the RBI.

According to The World Bank, the Indian economy will likely grow at 7 per cent in 2016-17, followed by further acceleration to 7.6 per cent in 2017-18 and 7.8 per cent in 2018-19. Demonetisation is expected to have a positive impact on the Indian economy, which will help foster a clean and digitised economy in the long run, according to Ms Kristalina Georgieva, Chief Executive Officer, The World Bank.

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

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

THE REAL ESTATE SECTOR IN INDIA

Real Estate as a sector is the second largest employer, after agriculture and constitutes almost 6% of our GDP. In India, urbanization is the biggest growth driver for real estate, which is fueled by growth in business environment in the country and it is estimated that around 10-12 million people getting urbanized annually. Further, the government is backing the sector with several initiatives like a push to develop 100 cities into smart cities, initiatives like “Housing for all by 2022” for a growing population in both urban as well a rural India backed by both financial and regulatory support for the buyers and developers. In a falling interest rate scenario with the GDP of the country growing at the fastest pace among the major economies and an easy business environment which is being pushed by the government to bolster the “Make in India” initiative, the demand for assets across the sector may see gradual revival in the next 1-3 years.

The sector is broadly classified into three segments viz. Residential, Commercial and Retail-Malls. There are 8 major real estate markets in the country, with Mumbai, NCR and Bengaluru being the top cities, followed by Pune, Hyderabad, Chennai, Kolkata and Ahmedabad.

The residential real estate segment is fragmented by nature with dominant regional players and very few developers having a pan-India presence. Commercial real estate and Retail real estate segment has fewer players which hold most of the quality office and retail spaces which ensures transparent transactions and accountability in the business for investors and buyers/leasers alike compared with the residential segment.

The real estate sector is headed for greater transparency, and accountability after the introduction of Real Estate Regulation and Development Act, 2016 (RERA) and various other regulatory and policy initiatives. Sources of funds to the cash-starved sector have recently witnessed innovation with introduction of structured products through CMBS, REITs, PE funding etc.

Summary

| | Residential segment | Commercial segment | Retail segment |
|----------------|---|---|---|
| Inventory | Excessive inventory in big-ticket housing segments and huge demand-supply Gap in affordable segments. | of A-grade space in high demand markets. | Lack of quality retail space in high demand markets and excess inventory in lower grade retail space. |
| Regulations | RERA 2016. | RERA2016&REIT | RERA 2016&REIT |
| Challenges | Implementation of RERA, Lack of transparency and inefficient approval process for construction. | Decreased demand from ITES, BFSI, E-commerce and Telecom sectors. | Competition from technology platforms like e-commerce. |
| Financing cost | Industry average of 15% and above | | |

| | | | |
|-------------------------------|--|---|---|
| Demand drivers | <ul style="list-style-type: none"> - Economic growth - Urbanization Low bank loan rates for housing. Development of infrastructure and transport. | <ul style="list-style-type: none"> - Industrialization - Ease of doing business. Improved regulations and taxation norms for investors. | <ul style="list-style-type: none"> - Urbanization Higher disposable income among the urban population. |
| Investments | Relaxed FDI norms, REIT implementation, Union Budget 2017 announcements like reduced duration for capital gains, change in nominal tax on unsold inventory, Infrastructure status to affordable housing, would be a boost for investments into the sector. | | |
| FDI and Private Equity | \$ 2.26 billion cumulative investment. \$816 million through FDI in this segment in 2016 YTD [^] . | \$ 852 million cumulative Investment in 2016YTD. \$195million through FDI in this segment YTD. | \$569 million cumulative Investment in 2016 YTD. \$ 460 million through FDI YTD. |
| Outlook for the year | Residential sales to remain weak during 2017.Addition of inventory to see higher affordable housing units due to new policy initiatives. | Commercial sales and Leasing to remain stable, investment activity to remain strong. First REIT listing expected during the year. | Retail leasing and sales to remain stable. Higher inventory addition and strong investment demand expected. |

(Source: CARE Report – Industry / Real Estate- Opportunities, challenges and outlook)

Residential Real Estate

Residential real estate constitutes almost 80% of the real estate market in the country (Source: JLL). Kochi and Lucknow with the launch of Metro Rail have joined the ranks of tier-2 metro cities and have been included in the table below on the Residex. The residential real estate prices for cities namely Bangalore, Hyderabad and Kochi have been more or less stagnant in the past 9 years since the inception of the index whereas the prices of properties in Chennai, Pune, Mumbai, Ahmedabad and Lucknow have grown over 2X during the same period. A look at the prices in top-10 cities also reveals that the prices of properties across these markets have remained stable or have corrected in the last three years, which on inflation adjusted basis shows an overall downtrend in prices.

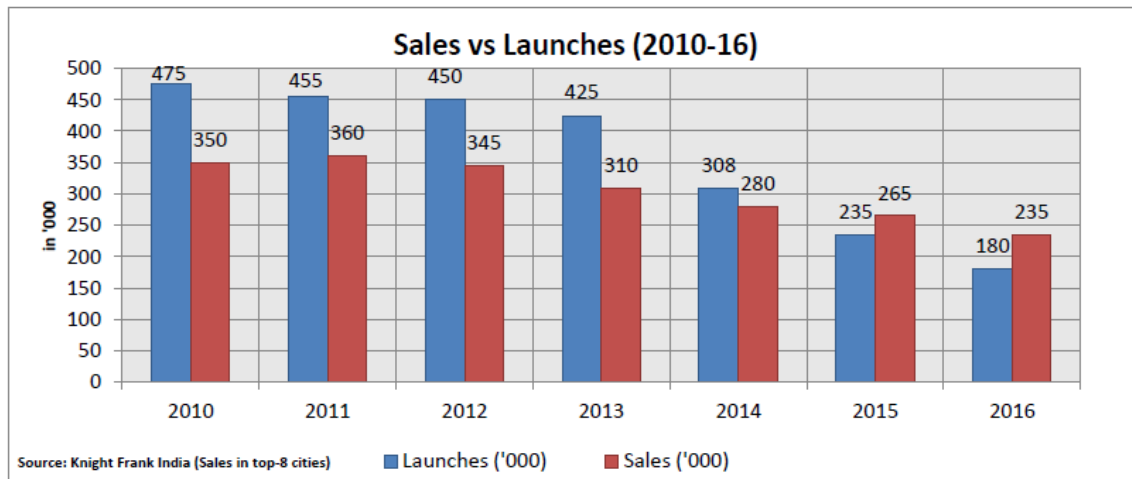
| Location | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|-----------|------|------|------|------|------|------|------|------|------|
| Mumbai | 100 | 112 | 124 | 134 | 175 | 190 | 217 | 222 | 238 |
| Delhi | 100 | 124 | 121 | 106 | 126 | 167 | 195 | 196 | 190 |
| Lucknow | 100 | 103 | 104 | 112 | 157 | 164 | 189 | 194 | 200 |
| Kochi | 100 | 106 | 90 | 79 | 86 | 72 | 89 | 85 | 88 |
| Kolkata | 100 | 114 | 162 | 165 | 211 | 191 | 197 | 206 | 212 |
| Hyderabad | 100 | 96 | 65 | 81 | 83 | 86 | 88 | 95 | 97 |
| Bangalore | 100 | 73 | 76 | 64 | 101 | 92 | 106 | 107 | 115 |
| Ahmedabad | 100 | 106 | 127 | 113 | 165 | 164 | 192 | 209 | 215 |
| Pune | 100 | 101 | 103 | 124 | 148 | 181 | 221 | 232 | 251 |
| Chennai | 100 | 104 | 120 | 164 | 218 | 304 | 310 | 349 | 364 |

RESIDEX is a housing price index updated quarterly by National Housing Bank (NHB). NHB, the Apex level housing finance institution wholly owned by Reserve Bank of India (RBI), regulates activities of housing finance companies (HFCs) in India. NHB Residex tracks residential property prices in 26 JNNURM cities with the starting index value of 100 and 2007 as the base year. Residex tracks prices over a period of time by dwelling size (small /medium / large) and location (city / zones / locations). Data on housing prices is collected from diverse sources such as survey of real estate agents, CERSAI registry and housing prices being collected from banks & HFCs based on home loans sanctioned by them.

(Source: CARE Report – Industry / Real Estate- Opportunities, challenges and outlook)

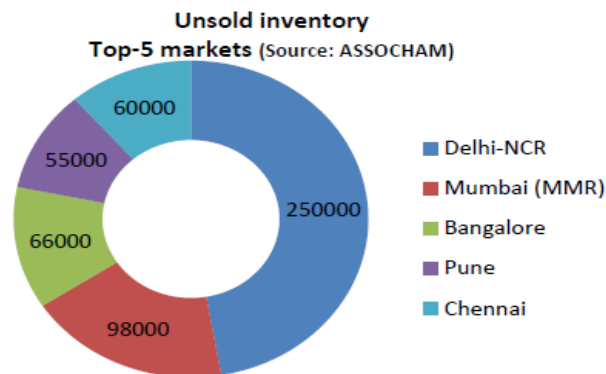
Demand and supply

Residential property sales has for the first time since 2008 crisis been more than the new launches during the years 2015 & 2016. This also shows that developers have been going slowly with new launches of projects owing to regulatory changes like Real Estate (Regulation and Development) Act 2016. Besides, they have also tried to bring down inventories in line with the demand in the market. According to data from India Brand Equity Foundation (IBEF), the demand from top-8 cities namely Mumbai, NCR, Bangalore, Kolkata, Hyderabad, Chennai, Pune and Ahmedabad for Middle Income Group (MIG) and High Income Group (HIG) housing would stand at 2.5 million units till 2017.



(Source: CARE Report – Industry / Real Estate- Opportunities, challenges and outlook)

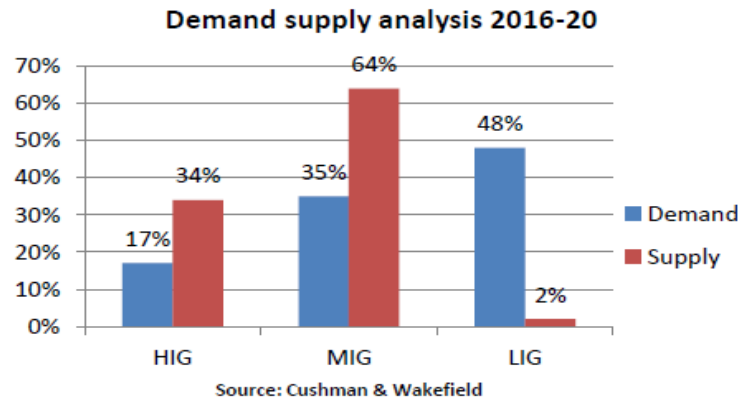
In terms of inventory overhang up to Q3Y16 across segments (majorly HIG and MIG), the three biggest markets with highest unsold units (including under-construction properties) are NCR, Mumbai and Bangalore. NCR at 37% of unsold inventory is more than a third of India’s unsold (including under- construction) residential inventory (Source: JLL). Even though the highest demand in housing continues to be in Lower Income Group (LIG) housing segment, the supply barely fulfils the demand according to a report by Cushman and Wakefield. One reason for lower number of LIG launches over MIG and HIG housing is lower margin for developers in LIG housing segment vis-a-vis the high cost of funds leading to higher number of launches in the MIG and HIG segment that offer better margins.



(Source: CARE Report – Industry / Real Estate- Opportunities, challenges and outlook)

Real estate in major cities has predominantly been seen as an investment avenue. The investment demand that comprised a substantial part of the total demand in the sector is largely drying up in the absence of any visible price appreciation resulting in lower returns to investors. On the other hand failed to notice the change in demand and kept adding new inventory in these existing segments. These were primarily debt funded at interest rates over 15%. Lack of proper price discovery due to non-transparent transactions and broker driven market coupled with low investment demand has led to high inventory levels with the developers.

The below graph exhibits that the total forecasted segment-wise housing supply addition and demand for the period 2016-20. It can be clearly seen that the demand in HIG and MIG segment is 52% of the total demand for housing in the market while supply is 98% thus adding to the inventory level. The total demand for LIG housing is 48% of the total demand across segments, but new inventory added in this segment constitutes only 2% of the total new inventory added. Therefore, despite shortage and large pent up demand in LIG segment, the inventory levels may would remain stagnant and increase as more LIG houses are added to meet the demand in the segment. This would make developers renegotiate prices in MIG and HIG segments for liquidating the inventory, leading to correction in prices of MIG and HIG housing segments.

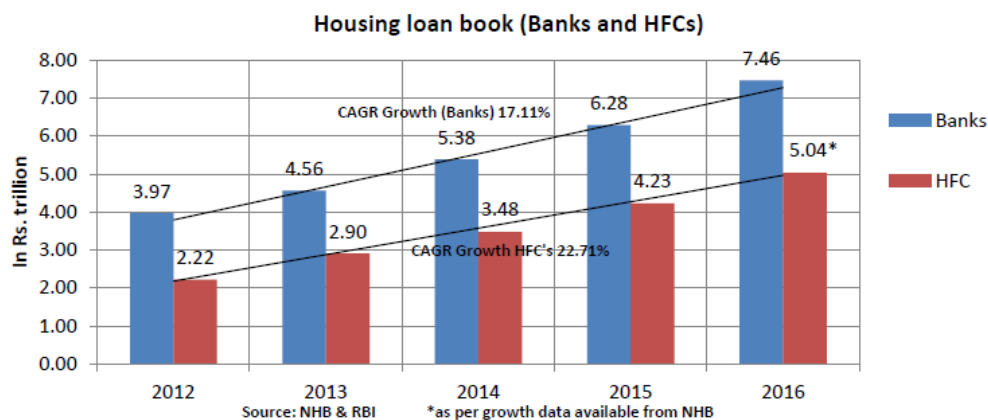


(Source: CARE Report – Industry / Real Estate- Opportunities, challenges and outlook)

Notably, some developers known for their quality construction, timely completion and proven project management record have held on to their land parcels and have lower inventory addition. Smaller and well located projects led to better demand for these projects. Since, their inventory was in sync with the market demand-supply and the projects were well within their financial wherewithal, they were impacted less unfavourably during the downturn. These developers have been more sensitive towards the requirement of the market and have launched projects well spread across all the housing segments.

Outlook

The sector post-introduction of Real Estate (Regulation and Development) Act (RERA) is on the path to transformation, especially for the residential real estate segment. Some of the new regulations under RERA include disallowing the common practice among many developers of pre-launching projects without getting requisite approvals from the local authorities, making project registration mandatory with the regulator, and developers will have to disclose approval status, project layout and timeframe for completion to the regulator as well as customers. Additionally, in order to curb diversion of funds the developer will now have to deposit 70% of the project funds in a separate account which can only be used for the earmarked project. The Act also restricts developers from changing plans post approvals without the consent of the buyers further empowering the buyers.



(Source: CARE Report – Industry / Real Estate- Opportunities, challenges and outlook)

The sector is expected to witness large scale consolidation. Smaller developers would find it difficult to meet their cash flow requirements due to prohibition on pre-sales until a project is registered post approval with the regulatory

authority. This would require the small developers to merge or tie-up with large developers and then co-develop properties.

The implementation of RERA may entail initial hiccups across the states and hence the more established and bigger developers would be at an advantageous position compared to the small and marginal developers when it comes to adhering to regulations.

Growth of sales would be muted for the year 2017 owing to following factors:

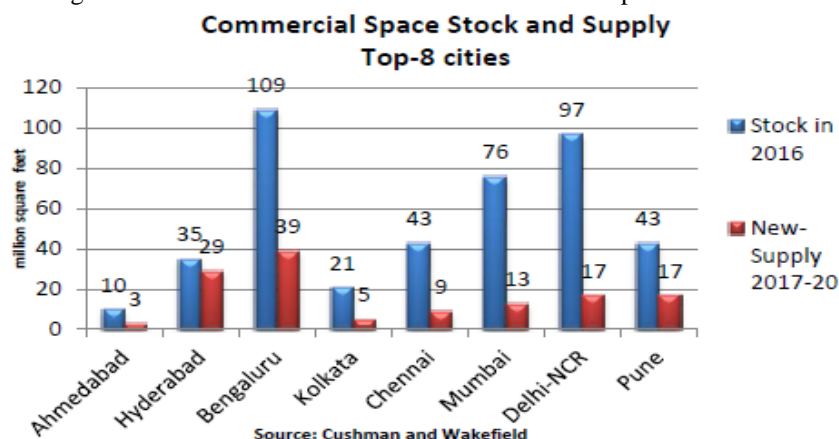
- With high liquidity in banking system post-demonetization, the buyers would be on a wait-and-watch mode expecting further cut in borrowing rates.
- End-user markets like Pune, Bangalore and Chennai, which has more buyers employed in the IT and outsourcing industry, the global downturn could lead to some deferral in buying from this segment.
- Markets like Mumbai and NCR, which are investment centric property markets would continue to see tepid sales, with most buyers adjusting to the demonetization shock and deferring purchases in expectation of correction in prices of the properties post-demonetization.
- Development of new micro-markets like Vishakhapatnam, Surat, Vadodara etc. where entry of large developers and new-construction activity could be a positive for the segment owing to better industrial development and rapid urbanization of these cities as compared to its Metro-counterparts. It would be only after the complete implementation of all regulations across markets and as well as developers changing gears with regard to new addition of inventory LIG and EWS (Economically Weaker Section) housing segments that the sales of residential spaces may pick-pace.

Commercial real estate

Commercial real estate much contrary to the residential segment has witnessed sustained demand during 2016, primarily from industries like ITeS, Consulting, BFSI, Telecom and E-Commerce etc. The demand was partially offset due to scarcity of Grade-A quality office spaces in cities like Bengaluru, Chennai and Pune, which has led to deferral of leasing or curtailment of the same (Source: JLL). The Government’s initiative of “Make in India” is providing a major boost to real estate assets like warehouses, industrial assets and logistics assets which form a part of the commercial real estate. There is renewed interest in these segments from various funds/investors and developers for new developments and investment.

Demand and supply

Grade-A buildings are classified on the basis of their location, providing good access and proximity to public-transport and infrastructure, and are professionally managed by property managers. They represent the newest and highest quality buildings and infrastructure in their market and attract high profile tenants and command the highest rents. The Grade-A inventory in the top 8 cities has doubled in the last 7 years till September 2016, with Mumbai, NCR and Bengaluru contributing to about 65% of the total Grade-A office spaces.



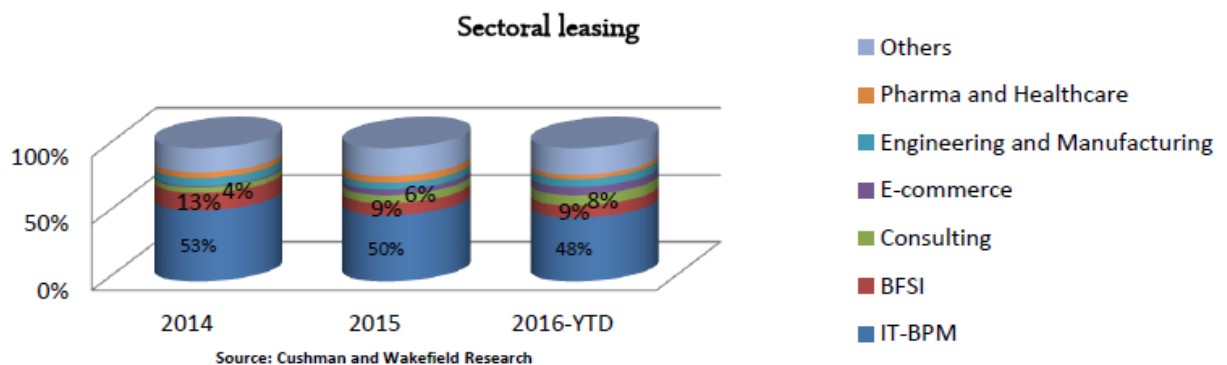
(Source: CARE Report – Industry / Real Estate- Opportunities, challenges and outlook)

Bengaluru saw the highest addition of commercial real estate, even though it took a hit due to Municipal Authorities reassessing previous building sanctions during the past year, followed by Mumbai and NCR. This new addition of office space has been primarily absorbed by IT and its allied sectors and E-commerce, which has grown in the past few years and seems to be lapping up more office space in line with their growing business and operation. The net supply in the top-8 cities for office space stands at 434 m.s.f. and an additional 132 m.s.f is expected to be added in the period 2017-20. Bengaluru, Hyderabad, Chennai and Pune with higher investment in infrastructure, are expected to drive the demand growth in commercial real estate and would see the highest addition of commercial/office spaces followed by Delhi-NCR and Mumbai.

Outlook

During the year 2017, the commercial real estate segment is poised to see lot of interest especially from the investor point of view. India is the fastest growing emerging economy. Major realty funds and private equity funds have been acquiring Grade-A properties across the top business centres of the country in the past few years with an eye on rapid business expansion which would lead to demand for commercial and office space. The market would see inflow of investments as REIT finally enters its implementation phase. REIT, or Real Estate Investment Trust, is a company that owns or finances income-producing real estate. Modelled after mutual funds, REITs allow investors to invest in portfolios of large-scale properties and in turn they earn a share of the income produced through rentals generated on these properties – without actually having to go out and buy or finance a property.

Most REITs are traded on major stock exchanges globally. REIT helps provide exit to developers, portfolio investors and private equity funds by listing their properties. IT, E-Commerce and BFSI, have been major growth demand drivers for commercial real estate segment. They have more recently been cutting down on their costs to bring in efficiency and hence there would be a sharp decrease in demand going forward from these sectors. Owing to higher addition of commercial spaces in Bengaluru, Hyderabad and Pune, which are high demand markets, the lease for commercial properties may not appreciate the way they have historically. With all the major sectors mentioned above which contribute towards higher demand and growth in rentals in the commercial segment, under pressure due to macro and micro factors, commercial space owners would find it difficult to keep their properties occupied especially since there is higher supply addition in the commercial real estate segment going forward. Except for the immediate absorption due to deferred leasing from the previous year, absorption rate would be slow until the above mentioned sectors experience some tailwinds.



(Source: CARE Report – Industry / Real Estate- Opportunities, challenges and outlook)

Interestingly, as a new trend, IT companies who used to build/buy spaces of their own have now shifted to leasing spaces for offices. This is an industry-wide change and as the global business for IT companies improve, they may going forward lease more spaces to ramp up operations. Lower grade office spaces may find it difficult to find occupiers other than markets like Bengaluru, Hyderabad, Chennai and Pune. Developers and owners of these spaces may have to upgrade and standardize their properties to be RERA compliant spaces. A possible disruption in commercial space leasing business could be a concept called “co-working spaces”, which is still in its initial stages, but is steadily picking up in developed markets like Mumbai. Co-working spaces are fully functional offices, shared by professionals. Such spaces typically provide desks, cabins, meeting rooms, internet, cafe services and other basic resources. They are convenient as there is zero setup time and cost to be invested by a user. Co-working spaces are more affordable than offices, and are being adopted by businesses in cities like Mumbai and Bangalore.

Financing mechanisms in Real Estate Sector in India

Debt financing in real estate

The table given below shows the debt outstanding, sales and interest expense of sample of 109 companies.

| Year | 2012 | 2013 | 2014 | 2015 | 2016 | Growth (Abs) | CAGR |
|----------------------|----------|----------|----------|----------|----------|---------------|---------------|
| Debt | 40,908.8 | 41,445.0 | 43,039.3 | 47,580.8 | 53,136.1 | 29.8% | 6.7% |
| Net sales | 30,323.3 | 32,825.4 | 34,271.4 | 36,251.7 | 38,118.8 | 25.7% | 5.8% |
| EBITDA (mar%) | 8,668.9 | 9,021.9 | 7,888.1 | 9,108.7 | 7,022.1 | -19.0% | -5.1% |
| Int. Exp. | 4,877.7 | 5,794.6 | 6,250.3 | 6,430.3 | 6,770.2 | 38.8% | 8.5% |
| PBT | 6,778.5 | 5,581.6 | 4,425.2 | 4,875.1 | 3,698.6 | -45.4% | -14.0% |
| PAT | 5,043.5 | 4,196.6 | 3,559.4 | 3,681.1 | 2,958.6 | -41.3% | -12.4% |

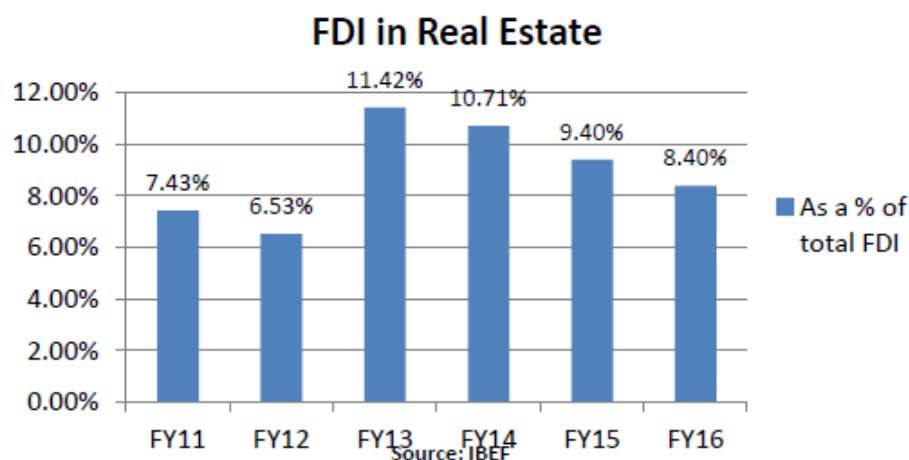
*Source: Aceequity (All figures in Crores)

On a CAGR basis they have grown 6.8%, 5.9% and 8.5% respectively between 2012 and 2016 while on an absolute basis, they have grown 29.9%, 25.7% and 38.8% respectively. This shows that while the sales growth has been tepid in the broader market, the debt outstanding and interest expenditure has outpaced the same consistently. This suggests addition in debt levels are not in line with the sales growth for the overall industry. In the last couple of years, with stress in the banking system due to mounting NPA's, domestic non-banking finance companies; private equity etc. have stepped in with funds for longer duration and structured project-specific debt in order to aid the ailing developers.

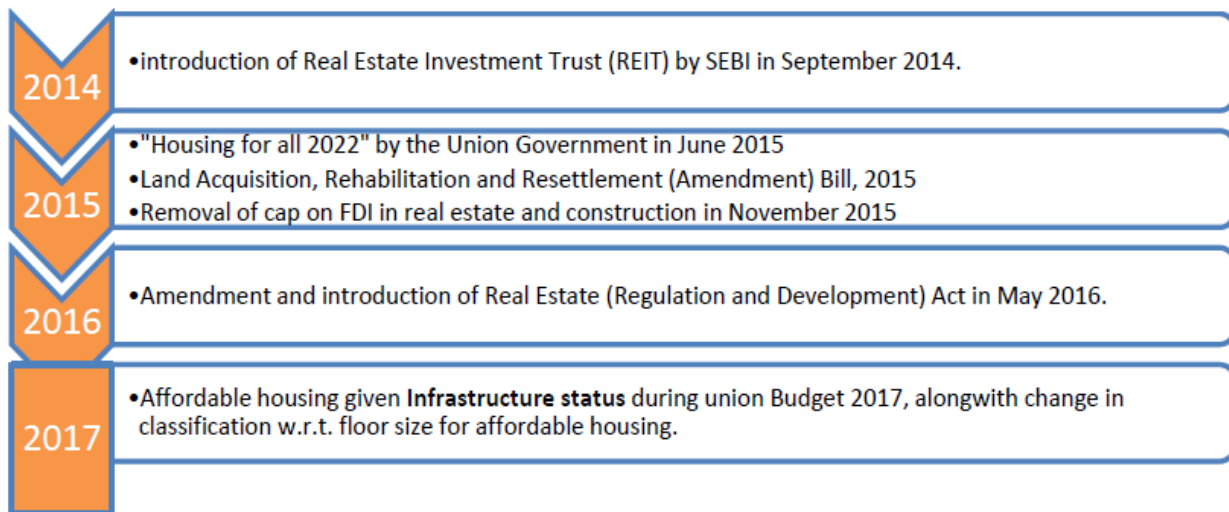
Private Equity investment in real estate (PERE) in India

Real estate as a sector has been at a disadvantage when it comes to sourcing of funds. Most of the funding occurred either through debt which entails higher interest cost of around 15% and above on an average. Funding through equity is scarce but is one of the avenues. With the opening up of the sector for investments by FDI, global private equity players have been steadily investing in the real estate sector in India with an eye on the urbanization and industrialization theme. Data from a Cushman & Wakefield report states that Private Equity investment in Real Estate (PERE) in India increased 20% to US\$ 4.2 billion from US\$ 3.6 billion in FY15. On a cumulative basis it is forecasted to touch US\$ 7.2 billion in PERE in 2016. Out of this, US\$ 2.5 billion worth of investment has been made by domestic investors.

Investment from domestic investors across realty segments constituted of 63% in residential projects, 20% in office projects, and 12% in mixed use projects and rest in retail. While most of these investments are at project level, foreign investors mostly invest in the form of equity due to regulatory restriction on investment through debt. An insight into city level investment shows that Mumbai topped in attracting investments with 41% of residential segment investments and 61% of office segment investments followed by Delhi-NCR in all the three segments namely residential, commercial and retail. Up to Q3 of 2016, foreign investors invested about US\$ 1.15 billion in the Indian real estate markets if one were to go by forecasts made by leading consultants. In terms of segmental investment, 40% were into retail, 36% in residential, 17% in office spaces whereas rest in others like hospitality.



Regulatory changes and policy initiatives for the industry



(Source: CARE Report – Industry / Real Estate- Opportunities, challenges and outlook)

The industry witnessed introduction of regulatory changes and policy initiatives in order to transform it into an organized, transparent, accountable and investor-friendly sector. Lack of long term funds has been the biggest impediment for the sector which could not be fulfilled by banking institutions owing to regulatory restrictions of the Central bank. Some of the regulatory changes and additions between 2014-16 are as follows-

Real Estate Investment Trusts (REITs): One of the most transformational changes which have been brought in to make the entire sector more transparent and investor centric. Apart from the fact that REIT would let small investors buy into the real estate asset class at a much smaller ticket size, REIT gives large portfolio investors the chance to exit from investments, which makes Indian real estate market favourable for more investments from global investor community. Additionally, Budget 2016-17 exempted dividend distribution tax (DDT) on special purpose vehicles (SPVs). Rules for REITs were relaxed, and the investment cap in under-construction projects was raised from 10% to 20%. Currently, around 229 m.s.ft. of office space can be seen as REIT compliant. (Source: JLL Research)

Real Estate (Regulation & Development) Act 2016: RERA, was passed by the Parliament in March 2016. States have to implement the bill within one year from the time it was passed. This bill is primarily aimed at bringing in transparency to the sector and is being touted as a pro-consumer law. One of the biggest industry wide change is registration of properties under development by developers which would mean only organized and professionally managed companies would be able to carry on with the business, thus the sector would see lot of consolidation going forward.

Goods and Services Tax: The GST is the single-biggest tax reform to be ever introduced in India. GST aims at eliminating the difference in indirect taxes applicable across various states, hence bringing in ease of doing business and simplified taxation procedure for businesses. The tax regime would be introduced in the year 2017, with most states having accepted the law after debate and discussion. The sector stands to benefit from the fact that GST would provide more clarity on tax-credits for RE transactions and allowance of input credit would reduce the price of properties. GST rate for the real estate sector is expected to be announced in the next year.

Infrastructure status to affordable housing: The affordable housing segment has been accorded infrastructure status which would ensure more funding from the banking system as well as Pension funds being eligible to invest long term into affordable housing segment which in turn would reduce the cost of construction. For classification of affordable housing, instead of “built-up” area of 30/60 sqm, the new classification is “carpet- area” of 30/60 sqm. The 30 sqm limit applies only in case of municipal limits of 4 metropolitan cities while for the rest of the country including the peripheral areas of metros, limit of 60 sqm will apply. The government has also extended the time of completion of such projects from 3 years to 5 years.

Benami Transactions Act 2016: This bill will curb black money flow into real estate and will render holding of property under fictitious names a punishable offence. This bill aims at bringing transparency and accountability in the sector as a whole especially with regard to funding.

Policy initiatives: Pradhan Mantri Awas Yojana and National Urban Housing Policy 2015 set up to meet the gap of

housing through increased private sector participation and policy initiatives to support housing for all across by 2022. Total housing shortage envisaged to be addressed through the new mission is 20 million by 2022.

Smart Cities mission for revival and creation of 100 cities into smart cities, Atal mission for rejuvenation and urban transformation, heritage city development and augmentation yojana (HRIDAY) are some other policy initiatives, which if implemented in line with the projected plan of implementation would be huge growth drivers for housing segment of real estate.

(Source: CARE Report – Industry / Real Estate- Opportunities, challenges and outlook)

THE REAL ESTATE SECTOR IN NASHIK

About Nashik

Known as the wine capital of India, Nashik is now attracting scores of property buyers and investors excited by the city's affordable realty prices, excellent infrastructure, temperate climate and better quality of life in stark contrast to saturated cities like Mumbai and Pune.

Nashik, popularly known as the 'wine city' of India is located around 190 km away from Mumbai and Pune. Besides being a famous pilgrimage centre, Nashik also boasts of a strong industrial base with a strong presence spanning the auto, engineering and electrical industries. Ambad, Satpur, Gonde, Igatpuri and Sinnar are the five major industrial zones developed by the Maharashtra Industrial Development Corporation (MIDC) here and host reputed corporate majors including Hindustan Aeronautics Ltd (HAL), Mahindra & Mahindra, CEAT, LG Electronics, Samsonite, Garware, Siemens, Blow Plast, Bosch, Carbon, Thyssen Krupp, Ceat, Atlas Copco, TI Cycles and Glaxo among others.

Private banks have been major drivers for commercial real estate in Nashik, with ICICI, HDFC and HSBC having expanded their operations phenomenally. Moreover, the Government of Maharashtra is investing heavily into the already thriving Wine Parks industry in Nashik, which is already famous for its Sula Vineyards and York Vinery. It also plays an utmost important role in agriculture. Onion, tomatoes and many other vegetables are exported from Nashik to various parts of the world.



(Source: https://www.propertycrow.com/blog/news_nashik-city-of-limitless-real-estate-potential_171.html)

Nashik is the third-largest district in Maharashtra, covering 15,530 sq kms in the Khandesh region. More importantly, it is already a predominantly urban region and has moved away from being just a pilgrimage destination. Nashik is also attracting property seekers from neighbouring cities like Pune and Mumbai, owing to the growth of its physical and social infrastructure and its pleasant climate.

(Source: <https://housing.com/news/nashik-maharashtras-highest-roi-property-market/>)

Since the city's realty sector is at a nascent stage, it is fast becoming a favourable destination for many investors. The affordable prices combined with the serene and pristine atmosphere of the city has enticed many retired personnel to invest in properties here. The high ROI is another factor that is pulling second time home buyers and investors to Nashik. In the last 2 years, capital value of properties in Nashik has appreciated by 15% to 25%, making the city an ideal investment destination. However, developments along the commercial belt and the presence of many educational institutions are fast changing the investor market into an end-user friendly one. Reputed realty developers too are now cashing in on the growing housing demand and are announcing various 'affordable' residential projects

(Source: http://www.moneycontrol.com/india/newsarticle/news_print.php?autono=1396108&sr_no=0)

According to the Confederation of Real Estate Developers Association (CREDAI), the realty sector of Nashik has registered 50% growth during the festive season from September 2017 till now, compared to the corresponding period

of last year. Around 300 flats worth ₹ 120 crore have been booked or sold across the city since September 2017, against 150 flats worth ₹ 60 crore during the same period of last year.

(Source: <https://realty.economictimes.indiatimes.com/news/residential/nashik-realty-sector-witnesses-50-growth-since-ganeshotsav/60878709>)

Nashik has been the educational hub of North Maharashtra. The city has two state run universities: Yashwantrao Chavan Maharashtra Open University (YCMOU), near Gangapur village on the outskirts of the city and the Maharashtra University of Health Sciences. Also located here are several leading educational institutions including: Adv. Baburao Ganpatrao Thakare College of Engineering, SND College of Engineering & Research Centre, KTHM College, NDMVP's College of Engineering, Symbiosis Institute of Operations Management and BYK College to name a few. Further Nashik also scores well above average in the infrastructure front with well-developed roads, ample water supply and fast developing social infrastructure. In recent years the city has witnessed huge investments in the infra sector especially in the development of National Highways.

Real Estate Overview

Nashik's realty market is geared for rapid growth going forward given its proximity to major cities like Mumbai and Pune and current saturation of the realty markets in both these cities. Another important factor likely to influence the real estate growth of Nashik is its lower entry costs vis-a-vis Mumbai and Pune and attractive appreciation rates that have made it a haven for property investors. Adding to its lure as a commercial destination has been the entry of several IT, ITeS, BPO and KPO companies who have set up base here attracted by the city's much-lower property prices and the abundant supply of young, English-speaking youth.

Nashik realty has also benefited from a slew of major infrastructure development projects like the four-laning of the Nashik-Mumbai highway and the coming of the Nashik-Pune highway which have done wonders on the connectivity front.



The Sinnar SEZ is at an advanced stage and Accenture has recently announced setting up of a massive 200-acre facility in Nashik. The recently upgraded airport at Ozar with an air cargo terminal and the proposed international airport at Shirdi have catapulted Nashik's to one of the country's fastest developing cities.

Ample water supply and excellent road and rail connectivity to most major cities are some of the other key factors that have played a key role in its rise as a hot realty destination. Other key factors that have also contributed towards this end include its salubrious climate (much like Pune had about two decades ago), affordable property prices, low cost of living and the world-renowned Kumbh Mela, which is hosted here every twelve years.

(Source: https://www.propertycrow.com/blog/news_nashik-city-of-limitless-real-estate-potential_171.html)

Key Trends

Traditionally locations adjoining the old city like College Road and Gangapur Road have been the front runners in terms of Nashik's real estate development. However with rapid highway development in recent years areas near the Mumbai-Agra National Highway (NH-3) and Nashik-Pune National Highway (NH-50) are also witnessing a hectic pace of realty development. Other fast upcoming realty destinations include areas such as Pathardi, Adgaon, Nashik Road and Deolali Camp. The city's residential landscape is in the midst of a change and villas and row houses are now being replaced by apartment complexes and high-rises equipped with the latest amenities. Some of Nashik's leading developers include: Thackers Developers, Archit Group, Karda Constructions, Samraat Group, Nishant Builders, Nayantara Estates, Shree

Buildcon, Deepak Builders & Developers, Mittal Developers and Lalwani Constructions among several others.

With the exception of a few prime areas, residential rates here are in the range of ₹ 3, 000 - 4500 psf, while prime locations such as Gangapur and College Road command a premium with prices in the region of ₹ 5, 000 - 6,000 psf. The prime areas for commercial development are still the Old City, College Road, Nashik Road and Gangapur Road.

Popular realty investment destinations here include upcoming locations like Anandwalli, Indiranagar, Pathardi, Makhmalabad and Pune Road, though the rental values here are still in their nascent stage, the potential for higher returns going forward remains impressive. Ongoing projects at locations like Takli Road, Chandsi, Nashik-Peth-Gujarat Highway and properties along Nashik Road are being preferred by investors looking for slightly upmarket locations offering a good potential for real estate development. Further with the western side of the city already well-developed, one of the fastest-developing areas is the southern side, Pathardi, which already has fast-selling projects, holds immense promise for future appreciation. Deolali on the outskirts of Nashik is another potential location for investors looking for good returns in the future.

Investment Potential

Overall, Nashik offers very encouraging fundamentals for real estate investors. Some of the advantages it enjoys over other major cities in Maharashtra include:

- Well-developed physical infrastructure.
- Adequate and reliable water supply.
- Strategic located at one vertex of the golden triangle of Mumbai, Pune and Nashik.
- Comparatively lower environmental pollution.
- Efficient and well-developed intra and intercity commuting facilities.
- Excellent connectivity with other regional growth centres.
- Developed industrial estates such as Ozar, Sinnar, Satpur and Ambad in the immediate vicinity.
- Modern Software Technology Park at Ambad.
- Salubrious year-round climate.
- A safe and secure social environment thanks to the presence of a major defense base here.
- Excellent air and rail connectivity with other major cities.
- Large pool of skilled, English-speaking professionals.
- Well developed educational and healthcare sector with a large number of reputed institutions having a presence here.

(Source: https://www.propertycrow.com/blog/news_nashik-city-of-limitless-real-estate-potential_171.html)

Future Prospectus

With growing urban agglomeration and the rapid development of connectivity between Mumbai and Nashik, people are looking at a future wherein people will be able to live in Nashik and travel to Mumbai and back for work purposes. Property experts unanimously believe that the current property rate will double in the next five years due to the huge infrastructural investments being done in the city which forms a crucial part of the state's golden triangle with a huge opportunity for growth and accelerated returns on investments in property.

According to local realty players, over the last few years the general real estate trend in Nashik has been one of accelerated growth even in the face of a marked slowdown in the real estate market across the country. It's a fact borne out by the steady rise in the number of ongoing projects and construction-related activities across the city in the last few years. Developers in the city are displaying remarkable vision and appear to be replicating the urban development model set by their counterparts in bigger cities like Mumbai and Pune, with an array of bigger and better projects equipped with the latest in terms of amenities now mushrooming all over the city.

All these factors are also boosting the city's employment generation potential and rising income levels, which directly influence the demand for residential real estate. Going forward, Nashik, by virtue of its strategic location and growing economic importance has the capability to emerge as an ideal real estate destination and a potential Smart city.

(Source: https://www.propertycrow.com/blog/news_nashik-city-of-limitless-real-estate-potential_171.html)

BUSINESS OVERVIEW

This chapter should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the sections titled 'Risk Factors' and 'Financial Information' and the chapter titled 'Management Discussion and Analysis of Financial Condition and Results of Operations' beginning on page nos. 15, 146 and 169 respectively, of this Prospectus. Unless the context otherwise requires, in relation to business operations, in this chapter of this Prospectus, all references to "we", "us", "our" and "our Company" are to Karda Constructions Limited as the case may be.

OVERVIEW

The Karda Group is a well established Nashik based group having its presence in the construction industry for more than two decades. The group was founded by our promoter Mr. Naresh Karda in year 1994. In the years following its inception the group concentrated on developing affordable housing in the residential segment and from year 2001 onwards, the group diversified into commercial segment.

Our Company, Karda Constructions Limited was incorporated in 2007 with a view to corporatize the group's activities in the real estate sector. Our Company is focused on quality and affordable developments. We believe we have an established brand and reputation, and a track record of developing innovative projects through our emphasis on contemporary architecture, strong project execution and quality construction in the real estate industry, for which our Company had received "**Mega Builder of the Year**" award of Divya Marathi in June 2013. Further our Promoter, Mr. Naresh Karda had also been awarded as "**Business Icon of Nashik**" by Lokmat in December 2014.

Our Company has contributed significantly towards the development of Nashik and has so far successfully completed and delivered significant amount of real estate as shown below:

| Project Type | Carpet Area (in sq. ft.) | No. of Projects | No. of Units |
|------------------------------|--------------------------|-----------------|----------------------|
| Residential | 8,57,417 | 12 | 834 flats |
| Residential-cum-Office Space | 1,93,108 | 5 | 210 flats & 63 Shops |
| Total | 10,50,525 | 17 | 1,107 units |

We currently have 11 Ongoing and 3 Planned projects, which we expect to provide an estimated total Carpet Area of 17,13,725 square feet. The estimated Carpet Area of our Ongoing and Planned projects is summarised in the table below:

| Project Type ⁽¹⁾ | Ongoing | | Percentage of Total Ongoing Estimated Carpet Area | Planned | | Percentage of Total Planned Estimated Carpet Area | Grand Total | | Percentage of Total Estimated Carpet Area |
|------------------------------|--|-----------------|---|--|-----------------|---|--|-----------------|---|
| | Estimated Carpet Area (in sq. ft.) ⁽¹⁾⁽²⁾ | No. of Projects | | Estimated Carpet Area (in sq. ft.) ⁽¹⁾⁽²⁾ | No. of Projects | | Estimated Carpet Area (in sq. ft.) ⁽¹⁾⁽²⁾ | No. of Projects | |
| Residential | 10,98,954 | 10 | 71.95% | 1,86,357 | 3 | 100.00% | 12,85,311 | 13 | 75.00% |
| Residential-cum-Office Space | 4,28,414 | 1 | 28.05% | - | - | - | 4,28,414 | 1 | 25.00% |
| Total | 15,27,368 | 11 | 100.00% | 1,86,357 | 3 | 100.00% | 17,13,725 | 14 | 100.00% |

⁽¹⁾ Information provided in respect of our Ongoing and Planned projects is based on current management plans and subject to change.

⁽²⁾ We classify our projects as Completed, Ongoing or Planned depending on their respective stages of development.

Further in order to expand our portfolio of business activities our Company has recently ventured into Construction Contracts. For further details refer section titled "Description of Our Business" on page no. 91 of this Prospectus.

Our total income and net profit after tax as restated were ₹ 4,328.65 lakhs and ₹ 270.39 lakhs for the year ended March 31, 2013, ₹ 5,907.39 lakhs and ₹ 360.55 lakhs for the year ended March 31, 2014, ₹ 4,653.44 lakhs and ₹ 307.56 lakhs for the year ended March 31, 2015, ₹ 10,593.47 lakhs and ₹ 637.43 lakhs for the year ended March 31, 2016 and ₹ 11,002.26 lakhs and ₹ 803.14 lakhs for the year ended March 31, 2017, showing a CAGR of 19.57 % in profit after tax. Further, our total income and net profit after tax for the period ended September 30, 2017 ended were ₹ 4,569.73 lakhs and ₹ 551.88 lakhs.

As on December 31, 2017 we have 64 employees on the pay roll of our Company.

COMPETITIVE STRENGTHS

We believe that the following are our primary competitive strengths:

Strong presence in Nashik

Nashik's realty market is geared for rapid growth going forward given its proximity to major cities like Mumbai and Pune and current saturation of the realty markets in both these cities. Another important factor likely to influence the real estate growth of Nashik is its lower entry costs vis-a-vis Mumbai and Pune and attractive appreciation rates that have made it a haven for property investors (*Source: https://www.propertycrow.com/blog/news_nashik-city-of-limitless-real-estate-potential_171.html*). Our Company as on the date of the Prospectus has successfully completed and delivered 10,50,525 sq. ft. of carpet area, comprising of 17 projects and 1,107 units. Having successfully completed and delivered such significant amount of carpet area, we believe that we have good knowledge of the market and regulatory environment in Nashik that assists us in identifying opportunities in this region. Further we currently have 11 Ongoing and 3 Planned projects, with which we expect to provide a total carpet area of approximately 17,13,725 square feet. We believe that having an experience of over two decades of developing real estate projects in Nashik, and having a strong presence in the Nashik real estate market we can exploit the growth opportunities in the Nashik.

Established brand and reputation

All of our Completed, Ongoing and Planned projects are located in Nashik. Further most of our project names begin with the word "Hari" (such as "Hari Vishwa", "Hari Sanskruti" "Hari Amrut", etc) which differentiates our projects from the projects of the other developers in Nashik. The term "Hari", has become Synonymous with our Company and its path breaking constructions that have contributed immensely in revamping Nasik's Skyline over the years. We believe that over the years through successful completion and delivery of the projects we have been able to establish and strengthen the "Hari" brand will enable us to get a positive support for future projects using the same brand in the form of advance bookings, revenue share deals, development rights, government approvals, etc.

Our proven execution capabilities

We believe that we are a knowledge-based organisation and we undertake research for our projects prior to making any decisions to acquire, develop or sell our properties. Our projects span different segments of the real estate market, such as residential and office space and we believe this diversity will allow us to better weather market cycles. We have also demonstrated our ability to develop projects in diverse market conditions. Our track record of successful developments is due primarily to our Promoter who has an established reputation in the industry and has completed a significant number of projects. Our Company has successfully completed and delivered 15 residential projects and office space projects as on the date of this Prospectus and had received "***Mega Builder of the Year***" award of Divya Marathi in June 2013, for having an exceptional performance in the real estate segment in Nashik. Further our Mr. Naresh Karda had also been awarded as "***Business Icon of Nashik***" by Lokmat in December 2014.

Further as on the date of this Prospectus, our Company has been successful in getting all its ongoing projects registered under the "Real Estate (Regulation and Development) Act 2016" (RERA) which we believe will help us compete against other real estate developers in Nashik.

Strong project pipeline providing cash flow visibility

We believe that we have a strong project pipeline, which provides cash flow visibility. We currently have 13 Ongoing and 3 Planned projects, which we expect to provide a total Carpet Area of approximately 17,13,725 square feet. These include twelve Ongoing and three Planned residential projects with approximately 12,85,311 square feet of estimated Carpet Area, one Ongoing residential-cum-office space project with approximately 4,28,414 square feet of estimated Carpet Area.

In addition, we follow a sale model for our residential and residential-cum-office projects and may in the future also follow this model. For these projects we typically receive a certain portion of the purchase price as down payment at the time of booking a particular unit and the remainder through periodic payments linked to certain other construction milestones while the project is being developed. We generally launch such projects and commence the sales process for a portion of the total number of units to be sold around the time of commencing construction. As on September 30, 2017 our Company has collected advances of ₹ 5,240.12 lakhs from our customers towards the units sold.

Vast land reserves and an ability to identify new projects

An important element of our success is our acquisition of land in and around Nashik. As on the date of this Prospectus, our land reserves included approximately 4,06,970 square feet of estimated Developable Land Area in and around Nashik. We actively attempt to identify and acquire land that may be available for sale in areas where our customers demand residential or commercial projects or where we foresee development in the future. We have the ability to assess the potential of a location, identify locations that are relatively underdeveloped and gain the first mover advantage in such locations at a reasonable cost.

OUR STRATEGY

Diversify the portfolio of projects we undertake and our business activities

Our Company has so far been a real estate development company, developing residential and residential-cum commercial projects in Nashik. However with a view to expand the portfolio of our business activities our Company recently has ventured into construction contracts. For further details refer section titled “*Description of Our Business*” on page no. 91 of this Prospectus. By diversifying the portfolio of our activities we intend to create additional sources of income which will further increase the cash flow visibility of our Company. Further we believe diversification of our portfolio of our activities will help us mitigate the risk caused by any adverse effect on the real estate sector in Nashik and the country as a whole.

Continue to strengthen relationships with key service providers and take benefit of scalability by outsourcing model

We intend to continue to follow our outsourcing model and further strengthen our relationships with key service providers such as architects and contractors. This will enable our management to focus more on our core business by continuing to outsource the design and construction to our service providers. We also believe that our outsourcing model will enable us to develop projects with quality design and construction as we are able to access the best service providers in their respective fields to create the type of projects that we believe our customers want.

Cultivate long-term relationships with major financial institutions and others

We cultivate long-term relationships with the banks, financial institutions, and individual investors as lenders and co-investors in future projects. Entering into co-investor relationships with the banks, financial institutions and individual investors provides a number of benefits, including a lower cost of funds; access to larger fund pools; improved sourcing capabilities; assistance in entering new markets; and access to the expertise and general manpower of the organization. The expertise and resources available to us as a result of such relationships improve our ability to assess the economic risks involved in potential deals and thereby allow us to make more informed investment decisions.

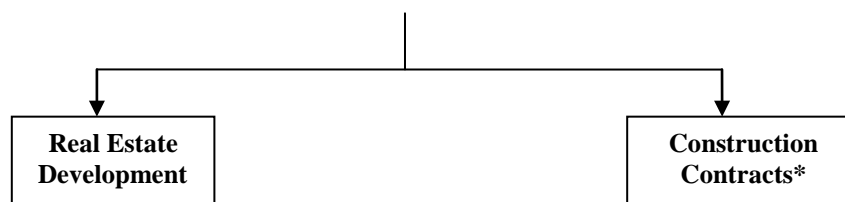
Continue our focus on developing projects in and around Nashik

All of our Ongoing and Upcoming Projects are concentrated in and around Nashik. We believe that the real estate industry in India is predominantly regional due to difficulties with respect to large scale land acquisition in unfamiliar locations, inadequate infrastructure to market projects in new locations, the complex legal framework and the large number of approvals which must be obtained from different authorities at various stages of construction under local laws, and the long gestation period of projects. We believe that due to our familiarity and experience of the markets in and around Nashik, we will be able to use our expertise to expand our business in and around Nashik. Further, we believe that the real estate market in India will be dominated by local players rather than pan-India players and therefore, we will continue to focus on these core markets.

DESCRIPTION OF OUR BUSINESS

We are a real estate development company primarily operating in Nashik, focused on quality and affordable developments. We have a diversified portfolio of Completed, Ongoing and Planned projects in mixed-use or single-segment developments, which cover key segments of the real estate market, namely: (i) residential and (ii) residential-cum-office space. Further in order to expand the portfolio of our business activities our company has recently ventured into Construction Contracts. The existing business model of our Company is depicted in the following diagram:

Our Business



*Recently added to the business profile.

Highlights of the projects completed by our Company:-

| Sr. No. | Project Name | Development Site/ Location | Development Type | Our Share | Carpet Area – our share (in sq. ft.) ⁽¹⁾ | No. Of Units | Date of Commencement ⁽²⁾ | Date of Completion ⁽³⁾ |
|---------|----------------|---|-----------------------------|-----------|---|---------------------|-------------------------------------|-----------------------------------|
| 1 | Hari Sankul I | Near Ashoka Universal School, Behind Fame Adlabs, Nashik. | Own Land | 100% | 84,113 | 99 flats | August 2008 | August 2011 |
| 2 | Hari Sankul II | | | | 81,548 | 93 flats | October 2011 | November 2012 |
| 3 | Hari Niwas | Behind Muktidham, Nashik Road | Development Agreement & GPA | 100% | 80,738 | 69 flats +24 shops | January 2011 | May 2013 |
| 4 | Hari Niketan | Behind SBI, Deolali Camp | Own Land | 100% | 54,138 | 54 flats | July 2011 | January 2013 |
| 5 | Hari Aangan II | Jai Bhavani Road | Own Land | 100% | 22,260 | 24 flats | April 2011 | December 2013 |
| 6 | Hari Kunj | Jai Bhavani Road | Own Land | 100% | 24,546 | 28 flats + 8 shops | August 2011 | January 2013 |
| 7 | Hari Sankalp | Serene Meadows, Ganapur Road | Own Land | 100% | 53,077 | 37 flats | January 2010 | April 2013 |
| 8 | Hari Sneh I | Near IT park, Wadala, Nashik | Own Land | 100% | 44,373 | 50 flats | October 2010 | November 2012 |
| 9 | Hari Vandan II | Behind Philomina School, Jail Road | Own Land | 100% | 28,162 | 28 flats | May 2011 | December 2012 |
| 10 | Hari Om I | Guru Gobind Singh Polytechnic, Indira Nagar | Own Land | 100% | 2,75,202 | 218 flats | March 2011 | February 2014 |
| 11 | Hari Sparsh | Air Force Road, Deolali | Own Land | 100% | 57,541 | 76 flats | June 2012 | June 2015 |
| 12 | Hari Mantra | Opp. Reliance petrol Pump, Jaibhawani Raod, Nashik Road | Own Land | 100% | 17,885 | 21 flats + 4 shops | October 2014 | December 2015 |
| 13 | Hari Amrut | Narayan Babu Nagar, Nashik Road | Own Land | 100% | 43,446 | 52 flats + 17 shops | May 2013 | December 2015 |
| 14 | Hari Sneh | Near Vascon | Own Land | 100% | 26,493 | 40 flats + | August 2013 | December |

| Sr. No. | Project Name | Development Site/ Location | Development Type | Our Share | Carpet Area – our share (in sq. ft.) ⁽¹⁾ | No. Of Units | Date of Commencement ⁽²⁾ | Date of Completion ⁽³⁾ |
|--------------|--------------|--|------------------|-----------|---|--------------|-------------------------------------|-----------------------------------|
| | II | IT Park, Wadala | | | | 10 shops | | 2015 |
| 15 | Hari Shruti | Opp. IT park, Wadala, Nashik | Own Land | 100% | 1,11,731 | 120 flats | May 2013 | June 2016 |
| 16 | Hari Ved | Plot No. 07, Survey No. 719/3/1A+72 0/3/2 TPS II of Nashik Shiwar. | Own Land | 100% | 4,120 | 6 flats | October 2016 | February 2018 |
| 17 | Hari Anand | Plot No. 21 TO 29 Of Survey No. 419/7/2 of Makhmalabadi Shiwar, Nashik-22003 | Development | 57% | 41,152 | 29 flats | June 2014 | February 2018 |
| TOTAL | | | | | 10,50,525 | | | |

⁽¹⁾ As per the regulations of RERA the real estate units are to be sold based on their carpet area, thus carpet area of the units has been disclosed. However the aggregate saleable area of the above units is estimated at 11,65,967 sq. ft.

⁽²⁾ Date of commencement refers to the date of receipt of Commencement Certificate from Nashik Municipal Corporation.

⁽³⁾ Date of completion refers to the date of receipt of Occupation Certificate from Nashik Municipal Corporation.

Set forth below is a brief description of a few of the projects completed by Our Company:

1. Hari Sankul I



Location: Near Ashoka School, B/H fame multiplex, off Nashik Pune highway, Nashik

The Building comprises of 8 Floors and is equipped with all the necessary features like, earthquake resist structure, automatic passenger elevator, diesel generator backup for common utilities and flat, round the clock security system including intercom, 24 hours water supply, Children park , Club House, Gymnasium and Amphitheatre.

There are total 99 residential flats of 1, 2 & 3 BHK with size ranging from 634 to 2,121 sq. ft. All the Flats are well designed with vitrified tile flooring, kitchen and balconies. The flats have spacious bedrooms and attached toilets with complete bathroom accessories, modular kitchen with granite top, stainless steel accessories and electric chimney, fans, tube and light holders in living area and bedrooms, geysers and exhaust fans in toilets and kitchens etc. It was a successful project with all the flats being sold.

2. Hari Sankul II



Location: Near Ashoka School, B/H fame multiplex, off Nashik Pune highway, Nashik

The Building comprises of 7 Floors and is equipped with all the necessary features like, earthquake resist structure, automatic passenger elevator, diesel generator backup for common utilities and flat, round the clock security system including intercom, 24 hours water supply, Children park , Club House, Gymnasium and Amphitheatre.

There are total 93 residential flats of 2 & 3 BHK with size ranging from 933 to 1,980 sq. ft. All the Flats are well designed with vitrified tile flooring, kitchen and balconies. The flats have spacious bedrooms and attached toilets with complete bathroom accessories, modular kitchen with granite top, stainless steel accessories and electric chimney, fans, tube and light holders in living area and bedrooms, geysers and exhaust fans in toilets and kitchens etc. It was a successful project with all the flats being sold.

3. Hari Niwas



Location: Behind Muktidham temple, Bytco, Nashik Road, Nashik

The Building comprises of 8 Floors, which further comprises of 69 flats and 24 shops. The special features of the building includes earthquake resistant RCC structure, automatic 6 passenger elevator, diesel generator backup for common utilities and power backup for flats, CCTV Camera coverage for common areas ready, Gated community with guard room and security system supported by intercom, etc.

There are total 69 residential flats of 2 & 3 BHK with size ranging from 860 to 2,430 sq. ft. All the flats are well designed and equipped with all the modern and necessary facilities. It was a successful project with all the flats being sold.

4. Hari Niketan



Location: Behind SBI, Opposite Deolali Bus Stop, Deolali Camp, Nashik.

The Building comprises of 2 Floors, which further comprises of 54 flats. The project provides all necessary amenities such as Children park, Club House, Gymnasium, Amphitheatre, Lift with battery Back-up, Secured Entry, CCTV cameras, etc. The flats are of 2 & 3 BHK with size ranging from 933 to 1,980 sq. ft. and are well designed and equipped with all the modern and necessary facilities. It was a successful project with all the flats being sold.

5. Hari Aangan II



Location: Jai Bhavani Road, Nashik Road, Nashik

The Building comprises of 6 Floors, which further comprises of 24 flats. The special features of the building includes earthquake resistant RCC structure, automatic 6 passenger elevator, diesel generator backup for common utilities and power backup for flats, CCTV Camera coverage for common areas ready, Gated community with guard room and security system supported by intercom, etc.

There are total 24 residential flats of 2 & 3BHK Flats with size ranging from 1,047 to 1,369 sq. ft. All the flats are well designed and equipped with all the modern and necessary facilities. It was a successful project with all the flats being sold.

6. Hari Anand



Location: Mankar Mala, Makhamalabad, Nashik

The Project comprises of 2 Wings/ Buildings of 4 Floors each, having a total of 29 flats. The special features of the building includes earthquake resistant RCC structure, automatic passenger elevator, diesel generator backup for common utilities and power backup for flats, CCTV Camera coverage for common areas ready, Gated community with guard room and security system supported by intercom, etc. There are flats of 1 & 2 BHK with size ranging from 554 to 1,152sq. ft. All the flats are well designed and shall be equipped with all the modern and necessary facilities.

7. Hari Ved



Location: P & T Colony, Sharanpur, Nashik

The Building comprises of 4 Floors, having a total of 6 flats. The special features of the building includes earthquake resistant RCC structure, automatic passenger elevator, diesel generator backup for common utilities and power backup for flats, etc. There are flats of 2 & 3 BHK with size ranging from 987 to 1,889 sq. ft. All the flats are well designed and shall be equipped with all the modern and necessary facilities.

Highlights of our Ongoing Projects:-

| Sr. No. | Project Name | Development Site/ Location | Development Type | Our Share | Carpet Area – our share (in sq. ft.) ⁽¹⁾ | No. Of Units | Date of Commencement ⁽²⁾ | Expected Date of Completion ⁽³⁾ |
|---------|----------------|---|--|-----------|---|----------------------|-------------------------------------|--|
| 1 | Hari Vishwa | Survey No. 290/1 + 2 + 3 + 4 / 7 + 290 / 1 + 2 + 3 + 4 / 6 / 2 of Pathardi Shiwar, Nashik | Own Land | 100% | 3,67,222 | 388 flats | March 2016 | December 2019 |
| 2 | Hari Sanskruti | Survey No. 248/1 to 6/1+2+3+4 (part) of Seolali Shiwar, Nashik | Partly Own Land & Partly development agreement & GPA | 100% | 4,28,414 | 566 flats + 21 shops | June 2017 | June 2020 |
| 3 | Hari Om II | Survey No. 97/4+5 of Wadala Shiwar, Nashik | Own Land | 100% | 1,23,964 | 195 flats | May 2016 | December 2018 |
| 6 | Hari Vasant | S. No 4/2-A + 4/1B + 4/B2 of Anandwali Shiwar | Development | 50% | 2,07,336 | 192 flats | October 2016 | June 2021 |
| 7 | Hari Naman | Plot No. 10 of Survey No. | Own Land | 100% | 9,524 | 31 flats | August 2015 | December 2017 ⁽⁴⁾ |

| Sr. No. | Project Name | Development Site/ Location | Development Type | Our Share | Carpet Area – our share (in sq. ft.) ⁽¹⁾ | No. Of Units | Date of Commencement ⁽²⁾ | Expected Date of Completion ⁽³⁾ |
|--------------|--------------------|---|-------------------------|-----------|---|--------------|-------------------------------------|--|
| | | 238A/1/2+3+4/18, C.T.S. No. 3296B of Deolali Shiwar, Nashik | | | | | | |
| 8 | Hari Bhakti | All that piece and parcel of land admeasuring 1332.19 square metres bearing Survey No-37/1B and admeasuring 4276.02 square metres bearing Survey No.37/1C, situated within the limits of Nashik Mahanagarpalika, Deolali Revenue Village, Zilla and Taluka Nashik | Development | 65% | 60,167 | 75 flats | September 2016 | June 2020 |
| 9 | Hari Samarth | Survey. No. 4A/1C/1A, Survey No.4A/1C/1B, Survey No.4A/1C/1D and Survey No.4A/1C/1E, Chehadi Kharjul Mala, Nashik Road (E), Nashik. | Own Land | 100% | 1,12,676 | 264 flats | February 2017 | December 2020 |
| 10 | Hari Sanskruthi II | S.No 259/1 (Part) + 259/2 (Part) of Deolali Shiwar | Own Land ⁽⁶⁾ | 100% | 1,68,480 | 390 flats | February 2017 | August 2021 |
| 11 | Hari Sparsh II | Plot No. 11 & 12 of Survey No. 306/1A/5 of Bhagar | Own Land | 100% | 9,007 | 10 flats | July 2016 | March 2018 |
| 12 | Hari Sparsh III | Survey No.306/2, Bhagar, Deolali | Own Land | 100% | 25,690 | 43 flats | May 2017 | June 2019 |
| 13 | Hari Vatika | Plot No. 09 of S.No 14C/B/1 of Sansari, Deolali | Own Land | 100% | 14,889 | 12 flats | August 2016 | June 2018 |
| TOTAL | | | | | 15,27,368 | | | |

⁽¹⁾ As per the regulations of RERA the real estate units are to be sold based on their carpet area, thus carpet area of the units has been disclosed. However the aggregate saleable area of the above units is estimated at 19,57,902 sq. ft.

⁽²⁾ Date of commencement refers to the date of receipt of Commencement Certificate from Nashik Municipal Corporation.

⁽³⁾ Expected date of completion refers to the expected date of receipt of Occupation Certificate from Nashik Municipal Corporation.

⁽⁴⁾ The Company has received certificate from the Architect certifying the completion of the said project and accordingly the Company has applied to the Nashik Municipal Corporation for the Occupation Certificate.

⁽⁵⁾ Certain portions of these land parcels are owned in the name of our Director – Mr. Naresh Karda and remaining are in the name of our Company.

Set forth below is a brief description of a few of our ongoing projects:

1. Hari Vishwa



Location: Behind Hotel Express Inn, Pathardi, Nashik.

The project comprises of 4 Wings of 13 floors each, with special features such as earthquake resistant RCC structure, automatic 6 passenger elevator, diesel generator backup for common utilities and power backup for flats, CCTV Camera coverage for common areas ready, Gated community with guard room and security system supported by intercom, etc.

The project comprises of 388 flats of 2 & 3 BHK with size ranging from 1,023 to 1,979 sq. ft. The project shall provide all modern amenities to the residents such as Children park, Club House, Gymnasium, Amphitheatre, Lift with battery Back-up, Secured Entry, CCTV cameras, etc.

2. Hari Sanskruti

Location: Kharjul mala, Nashik Road East, Nashik.

The project comprises of 5 Wings (i.e. Stuti, Shloka, Vedanta, Upasana and Kirtan) of 13 floors each, with special features such as earthquake resistant RCC structure, automatic 6 passenger elevator, diesel generator backup for common utilities and power backup for flats, CCTV Camera coverage for common areas ready, Gated community with guard room and security system supported by intercom, etc.



The project comprises of 566 flats of 1 RK, 1, 2 & 3BHK with size ranging from 485 to 1,146 sq. ft. The project shall also feature 21 shops. The project shall provide all modern amenities to the residents such as Children park, Club House, Gymnasium, Amphitheatre, Lift with battery Back-up, Secured Entry, CCTV cameras, etc

3. Hari Vasant



Location: Near Asaram Babu Ashram, Gangapur Road, Nashik.

The project is an iconic and land mark project featuring twin towers on the riverside of Godavari. The twin towers shall be of 16 floors each having a total of 192 flats. The special features of the twin towers include earthquake resistant RCC structure, automatic passenger elevator, diesel generator backup for common utilities and power backup for flats, CCTV Camera coverage for common areas ready, Gated community with guard room and security system supported by intercom, etc.

The project shall also offer modern amenities such as Children Park, Club House, Gymnasium, Swimming Pool, Amphitheatre, Skating area, Gazebo, Box Cricket Pitch, Stacked Parking, Lift with battery backup, Secured entry, CCTV Camera security, etc.

Highlights of our Upcoming / Planned Projects:-

| Sr. No. | Project Name | Development Site/ Location | Development Type | Our Share | Carpet Area – our share (in sq. ft.) ⁽¹⁾ | Expected Date of Commencement | Expected Date of Completion |
|--------------|----------------------------|--|-----------------------|-----------|---|-------------------------------|-----------------------------|
| 1 | Hari Vihar | Survey No. 289, Pathardi, Nashik. | Development Agreement | 50% | 58,148 | June 2018 | March 2020 |
| 2 | Hari Nisarg ⁽²⁾ | Opp. Khushroo Garden, Shigwe Bahula Village, Deolali | Development Agreement | 60% | 15,216 | April 2018 | July 2020 |
| 3 | Hari Laxmi | Survey No. 42/3/1 & 43/3/1, Vihitgaon, Nashik | Own Land | 100% | 1,12,993 | May 2018 | May 2021 |
| TOTAL | | | | | 1,86,357 | | |

⁽¹⁾ As per the regulations of RERA the real estate units are to be sold based on their carpet area, thus carpet area of the units has been disclosed. However the aggregate saleable area of the above units is estimated at 2,51,604 sq. ft.

⁽²⁾ The Company is in the process of obtaining the RERA registration for the said project and upon receiving the same this project will be commenced.

OUR LAND RESERVES

Our land reserves comprise lands in respect of which:

- registered title is owned by the Company;
- the Company has been granted sole development rights; and
- a memorandum of undertaking, agreement to acquire or letter of acceptance has been entered into by the Company;

As on the date of the Prospectus, our land reserves aggregated approximately 4,06,970 sq. ft. Our land reserves are located in and around Nashik. The following is a summary of our land reserves:

| Sr. No. | Location of Land | Area (in sq. ft.) | % of Total Area | Ownership Status |
|---------|--|--------------------|-----------------|------------------|
| 1 | Plot S. No. 292/1A/2B/2B/1 & 2A, Bhagur | 20,451.00 | 5.03% | Owned |
| 2 | S.No.484/3/1/2, Plot No.7 Nashik | 8,611.20 | 2.12% | Owned |
| 3 | Plot S. No. 21/4B/4, Plot No.08 Deolali ⁽¹⁾ | 4,769.00 | 1.17% | Owned |
| 4 | Plot S. No.52/7, Deolali | 5,382.00 | 1.32% | Owned |
| 5 | S.No.376/1B+378/2 Plot No.1&2, Village Adgaon | 15,626.00 | 3.84% | Owned |
| 6 | S.N. 110/2/2/3/5 Wadala | 57,264.00 | 14.07% | Owned |
| 7 | Plot S. No. 19/1A, Agartakli | 53,820.00 | 13.22% | Owned |
| 8 | Plot S.No.87/2/2B/1, Plot 4, Deolali | 8,288.00 | 2.04% | Owned |
| 9 | Plot S. No. 183 to 186 Girnare, Igatpuri | 19,351.00 | 4.75% | Owned |
| 10 | Plot S. No. 362/1, Makhmalabad ⁽²⁾ | 31,754.00 | 7.80% | Owned |
| 11 | Survey No.59/1A+1B/1 and Survey No.59/1A/1B/2 situated at Village Panchak, Nashik. | 24,757.00 | 6.08% | Owned |
| 12 | S. No 21A/1/5B, village Sansari, Nashik | 5,253.00 | 1.29% | Owned |
| 13 | S. No 21A/4, village Sansari, Nashik | 16,146.00 | 3.97% | Owned |
| 14 | S. No 21A/6, village Sansari, Nashik | 18,298.80 | 4.50% | Owned |
| 15 | S.No.484/3/1/2, Plot No.8 Nashik | 10,854.00 | 2.67% | Owned |
| 16 | S. No 11/1/1A/3, Dasak, Nashik | 15,001.00 | 3.69% | Owned |
| 17 | S. No 70/1B+2+3(p) + 70/4 P. No 3 Panchak | 44,440.00 | 10.92% | Owned |
| 18 | S. No.21/4B/9, Plot No.10B, Deolali ⁽¹⁾ | 3,848.00 | 0.95% | Owned |
| 19 | S. No.19/1, Agartakli ⁽³⁾ | 43,056.00 | 10.58% | Owned |
| | Total | 4,06,970.00 | 100.00% | |

⁽¹⁾ Joint ownership with Hiralal Kimatram Kalani.

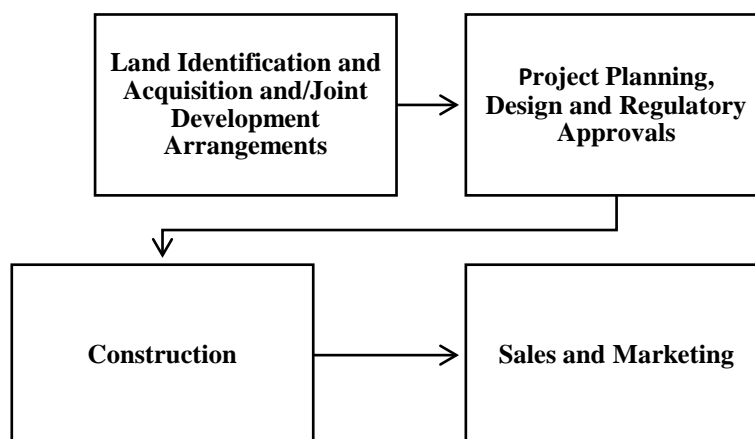
⁽²⁾ Joint owner with Dr. Omprakash Baliram Barosani.

⁽³⁾ Joint ownership with Rahul Kanhaiyalal Kalani.

KEY BUSINESS PROCESS

(A) Real Estate Development:

Our Business process depends upon nature of the project i.e. whether project is taken on contract basis or is owned by us. In case the project is obtained on contract basis, the main phase of process involved is construction, and in owned projects, the following process is adopted:-



A. Land Identification and Acquisition and/Joint Development Arrangements:

The profitability of our business is dependent on our land acquisition costs and our growth is dependent on the availability of land for our future development. We acquired a substantial portion of the land for our currently Completed, Ongoing and Planned projects when land prices were generally lower than prevailing market prices. Land costs have generally increased in the past years (although the recent economic downturn had an impact on the real estate sector generally) and we expect that this trend will continue, subject to general economic conditions and other factors.

We acquire land and land development rights from the government and private parties. From time to time, we seek to acquire land or land development rights through a competitive bidding process. The cost of acquisition of land, which includes the amounts paid for freehold rights, leasehold rights, cost of registration and stamp duty, represents a substantial part of our project cost. We are typically required to enter into a deed of conveyance, a lease deed or a deed for development rights transferring title or leasehold rights or development rights in our favour. The registration charges and stamp duty are also typically payable by us. Additional costs include those incurred in complying with regulatory formalities, such as fees paid for change of land use.

Typically for acquisition of land or land development rights, we are required to pay an advance at the time of executing transaction agreements, with the remaining purchase price due upon completion of the acquisition. We may acquire lands through auction and prior to bidding in the auction, we may be required to pay a refundable deposit or earnest money. In certain cases, we may be required to furnish a bank guarantee for which we would be required to pay the applicable bank charges.

We also acquire the right to develop properties through arrangements with other entities, which own the land or land development rights. The other party is typically given the option, as consideration, to either share the sale proceeds in a pre-determined proportion depending upon the nature of the project and the location of the land or to receive a pre-determined portion of the developed area which such party may market at its expense. We may also look at acquiring land holding companies as a means of acquiring land and/or land development rights.

Once a potential development site has been identified, site visits and feasibility studies/surveys are undertaken, which include detailed analysis of the following factors, among others:

- location, including frontage, surrounding developments and landmarks and views;
- size of the development site;
- potential end use of the site;
- land acquisition cost;
- regional demographics;
- gap analysis of current property development initiatives and market needs;
- financial viability of the proposed project;
- feasibility of construction and adequacy of support infrastructure;
- availability of utility services;
- title searches and related legal due diligence;
- market trends; and
- regulatory issues.

After conducting such analysis, our senior management makes the final decision with regard to the financial feasibility of the acquisition and the scope of the projects to be developed on the proposed site.

After a decision is made to proceed with the acquisition of land or land development rights, we take necessary steps to acquire the land or development rights. We enter into negotiations with the seller of land or land development rights in order to reach a preliminary acquisition agreement, usually memorialised in a memorandum of understanding. Once we have completed our preliminary due diligence on the land, we enter into final agreements to acquire the land.

B. Project Planning, Design and Regulatory Approvals:

We coordinate with the design firms and architects for our projects. In particular, we hire third parties, to design projects which are complex and require specific technical expertise and to design specific high-end projects. Our emphasis is on use of advanced technologies like computer aided design software to ensure optimisation of costs and space. We also have in-house design and project management teams that are responsible for designing, budgeting, planning, contracting and tracking the execution of projects. Our specialised in-house design and project management teams are experienced in adapting international design concepts to suit the requirements of the Nashik real estate market. In addition, we also engage other external consultants for the planning of our projects. The designing and architect firms and structural consultants are engaged by us separately for each project and are particular to the project. The work performed by these third parties must comply with specifications provided by us and, in all cases, is subject to our review.

Generally, depending upon the size and complexity of a project, it takes approximately six months to a year to complete the planning and design phase and to obtain all necessary approvals and permits required to commence work.

Concept design and master planning

Following acquisition of a development site or development rights, we determine the type and scale of project to be undertaken, based upon, among other things, research reports, which profile prospective clients. This process results in the preparation of a project brief, which is submitted to an external architect, who is responsible for the conceptual design of the project. The conceptual design includes master planning, phasing of development and the type and orientation of buildings. Once a concept design is prepared, it is sent to our experienced in-house design management team, which evaluates the design and coordinates with the architect to finalise the concept. The final decision on the conceptualisation of each project and the development of each property is made by our senior management.

Design development

The output of the concept design phase is a master plan with a broad description of the planned development in presentation format. The design development phase involves further detailing of the design concept. Detailed specifications and drawings of each activity are prepared by our in-house design management team, which ensures certifications, No Objection Certificates (NOCs) and approvals are obtained for the commencement of the project from various regulatory and governmental authorities. In accordance with our outsourcing strategy, we intend to use external design firms to perform this role for our projects.

Regulatory approvals

We retain responsibility for obtaining all necessary approvals and permits for each of our projects and have a liaison team, comprising architects, engineers and legal professionals, whose function is to obtain approvals from various government authorities. We also use external professionals, as necessary, to obtain such approvals and permits. Approvals and permits are required throughout the development process.

C. Construction:

For execution of the project, whether owned by us or taken on contract, we rely on external contractors for the construction of projects. Our Company looks at the experience of the proposed subcontractor in similar works done by them and the also the financial soundness of the party. Other factors which are considered by us while selecting sub-contractors are:-

- ✓ The employee strength of the proposed subcontractor i.e. number of technical persons who are experienced in the similar type of work.
- ✓ The equipment & machinery which is used for execution of the said work.
- ✓ Technical know-how, particularly in using the state of the art equipment and machinery for optimization of all resources invested towards the execution of the work.

D. Sales and Marketing:

Marketing

We market our projects through our internal marketing team, and through external brokers and consultants. We maintain a database consisting of our existing customers, referrals and leads we have generated through various advertising and awareness campaigns. Our direct sales efforts are a combination of telephonic marketing, tours of our model homes and digital marketing, all of which is handled by our internal marketing team. We employ various marketing approaches depending on whether the project is residential or office space. These include launch events, corporate presentations, internet marketing, direct and indirect marketing, as well as print advertising, site branding and outdoor advertising.

Sales

For our residential and residential-cum-office space projects, we typically follow a pre-sale model, whereby we offer units for sale prior to completion. Sales generally are conducted by our sales staff on the project site, as well as through third party brokers. Upon booking of a residential unit, we typically receive a certain percentage of the purchase price as down payment at the time of booking a particular unit and the remainder through periodic payments linked to certain other construction milestones while the project is being developed. We price our residential units based on our analysis of demand in a particular region, taking into consideration market demographics, location, future supply and competition. Under applicable laws, we are liable to pay interest on payments already made to us by our customers in respect of any delay in the completion and hand over of the project to our customers and, where the customer exercises a right to cancel the sale, we are liable to refund amounts paid to date with interest. The interest payable is calculated at a fixed rate on a monthly basis for the period of the delay.

We transfer title to the customer upon completion of construction of the building or structure and after execution of the definitive agreement with the customer. We transfer the title of the land on which the building is located to an independent housing society after all the buildings or structures within a project are turned over to owners or housing societies. The day-to-day management and control of the completed building is then relinquished to the management board or society of the owners.

(B) Construction Contracts

Our Company has also recently ventured into undertaking construction contracts for public and private sector. As on the date of this Prospectus our Company has successfully secured 4 Government contracts, 3 of which are of Goa Government and 1 of Maharashtra Government having an aggregate contract price of ₹ 2,470.50 lakhs. The details of the government contracts are as under:

| Sr. No. | Concerned Authority | State/ Union Territory | Contract Type |
|---------|------------------------------------|------------------------|--|
| 1 | Goa State Urban Development Agency | Goa | Construction of Market complex cum community centre in Survey no. 118, Zuarinagar at Sancoale Village for Goa Rehabilitation Board |
| 2 | Goa Housing Board | Goa | Construction of 28 single bedroom flats at sector I at Curti, Ponda - Goa |
| 3 | Goa Housing Board | Goa | Construction of 16 Duplex Bungalows in sector S at Farmagudi, Ponda – Goa. |
| 4 | National Health Mission | Maharashtra | Construction of Model Maternal and Child Health Wing under the National Health Mission in Nashik. |

Further we have also won a private sector work contract having contract price of ₹ 3,509.10 lakhs, as entailed below:

| Sr. No. | Client | State/ Union Territory | Contract Type |
|---------|------------------------|------------------------|---|
| 1 | Empire Industries Ltd. | Maharashtra | PHE works for Residential and Industrial Buildings, internal and peripheral works at Plot No. 22, Ambernath |

| | | | |
|---|--|-------------|--|
| | | | Industrial Area, MIDC, Ambarnath (West), Thane. |
| 2 | Shree Sainath land & Development (India) Pvt. Ltd. | Maharashtra | Turnkey works for Residential Buildings at S. Nos. 114A/1/1; 114A/3 and 114C situated at Deolali village |

OUR COMPETITORS

The real estate development industry in India, including Nashik, while fragmented, is highly competitive. We expect to face increased competition from large domestic development companies. We compete for the sale of our projects. We believe that we are able to distinguish ourselves from our competitors on the basis of our strong presence in Nashik, our established brand and reputation, the quality of our design and construction, and the location of our projects.

We also compete to acquire land and land development rights. The availability of suitable land parcels for our projects (particularly of the size we target and in desirable locations) may be limited in Nashik. However, we believe that our established brand and reputation provide us with a competitive advantage when competing for land development rights, as we believe third-party land owners recognise the premium that may be obtained on the sale of projects developed under our brand.

We presently compete in Nashik with various regional companies, including Nirman Group, Sanghi Builders and Developers, Brijwasi Bulcon, etc. As we may expand our business activities to include real estate development in other parts of India, we may experience competition in the future from competitors with significant operations elsewhere in India.

HEALTH, SAFETY AND ENVIRONMENT

We are committed to complying with applicable health, safety and environmental regulations and other requirements in our operations. To help ensure effective implementation of our safety policies and practices, at the beginning of every property development we identify potential material hazards, evaluate material risks and institute, implement and monitor appropriate risk mitigation measures. We believe that accidents and occupational health hazards can be significantly reduced through the systematic analysis and control of risks and by providing appropriate training to management, employees and sub-contractors.

As a real estate developer in India, we are subject to various mandatory national, state and municipal environmental laws and regulations. Our operations are also subject to inspection by government officials with regard to various environmental issues, and we are required to obtain clearance in respect of each of our projects.



MANPOWER

Currently, we subcontract most of our construction and execution work related to projects to third party contractors, therefore our requirement of manpower for construction activities is met by third parties. As on December 31, 2017 our Company has a total of 64 employees. The breakdown of our employees by business activity is summarized in the following table:

| Business Activity | Number of Employees |
|---|---------------------|
| Site Engineering | 10 |
| Site Supervisor | 14 |
| Finance and Accounts | 8 |
| Human Resources Department and Employee Service | 2 |
| Marketing and Sales | 16 |
| Legal and Secretarial | 7 |
| Security | 2 |
| Administrative Work | 5 |
| Total | 64 |

INTELLECTUAL PROPERTY

| Sr. No. | Particulars of the mark | Applicant | Word/Label Mark | Trademark/Application Number | Issuing Authority | Class | Status |
|---------|-------------------------|-----------|-----------------|------------------------------|-------------------|-------|--------|
|---------|-------------------------|-----------|-----------------|------------------------------|-------------------|-------|--------|

| | | | | | | | |
|----|---|--------------------------------------|--------|---------|--------------------------|----|------------|
| 1. |  | Karda Constructions Private Limited. | Device | 2329723 | Registrar of Trade Marks | 37 | Registered |
| 2. |  | Karda Constructions Private Limited. | Device | 2329722 | Registrar of Trade Marks | 37 | Registered |

INSURANCE

Our operations are subject to hazards inherent in the real estate industry, such as work accidents, fires, earthquakes, floods and other force majeure events, acts of terrorism and explosions, including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage. We obtain standard fire and special perils policies for the construction of buildings to cover construction risks. We generally maintain insurance covering our assets and operations at levels that we believe to be appropriate.

The insurance policies taken by our Company are as under:

| Sr. No. | Name of the Insurance Company | Type of Policy | Validity Period | Details of Assets/Persons covered under the policy | Policy No. | Sum Insured (in ₹ lakhs) | Premium p.a. |
|---------|---------------------------------|----------------------|-------------------------------|--|---------------------------|--------------------------|--------------|
| 1 | ICICI Lombard General Insurance | Contract or All Risk | From 15/12/2015 to 13/12/2018 | Contract work for "Project Hari Om II" (permanent and temporary including all material to be incorporated there in) and any other work & installation. | 5004/113182 131/00/000 | 1,062.00 | ₹ 1,32,391/- |

PROPERTY

Immovable Property:-

Details of our properties are as follows:

| Sr. No. | Address of Property | Lessor/Seller | Consideration/ Date of Sale Deed/Area | Purpose |
|---------|---|--------------------------------------|---|--------------------|
| 1. | Shop No. UG 109, Dreams -The Mall, LBS Marg, Kanjur, Bhandup (W), Kurla- 400 078 Maharashtra. | Mr. Waris Ali Khan Badruddin Khan | ₹ 25,36,397/- February 25, 2014 173 Sq. Ft. | Investment Purpose |

Properties taken on license/lease by our Company

| Sr. No | Address of Property | Name of Lessor(s) | Agreement Date, & Lease period | Amount | Purpose |
|--------|--|---|---|-----------------------------|-------------------|
| 1 | 2nd floor, Gulmohar Status, above Business Bank, Samarth Nagar Nashik – 422 005. | 1) Mr. Naresh Karda 2) Mrs. Disha Karda 3) Mr. Karamchand Karda | Agreement Date: 16/04/2016 Tenure: Valid till 31/03/2021 | Rent : ₹ 1,50,000 per month | Registered Office |
| 2 | R-6, Sai Residency, Near Amrai Housing Society, By- Pass | Mr. Jayant Kavlekar | Agreement Date: 02/02/2018 | Rent: ₹ 11,000 per month | Goa Office |

| Sr. No | Address of Property | Name of Lessor(s) | Agreement Date, & Lease period | Amount | Purpose |
|--------|--|-------------------|--------------------------------|--------|---------|
| | Road, Curti, Ponda – Goa | | Tenure: 11 Months | | |
| 3 | Our Company also operate from a premises located at Sai Kripa Commercial Complex, Tilak Road, Opp Muktidham, Nasik Road, Nashik, Maharashtra 422214 which is provided by our Promoter for our business purpose. We have not entered into any formal agreement with the Promoter for this premise. However, we do have an oral agreement and we have been using this premise for over four years. | | | | |

Corporate Social Responsibility

During the FY 2016-17, the Issuer Company had spend ₹ 6.79 lakhs in Tree Plantation (ensuring environmental sustainability) as part of its CSR spending.

In addition to routine CSR activities conducted as mentioned above, the Issuer Company is also involved in a project under Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDUGKY) for placement linked skill development of Rural youth in the state of Maharashtra. The total sanctioned project cost is ₹ 518.38 lakhs and the same will be borne by the Government. Our role is to manage the project of skill development.

KEY INDUSTRIAL REGULATIONS AND POLICIES

In carrying on our business as described in the section titled “Business Overview” on page no. 89 of this Prospectus, our Company is regulated by the following legislations in India. The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. The information detailed in this Chapter has been obtained from the various legislations, including rules and regulations promulgated by the regulatory bodies and the bye laws of the respective local authorities that are available in the public domain. The regulations and policies set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. For details of Government Approvals obtained by the Company in compliance with these regulations, kindly refer to the Chapter titled “Government and Other Key Approvals” beginning on page no. 202 of this Prospectus.

Our Company is engaged in the business of offering building construction services, commercial construction services etc. Our business is governed by various central and state legislations that regulate the substantive and procedural aspects of our business. We are required to obtain and regularly renew certain licenses/ registrations and / or permissions required statutorily under the provisions of various Central and State Government regulations, rules, bye laws, acts and policies.

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

A. Regulations governing Labour Laws

The Company will be required to observe compliance of various labour related legislations, including the Payment of Wages Act, 1956, The Minimum Wages Act, 1948, Equal Remuneration Act, 1976, Employees’ Compensation Act, 1923, and Industrial Disputes Act, 1948, as may be applicable in the relevant state.

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.

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.

Payment of Bonus Act, 1965

Pursuant to the Payment of Bonus Act, 1965, as amended, an employee in a factory or in any establishment where 20 (twenty) or more persons are employed on any day during an accounting year, who has worked for at least 30 (thirty) working days in a year, is eligible to be paid a bonus. Contravention of the provisions of the Payment of Bonus Act, 1965 by a company is punishable with imprisonment upto 6 (six) months or a fine up to ₹ 1,000/- (Rupees one thousand only) or both.

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 behaviour namely, physical contact and advances or a demand or request for sexual favours or making sexually coloured remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The SHWW Act makes it mandatory for 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 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.

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.

Child Labour (Prohibition and Regulation) Act, 1986

The Child Labour (Prohibition and Regulation) Act, 1986 (the “**CLPR Act**”) seeks to prohibit the engagement of children in certain employments and to regulate the conditions of work of children in certain other employments. It also prescribes hours and periods of work, holidays, the requirement of keeping a register, etc for the establishments falling under this act. A shop or a commercial establishment is included under the definition of an “establishment” according to Section 2(iv) of the CLPR Act.

Employees Provident Fund and Miscellaneous Provisions Act, 1952

Under the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 (“**EPF Act**”), compulsory provident fund, family pension fund and deposit linked insurance are payable to employees in factories and other establishments. The legislation provides that an establishment employing more than 20 (twenty) persons, either directly or indirectly, in any capacity whatsoever, is either required to constitute its own provident fund or subscribe to the statutory employee’s provident fund. The employer of such establishment is required to make a monthly contribution to the provident fund equivalent to the amount of the employee’s contribution to the provident fund. There is also a requirement to maintain

prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

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.

Payment of Gratuity Act, 1972

The Payment of Gratuity Act, 1972 provides for payment of gratuity to employees employed in factories, shops and other establishments who have put in a continuous service of 5 (five) years, in the event of their superannuation, retirement, resignation, death or disablement due to accidents or diseases. The rule of ‘five year continuous service’ is however relaxed in case of death or disablement of an employee. Gratuity is calculated at the rate of 15 (fifteen) days’ wages for every completed year of service with the employer. Presently, an employer is obliged for a maximum gratuity payout of ₹ 10,00,000/- for an employee.

Trade Union Act, 1926

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

The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996.

The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 is an act to regulate the employment and conditions of service of building and other construction workers and to provide for their safety, health and welfare measure and for other matter connected therewith or incidental thereto. Every employer of an establishment to which this Act applies and to which this Act may be applicable at any time is required to make an application in the prescribed form with prescribed fee for the registration of his establishment within a period of sixty days of the commencement of the Act or within sixty days from the date on which this Act becomes applicable to the establishment. No employer of an establishment which is required to be registered but has not been registered or registration of such an establishment has been revoked and no appeal has been preferred or where an appeal has been preferred but it has been dismissed, can employ building workers in the establishment. Every building worker who is between the age of eighteen and sixty and who has been engaged in any building or other construction work for not less than ninety days during the last 12 months is eligible for registration as a beneficiary of the Building and Other Construction Workers' Welfare Fund. Application for registration is to be made in the prescribed form and is to be accompanied with prescribed documents and a fee of not more than fifty rupees.

Contract Labour (Regulation and Abolition) Act, 1970

This Act was enacted to regulate the employment of contract labour in certain establishments and to provide for its abolition in certain circumstances. This act applies to:

- (a) To every establishment in which twenty or more workmen are employed or were employed on any day of the preceding twelve months as contract labour;
- (b) To every contractor who employs or who employed on any day of the preceding twelve months 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 this Act to any establishment or contractor.

Further, it contains provisions regarding Central and State Advisory Board under the Act, registration of establishments, 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. Contract Labour (Regulation and Abolition) Central Rules, 1971 are formulated to carry out the purpose of this Act.

B. Industry-specific Regulations

The Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017

The provisions of the Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017 are applicable to the Company. The provisions of the Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017 regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of inter alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures, and wages for overtime work.

Maharashtra Fire Prevention and Life Safety Measures Act, 2006

Maharashtra Fire Prevention and Life Safety Measures Act, 2006 is expedient to make more effective provisions for the fire prevention and life safety measures in various types of buildings in different areas in the State of Maharashtra, for imposition of fee, constitution of a special fund. The Director or the Chief Fire Officer or the nominated officer may, after giving three hours notice to the occupier, or if there is no occupier, to the owner of any place or building or part thereof, enter and inspect such place or building or part thereof at any time between sunrise and sunset where such inspection appears necessary for ascertaining the adequacy or contravention of fire prevention and life safety measures. If the Director or the Chief Fire Officer is satisfied that due to inadequacy of fire prevention and life safety measures the condition of any place or building or part thereof is in imminent danger to person or property, then notwithstanding anything contained in this Act, or any other law for the time being in force, he shall, by order in writing, require the persons in possession or in occupation of such place or building or part thereof to remove themselves forthwith from such place or building or part thereof.

The Real Estate (Regulation and Development) Act, 2016

The Real Estate (Regulation and Development) Act, 2016 is expedient to establish the Real Estate Regulatory Authority for regulation and promotion of the real estate sector and to ensure sale of real estate project, in an efficient and transparent manner and to protect the interest of consumers in the real estate sector. Every project where the area of the land propose to be developed exceeds 500 meters as the number of apartment proposes to be developed or number of apartment exceeds 8, such project shall be compulsory required to be registered by the promoter with the Real Estate Regulator Authority (RERA). Any person aggrieved by any direction or decision made by the Regulatory Authority or by an adjudicating officer, may make an appeal before the Appellate Tribunal within a period of 60 days from the date of receipt of a copy of the order or direction

C. Regulations governing Property Laws

Maharashtra Regional and Town Planning Act, 1966 (the “Town Planning Act”)

The Town Planning Act has been enacted with the object of establishing local development authorities in Maharashtra to ensure efficient town planning and development of lands within their jurisdiction. It provides for the creation of new towns and compulsory acquisition of land required for public purposes. The Collector and the Town Planning Department as appointed and established under the Town Planning Act, grant approvals for real estate projects situated in areas falling within their jurisdiction. Change in the use or development of any land which is part of a notified area or site for a new town requires the permission of the planning authority and it may revoke or modify the permission granted if it appears inconsistent with the development plan. The Town Planning Act also empowers the planning authority to levy development charge on use, change of use or development of land for which permission is required at specified rates.

The Development Control and Promotion Regulations, 2015 for Nashik Municipal Corporation is applicable to our Company.

Transfer of Property Act, 1882

The transfer of property, including immovable property, between living persons, as opposed to the transfer property by operation of law, is governed by the Transfer of Property Act, 1882 (“T.P. Act.”). The T.P. Act establishes the general principles relating to the transfer of property, including among other things, identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property. Transfer of property is subject to stamping and registration under the specific statutes enacted for the purposes which have been dealt with hereinafter.

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

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

Further, it may be noted that with regards to the transfer of any interest in a property, the transferor transfers such interest, including any incidents, in the property which he is capable of passing and under the law, he cannot transfer a better title than he himself possesses.

The Registration Act, 1908

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

Indian Easements Act, 1882

An easement is a right which the owner or occupier of land possesses for the beneficial enjoyment of that land and which permits him to do or to prevent something from being done, in or upon, other land not his own. Under the Indian Easements Act, 1882 (“**Easement Act**”), a license is defined as a right to use property without any interest in favour of the licensee. The period and incident may be revoked and grounds for the same may be provided in the license agreement entered in between the licensee and the licensor.

The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013

The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (“**Land Acquisition Act, 2013**”) has replaced the Land Acquisition Act, 1894 and aims at establishing a participative, informed and transparent process for land acquisition for industrialization, development of essential infrastructural facilities and urbanization. While aiming to cause least disturbance to land owners and other affected families, it contains provisions aimed at ensuring just and fair compensation to the affected families whose land has been acquired or is proposed to be acquired. It provides for rehabilitation and resettlement of such affected persons. The Land Acquisition Act, 2013 has recently been amended by the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (Amendment) Ordinance, 2014 (the “**Ordinance 2014**”). Under the Ordinance 2014, land acquired for certain projects is exempted from the applicability of certain sections of the Land Acquisition Act, 2013 relating to determination of social impact and public purpose and safeguarding of food security. The exempted projects are those in the area of (i) national security or defence of India; (ii) rural infrastructure including electrification; (iii) industrial corridors and building social infrastructure including public private partnership where

ownership of land continues to be vested with the government; (iv) affordable housing and housing for poor people and (v) industrial corridors. Further, in case of acquisition of land under the 1894 Act where an award has been made five years or more prior to the commencement of the Land Acquisition Act, 2013 and physical possession of the land has not been taken or compensation has not been made, the proceedings will be deemed to have lapsed and the government may start fresh proceedings under the Land Acquisition Act, 2013.

The Indian Stamp Act, 1899

The Indian Stamp Act, 1899 prescribes the rates for the stamping of documents and instruments by which any right or liability is, or purports to be, created, transferred, limited, extended, extinguished or recorded. Under the Indian Stamp Act, 1899, an instrument not 'duly stamped' cannot be accepted as evidence by civil court, an arbitrator or any other authority authorized to receive evidence. However, the document can be accepted as evidence in criminal court.

The Maharashtra Stamp Act, 1958

The Maharashtra Stamp Act, 1958 is expedient to consolidate and amend the law relating to stamps and rates of stamp duties in the State of Maharashtra and prescribes the different rates of duties on the instrument falling within the various descriptions set-out in Schedule I of The Maharashtra Stamp Act, 1958.

National Building Code of India, 2005

The National Building Code of India (NBC), a comprehensive building Code, is a national instrument providing guidelines for regulating the building construction activities across the country. It serves as a Model Code for adoption by all agencies involved in building construction works, including the Public Works Departments, other government construction departments, local bodies or private companies in the field of construction. The Code mainly contains administrative regulations, development control rules and general building requirements; fire safety requirements; stipulations regarding materials, structural design and construction (including safety); and building and plumbing services.

The Indian Contract Act, 1872

The Indian Contract Act, 1872 ("**Contract Act**") codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any terms he chooses. The Contract Act consists of limiting factors subject to which contract may be entered into, executed and the breach enforced. It provides a framework of rules and regulations that govern formation and performance of contract. The contracting parties themselves decide the rights and duties of parties and terms of agreement.

The Specific Relief Act, 1963

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

D. Environmental Regulations

Our Company is also required to obtain clearances under the Environment (Protection) Act, 1986, and other environmental laws such as the Water (Prevention and Control of Pollution) Act, 1974, the Water (Prevention and Control of Pollution) Cess Act, 1977 and the Air (Prevention and Control of Pollution) Act, 1981, before commencing its operations. To obtain an environmental clearance, a no-objection certificate from the concerned state pollution control board must first be obtained, which is granted after a notified public hearing, submission and approval of an environmental impact assessment ("**EIA**") report and an environment management plan ("**EMP**").

Our Company must also comply at all times with the provisions of The Hazardous Waste (Management and Handling) Rules, 1989, as amended, and as superseded by the Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008, and the Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989.

Environment Protection Act, 1986 and Environment (Protection) Rules, 1986

The Environmental Protection Act, 1986 is an "umbrella" legislation designed to provide a framework for co-ordination of the activities of various central and state authorities established under various laws. The potential scope of the Act is broad, with "environment" defined to include water, air and land and the interrelationships which exist among water, air and land, and human beings and other living creatures, plants, micro-organisms and property.

Water

Legislations to control water pollution are listed below:

The *Water (Prevention and Control of Pollution) Act, 1974* prohibits the discharge of pollutants into water bodies beyond a given standard, and lays down penalties for non-compliance. The Water Act also provides that the consent of the State Pollution Control Board must be obtained prior to opening of any new outlets or discharges, which is likely to discharge sewage or effluent.

The *Water (Prevention and Control of Pollution) Cess Act, 1977* provides for the levy and collection of a cess on water consumed by persons carrying on certain industries and by local authorities, with a view to augment the resources of the Central Board and the State Boards for the prevention and control of water pollution constituted under the Water (Prevention and Control of Pollution) Act, 1974.

Air

Legislations to control air pollution are listed below:

The *Air (Prevention and Control of Pollution) Act, 1981* requires that any individual or institution responsible for emitting smoke or gases by way of use as fuel or chemical reactions must apply in a prescribed form and obtain consent from the state pollution control board prior to commencing any activity. National Ambient Air Quality Standards (NAAQS) for major pollutants were notified by the Central Pollution Control Board in April 1994.

Hazardous Wastes

There are several legislations that directly or indirectly deal with hazardous wastes. The relevant legislations are:

- The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
- The Public Liability Insurance Act, 1991

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

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

E. Tax Related Legislations

Income-tax Act, 1961

The Income-tax Act, 1961 ("IT Act") is applicable to every Company, whether domestic or foreign whose income is taxable under the provisions of the IT Act or Rules made there under depending upon its "Residential Status" and "Type of Income" involved. The IT Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every Company assessable to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, and Minimum Alternative Tax and like. Every such Company is also required to file its returns by September 30 of each assessment year.

Professional Tax

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is

charged as per the List II of the Constitution. The professional taxes are classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under these Acts (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority.

The Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 is applicable to our Company.

Central Goods and Services Tax Act, 2017

The Central Goods and Services Tax Act, 2017 (“CGST Act”) regulates the levy and collection of tax on the intra-State supply of goods and services by the Central Government or State Governments. The CGST Act amalgamates a large number of Central and State taxes into a single tax. The CGST Act mandates every supplier providing the goods or services to be registered within the State or Union Territory it falls under, within 30 days from the day on which he becomes liable for such registration. Such registrations can be amended, as well as cancelled by the proper office on receipt of application by the registered person or his legal heirs. There would be four tax rates namely 5%, 12%, 18% and 28%. The rates of GST applied are subject to variations based on the goods or services.

Under GST, SGST is a tax levied on Intra State supplies of both goods and services by the State Government and will be governed by the SGST Act. CGST will also be levied on the same Intra State supply but will be governed by the Central Government. The Maharashtra Goods and Services Tax Act, 2017 is applicable to the company.

Integrated Goods and Services Tax Act, 2017

Integrated Goods and Services Tax Act, 2017 (“IGST Act”) is a Central Act enacted to levy tax on the supply of any goods and/ or services in the course of inter-State trade or commerce. IGST is levied and collected by Centre on interstate supplies. The IGST Act sets out the rules for determination of the place of supply of goods. Where the supply involves movement of goods, the place of supply shall be the location of goods at the time at which the movement of goods terminates for delivery to the recipient. The IGST Act also provides for determination of place of supply of service where both supplier and recipient are located in India or where supplier or recipient is located outside India. The provisions relating to assessment, audit, valuation, time of supply, invoice, accounts, records, adjudication, appeal etc. given under the CGST Act are applicable to IGST Act.

F. OTHER LAWS

Competition Act, 2002

The Competition Act, 2002 (“Competition Act”) aims to prevent anti-competitive practices that cause or are likely to cause an appreciable adverse effect on competition in the relevant market in India. The Competition Act regulates anti-competitive agreements, abuse of dominant position and combinations. The Competition Commission of India (“Competition Commission”) which became operational from May 20, 2009 has been established under the Competition Act to deal with inquiries relating to anti-competitive agreements and abuse of dominant position and regulate combinations. The Competition Act also provides that the Competition Commission has the jurisdiction to inquire into and pass orders in relation to an anti-competitive agreement, abuse of dominant position or a combination, which even though entered into, arising or taking place outside India or signed between one or more non-Indian parties, but causes an appreciable adverse effect in the relevant market in India.

The Companies Act, 1956

The Companies Act, 1956 deals with laws relating to companies and certain other associations. It was enacted by the parliament in 1956. The Act primarily regulates the formation, financing, functioning and winding up of companies. The Companies Act, 1956 prescribes regulatory mechanism regarding all relevant aspects, including organizational, financial and managerial aspects of companies. It deals with issue, allotment and transfer of securities and various aspects relating to company management. It provides for standard of disclosure in public issues of capital, particularly in the fields of company management and projects, information about other listed companies under the same management, and management perception of risk factors. In the functioning of the corporate sector, although freedom of companies is important, protection of the investors and shareholders, on whose funds they flourish, is equally

important. The Companies Act, 1956 plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

The Companies Act, 2013

The Companies Act, 2013, has been introduced to replace the existing Companies Act, 1956 in a phased manner. The Ministry of Corporate Affairs has vide its notification dated September 12, 2013 has notified 98 Sections of the Companies Act, 2013 and the same are applicable from the date of the aforesaid notification. A further 183 Sections have been notified on March 26, 2014 and have become applicable from April 1, 2014. The Companies (Amendment) Act, 2015 has *inter-alia* amended various Sections of the Companies Act, 2013 to take effect from May 29, 2015. Further, vide the Companies (Amendment) Act, 2015, Section 11 of the Companies Act, 2013 has been omitted and Section 76A has been inserted in the Companies Act, 2013. The Ministry of Corporate Affairs, has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013.

The Trademarks Act, 1999

Under the Trademarks Act, 1999 (“Trademarks Act”), a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A ‘mark’ may consist of a device, brand, heading, label, ticket, name signature, word, letter, numeral, shape of goods, packaging or combination of colors or any combination thereof. Section 18 of the Trademarks Act requires that any person claiming to be the proprietor of a trade mark used or proposed to be used by him, must apply for registration in writing to the registrar of trademarks. The trademark, once applied for and which is accepted by the Registrar of Trademarks (“the Registrar”), is to be advertised in the trademarks journal by the Registrar. Oppositions, if any, are invited and, after satisfactory adjudications of the same, a certificate of registration is issued by the Registrar. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is 10 (ten) years, which may be renewed for similar periods on payment of a prescribed renewal fee.

G. Regulations Regarding Foreign Investment

Regulations Regarding Foreign Investment

Foreign investment in companies in the construction development sector is governed by the provisions of the Foreign Exchange Management Act, 1999 (“FEMA”) read with the applicable regulations. The Department of Industrial Policy and Promotion (“DIPP”), Ministry of Commerce and Industry has issued the Consolidated FDI Policy (the “Consolidated FDI Policy”) which consolidates the policy framework on Foreign Direct Investment (“FDI”), with effect from August 28, 2017. The FDI Policy consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DIPP till August 27, 2017. All the press notes, press releases, clarifications on FDI issued by DIPP till August 27, 2017 stand rescinded as on August 28, 2017. Vide an Office Memorandum dated June 5, 2017 (“Office Memorandum”), issued by Ministry of Finance, Department of Economic Affairs the Government of India has abolished Foreign Investment Promotion Board (“FIPB”).

In terms of the FDI Policy, Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the Government route, depending upon the sector in which foreign investment is sought to be made. Subsequent to the abolition of FIPB, the work of granting government approval for foreign investment under the FDI Policy and FEMA Regulations has now been entrusted to the concerned Administrative Ministries/Departments.

FDI for the items or activities that cannot be brought in under the automatic route may be brought in through the approval route. Where FDI is allowed on an automatic basis without the approval of the Government, the RBI would continue to be the primary agency for the purposes of monitoring and regulating foreign investment. In cases where Government approval is obtained, no approval of the RBI is required except with respect to fixing the issuance price, although a declaration in the prescribed form, detailing the foreign investment, must be filed with the RBI once the foreign investment is made in the Indian company. The RBI, in exercise of its power under the FEMA, has also notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 to prohibit, restrict or regulate, transfer by or issue of security to a person resident outside India.

The Consolidated FDI Policy dated August 28, 2017 issued by the DIPP permits Foreign investment up to 100% in the Company under the automatic route.

Further, the FDI Policy dated June 07, 2016 permits investment, subject to the following conditions:

(A) (i) The investor will be permitted to exit on completion of the project or after development of trunk infrastructure i.e. roads, water supply, street lighting, drainage and sewerage.

(ii) Notwithstanding anything contained at (A) (i) above, a foreign investor will be permitted to exit and repatriate foreign investment before the completion of project under automatic route, provided that a lock-in-period of three years, calculated with reference to each tranche of foreign investment has been completed. Further, transfer of stake from one non-resident to another non-resident, without repatriation of investment will neither be subject to any lock-in period nor to any government approval.

(B) The project shall conform to the norms and standards, including land use requirements and provision of community amenities and common facilities, as laid down in the applicable building control regulations, bye-laws, rules, and other regulations of the State Government/Municipal/Local Body concerned.

(C) The Indian investee company will be permitted to sell only developed plots. For the purposes of this policy "developed plots" will mean plots where trunk infrastructure i.e. roads, water supply, street lighting, drainage and sewerage, have been made available.

(D) The Indian investee company shall be responsible for obtaining all necessary approvals, including those of the building/layout plans, developing internal and peripheral areas and other infrastructure facilities, payment of development, external development and other charges and complying with all other requirements as prescribed under applicable rules/bye-laws/regulations of the State Government/Municipal/Local Body concerned.

(E) The State Government/Municipal/Local Body concerned, which approves the building/development plans, will monitor compliance of the above conditions by the developer.

It is clarified that FDI is not permitted in an entity which is engaged or proposes to engage in real estate business, construction of farm houses and trading in transferable development rights (TDRs). "Real estate business" for the purpose of the Consolidated FDI Policy Circular of 2015 means dealing in land and immovable property with a view to earning profit there from and does not include development of townships, construction of residential/ commercial premises, roads or bridges, educational institutions, recreational facilities, city and regional level infrastructure, townships. Further, earning of rent/ income on lease of the property, not amounting to transfer, will not amount to real estate business.

No approvals of the RBI are required for such allotment of equity Shares under this Issue. The Company will be required to make certain filings with the RBI after the completion of the Issue.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as Karda Constructions Private Limited on September 17, 2007 as a Private Limited Company under the Companies Act, 1956 with the Registrar of Companies, Mumbai bearing Registration No. 174194. Subsequently, our Company was converted to a public limited company and a fresh certificate of incorporation consequent upon conversion to a public limited company was issued by the Registrar of Companies on March 17, 2016 in the name of Karda Constructions Limited. The Company's Corporate Identity Number is U45400MH2007PLC174194 and its Registered Office is situated at 2nd Floor, Gulmohar Status Above Business Bank, Samarth Nagar, Nashik – 422005 and Corporate office situated at 2nd Floor, Saikrupa Complex, Tilak Road, Muktidham, Nashik Road, Nashik – 422 101.

BUSINESS AND MANAGEMENT

For a description of our activities, services, technology, market segments, the growth of our Company, technology, foreign operations, the standing of our Company with reference to prominent competitors in connection with our products, management, major suppliers and customers, environmental issues, geographical segment etc., see “Business Overview”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Industry Overview” on page nos. 89, 169 and 77, respectively of this Prospectus.

Our Company has nine (9) shareholders, as on the date of this Prospectus.

MAJOR EVENTS AND MILE STONES OF OUR COMPANY

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

| Year | Major Events / Milestone / Achievements |
|------|--|
| 2007 | ✓ Incorporation of our Company |
| 2008 | ✓ Started operations for Project “ Hari Sankul I ” in August 2008. |
| 2010 | ✓ Started operations for Project “ Hari Vishwa ” and “ Hari Sankalp ” in January 2010 and “ Hari Sneh ” in October 2010 |
| 2011 | <ul style="list-style-type: none"> ✓ Started operations for Project “Hari Niwas” in January 2011, “Hari Om” in March 2011, “Hari Angan Phase II” in April 2011, “Hari Vandan Phase II” in May 2011, “Hari Niketan” in July 2011 and “Hari Kunj” in August 2011 and “Hari Sankul II” in October 2011. ✓ Completed the Project “Hari Sankul I” in August 2011. |
| 2012 | <ul style="list-style-type: none"> ✓ Started operations for Project “Hari Sparsh” in June 2012. ✓ Completed the Project “Hari Sankul II” and “Hari Sneh I” November 2012. ✓ Completed the Project “Hari Vandan II” in December 2012. |
| 2013 | <ul style="list-style-type: none"> ✓ Started operations for Project “Hari Amrut” in May 2013 and “Hari Sneh II” in August 2013 ✓ Completed the Project “Hari Kunj” in January 2013 and “Hari Sankalp” in April 2013. ✓ Karda Constructions receives Mega Builder of the year award of Divya Marathi in June 2013. |
| 2014 | <ul style="list-style-type: none"> ✓ Started operations for Project “Hari Mantra” in October 2014 ✓ Completed the Project “Hari Om I” in February 2014 ✓ Mr. Naresh Jagumal Karda has been awarded as “Business Icon of Nashik” by Lokmat on December 26, 2014 by the hands of Chief Minister Mr. Devendra Fadnavis. |
| 2015 | ✓ Completed the Project “ Hari Sparsh ” in June 2015 “ Hari Naman ” in August 2015 and “ Hari Mantra ” “ Hari Sneh II ”, and “ Hari Amrut ” in December 2015. |
| 2016 | <ul style="list-style-type: none"> ✓ Started operation for the Project “Hari Om II”, in May 2016, “Hari Sparsh II” in July 2016, “Hari Vatika” in August 2016, “Hari Bhakti” in September 2016, “Hari Ved” and “Hari Vasant” in October 2016. ✓ Completed Project “Hari Shrushti” in June 2016 |
| 2017 | ✓ Started operations for Project “ Hari Samarth ” and “ Hari Sanskruti II ” in February 2017, “ Hari Sparsh III ” in May 2017, “ Hari Sanskruti ” and “ Hari Anand ” in June 2017. |
| 2018 | ✓ Completed Projects “ Hari Anand ” and “ Hari Ved ” in February 2018 |

MAIN OBJECTS OF OUR COMPANY

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

- ✓ To carry on the business as promoters, developers, engineers, contractors and builders of and to purchase, sell, resell, give or take on lease or rent, lay out, develop, construct, build, erect, demolish, re-erect, alter, repair, remodel commercial, industrial premises and residential houses of every type, housing societies, flat schemes, apartments, commercial buildings, offices, factories, warehouses, shops, godowns, farm houses, markets, schools, hotels, motels, theatres, hospitals, recreation centres, and to undertake all types of contracts entailing Build Operate Transfer (BOT) or Build Operate Lease Transfer (BOLT) of roadways, national highways, bridges, flyovers, sewers, canals, docks, wells, springs, dams, racecourses, watercourses, reclamation, water parks, irrigation schemes, entertainment complex, industrial complexes, harbours, power plants, reservoirs, embankments and/or of construction, structural or architectural work of any kind whatsoever in India or abroad and for that purpose to acquire, purchase assets, liabilities, shares of any company, firm, corporation engaged in similar business and to develop land, buildings and other properties.

CHANGES IN REGISTERED OFFICE OF OUR COMPANY

The details of changes in the registered office of our Company are given below:

| Date of Change | Changed From | Change To |
|-------------------|---|--|
| December 22, 2010 | 4, Karda Society, Anand Nagar, Nashik Road, Nashik, Maharashtra – 422 101. | 8, Saikripa Complex, Behind Jairam Hospital, Nashik Road, Nashik, Maharashtra – 422 101. |
| July 24, 2014 | 8, Saikripa Complex, Behind Jairam Hospital, Nashik Road, Nashik, Maharashtra – 422 101. | Shop No. UG 109, Dreams -The Mall, LBS Marg, Kanjur, Bhandup (W), Kurla, Mumbai, Maharashtra – 400 078. |
| April 11, 2016* | Shop No. UG 109, Dreams -The Mall, LBS Marg, Kanjur, Bhandup (W), Kurla, Mumbai, Maharashtra – 400 078. | Shop No. UG 109, Dreams -The Mall, LBS Marg, Bhandup (W), Mumbai, Maharashtra – 400 078. |
| July 24, 2017 | Shop No. UG 109, Dreams -The Mall, LBS Marg, Kanjur, Bhandup (W), Mumbai, Maharashtra – 400 078. | 2 nd Floor, Gulmohar Status, Above Business Bank, Samarth Nagar, Nashik, Maharashtra – 422 005. |

*There has been no change in the address, but only a rectification.

AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION

Set out below are the amendments to our Memorandum of Association since the incorporation of our Company.

| Date | Nature of Amendment |
|--------------------|---|
| March 26, 2009 | The initial authorised share capital of ₹ 1,00,000 divided into 1,000 Equity Shares of ₹ 100 each was increased to ₹ 50,00,000 divided into 50,000 Equity Shares of ₹ 100 each . |
| March 30, 2012 | The initial authorised share capital of ₹ 50,00,000 divided into 50,000 Equity Shares of ₹ 100 each was increased to ₹ 1,50,00,000 divided into 1,50,000 Equity Shares of ₹ 100 each. |
| January 20, 2014 | The initial authorised share capital of ₹ 1,50,00,000 divided into 1,50,000 Equity Shares of ₹ 100 each was increased to ₹ 5,00,00,000 divided into 5,00,000 Equity Shares of ₹ 100 each. |
| February 29, 2016 | The initial authorised share capital of ₹ 5,00,00,000 divided into 5,00,000 Equity Shares of ₹ 100 each was increased to ₹ 10,00,00,000 divided into 10,00,000 Equity Shares of ₹ 100 each. |
| February 29, 2016 | Authorised share capital ₹ 10,00,00,000 divided into 10,00,000 equity shares of ₹ 100/- each were Sub-divided as ₹ 10,00,00,000 divided into 1,00,00,000 equity shares of ₹ 10/- each. |
| March 17, 2016 | Conversion of the Company from Karda Constructions Private Limited to Karda Constructions Limited. |
| June 27, 2016 | The authorised share capital of ₹ 10,00,00,000 divided into 1,00,00,000 equity shares of ₹ 10/- each was increased to ₹ 14,00,00,000 divided into 1,40,00,000 Equity Shares of ₹ 10 each. |
| February 29, 2016* | The main object clause of the Memorandum of Association of our Company was altered by replacing the existing Sub-clause 1 of Clause IIIA as mentioned below: |

| Date | Nature of Amendment |
|------|---|
| | <p><i>“To carry on the business as promoters, developers, engineers, contractors and builders of and to purchase, sell, resell, give or take on lease or rent, lay out, develop, construct, build, erect, demolish, re-erect, alter, repair, remodel commercial, industrial premises and residential houses of every type, housing societies, flat schemes, apartments, commercial buildings, offices, factories, warehouses, shops, godowns, farm houses, markets, schools, hotels, motels, theatres, hospitals, recreation centres, and to undertake all types of contracts entailing Build Operate Transfer (BOT) or Build Operate Lease Transfer (BOLT) of roadways, national highways, bridges, flyovers, sewers, canals, docks, wells, springs, dams, racecourses, watercourses, reclamation, water parks, irrigation schemes, entertainment complex, industrial complexes, harbours, power plants, reservoirs, embankments and/or of construction, structural or architectural work of any kind whatsoever in India or abroad and for that purpose to acquire, purchase assets, liabilities, shares of any company, firm, corporation engaged in similar business and to develop land, buildings and other properties.”</i></p> <p>Also the Company has reframed and replaced the incidental and ancillary objects to attain the main object and has deleted the other objects as per provisions of the Companies Act, 2013.</p> |

* ROC approval for change in object received on November 07, 2016.

SUBSIDIARIES

As on the date of this Prospectus, our Company does not have any subsidiary company.

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

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

DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/BANKS AND CONVERSION OF LOANS INTO EQUITY

There have been no defaults or rescheduling of borrowings with financial institutions/banks in respect of our current borrowings from lenders. None of our outstanding loans have been converted into equity shares.

CAPITAL RAISING ACTIVITIES THROUGH EQUITY AND DEBT

Except as mentioned in “*Capital Structure*” on page no. 57 of this Prospectus, our Company has not raised any capital through equity. For details of the debt of our Company, see “*Financial Indebtedness*” and “*Financial Statements*” on page nos. 183 and 146, respectively of this Prospectus.

CHANGES IN THE ACTIVITIES OF OUR COMPANY DURING THE LAST FIVE YEARS

There has been no change in the activities of our Company during the last five years which may have had a material effect on the profit/loss account of our Company including discontinuance of line of business, loss of agencies or markets and similar factors.

TIME AND COST OVERRUNS

There have been no significant time and cost overruns in the development or construction of any of our projects or establishments.

HOLDING COMPANY

As on the date of this Prospectus, our Company does not have any holding company within the meaning of Companies Act.

JOINT VENTURES

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

SHAREHOLDERS' AGREEMENT

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

DETAILS REGARDING MERGERS, AMALGAMATION AND REVALUATION OF ASSETS

Our Company has not undertaken any merger or amalgamation. Further, our Company has not revalued its assets, since incorporation.

FINANCIAL PARTNERS

We do not have any financial partners as on the date of this Prospectus.

STRATEGIC PARTNERS

We do not have any strategic partners as on the date of this Prospectus.

OTHER AGREEMENTS

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

STRIKES, LOCK-OUTS AND INJUNCTIONS OR RESTRAINING ORDERS

There have been no lock-outs or strikes at any time in our Company and there are no injunctions / restraining orders that have been passed against the company.

OUR MANAGEMENT

Board of Directors:

In terms of the Articles of Association, our Company is required to have not less than three Directors and not more than 15 Directors. As on date of this Prospectus, our Board comprises of 6 Directors, which includes 3 Executive Directors (including one woman director) and 3 Non-Executive Independent Directors (including one woman director). The following table sets forth the details of our Board of Directors as on the date of this RHP:

| Name, Father's Name, Designation, Address, Occupation, Nationality, Term and DIN | Age (in Years) | Other Directorships |
|---|----------------|---|
| <p>Mr. Naresh Karda</p> <p>Father's Name : Mr. Jagumal Karda</p> <p>Designation: Chairman & Managing Director</p> <p>Address: Karda House, Anand Road, Nashik Road, Nashik – 422 101.</p> <p>Occupation: Business</p> <p>Nationality: Indian</p> <p>Term: For a period of 5 years from February 01, 2016.</p> <p>DIN: 01741279</p> | 45 | <ul style="list-style-type: none"> • Gurkar Hotels Private Limited • Karda Buildcon Private Limited • Shree Sainath Land & Development (India) Private Limited |
| <p>Mr. Manohar Karda</p> <p>Father's Name : Mr. Jagumal Karda</p> <p>Designation: Whole-Time Director</p> <p>Address: Karda House, Anand Nagar, B/H Mukti Dham, Gulmohar Colony, Nashik Road, Nashik – 422 101.</p> <p>Occupation: Business</p> <p>Nationality: Indian</p> <p>Term: liable to retire by rotation for a period of 5 years with effect from February 01, 2016.</p> <p>DIN: 01808564</p> | 46 | <ul style="list-style-type: none"> • Shree Sainath Land & Development (India) Private Limited |
| <p>Mrs. Disha Karda</p> <p>Father's Name: Mr. Gangaram Tahelianey</p> <p>Designation: Executive Director</p> <p>Address: 4 Karda Society, Anand Nagar, Nashik Road, Nashik – 422 101.</p> <p>Occupation: Business</p> <p>Nationality: Indian</p> <p>Term: liable to retire by rotation.</p> <p>DIN: 06424475</p> | 43 | NIL |

| Name, Father's Name, Designation, Address, Occupation, Nationality, Term and DIN | Age (in Years) | Other Directorships |
|---|----------------|--|
| <p>Mr. Sandeep Shah</p> <p>Father's Name : Mr. Ravindra Shah</p> <p>Designation: Non-Executive Independent Director (Additional Director)</p> <p>Address: A-1, Harmony, Ashok Chakravarti Road, Near Bonanza Estate, Damodar Wadi, Kandivali (E), Mumbai – 400 101</p> <p>Occupation: Service</p> <p>Nationality: Indian</p> <p>Term: until the next Annual General Meeting.</p> <p>DIN: 06402659</p> | 53 | <ul style="list-style-type: none"> • Infra Industries Limited |
| <p>Mr. Rahul Dayama</p> <p>Father's Name : Mr. Kishor Dayama</p> <p>Designation: Non-Executive Independent Director</p> <p>Address: P. No. 4, Shankarwadi, Ring Road, Jalgaon, Maharashtra – 425 001.</p> <p>Occupation: Business</p> <p>Nationality: Indian</p> <p>Term: 5 years from December 26, 2017</p> <p>DIN: 07906447</p> | 33 | NIL |
| <p>Mrs. Shweta Tolani</p> <p>Father's Name : Mr. Devandas Rohra</p> <p>Designation: Non-Executive Independent Director</p> <p>Address: Sr. No. 71/1/1, Flat No G-2, Hari Niketan Group Hsg Soc, Anand Road, Nashik – 422 401.</p> <p>Occupation: Free lancer</p> <p>Nationality: Indian</p> <p>Term: 5 years with effect from February 06, 2017.</p> <p>DIN: 07575484</p> | 45 | NIL |

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

Notes:

- There is no service contracts entered into by the Directors with our Company providing for benefits upon termination of employment.

- None of the Directors is or was a director of any listed company during the last five years preceding the date of the Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on the BSE or NSE, during the term of their directorship in such company.
- None of the Directors is or was a director of any listed company which has been or was delisted from any recognized stock exchange in India during the term of their directorship in such company.
- None of the Directors is categorized as a wilful defaulter, as defined under SEBI (ICDR) Regulations.
- No proceedings/investigations have been initiated by SEBI against any company, the board of directors of which also comprises any of the Directors of our Company. No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms of companies in which they are interested 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 or company in which he is interested, in connection with the promotion or formation of our Company.

BRIEF BIOGRAPHIES OF OUR DIRECTORS

Mr. Naresh Karda

Mr. Naresh Karda, aged 45 years, is the Chairman and Managing Director of our Company. He is the promoter of our company. He is a diploma holder in Civil Engineering from Pravara Nagar Polytechnic, Maharashtra State Board. He has over 23 years of experience in the field of real estate & construction and has completed more than 36 projects and delivered 2,500 homes successfully in Nasik City. He has been awarded as the “*Business Icon of Nasik*” by Lokmat in 2014 and received the award from the hands of Chief Minister Mr. Devendra Fadnavis. He is responsible for providing disciplined and professional approach in his area of expertise i.e. Real Estate. He is also responsible for improving brand equity of our Company.

Mr. Manohar Karda

Mr. Manohar Karda, aged 46 years, is the Whole Time Director of our Company. He is an undergraduate. He has over 24 years of experience in the family business and around 9 years in the field of real estate & construction. He plays a crucial role in the purchase management of our Company. He is also responsible for various other day to day activities of our Company.

Mrs. Disha Karda

Mrs. Disha Karda aged 43 years, is the Executive Director of our Company. She is a Graduate from Gujarat University and has also done her B.Ed. from Annamalai University. She has an overall experience of around 10 years. She is responsible for day-to-day operation, which includes managing committees and staff as well as developing business plans in collaboration with the board of the company. Also responsible for making sure that contracts, insurance requirements and safety standards are correctly complied with.

Mr. Sandeep Shah

Mr. Sandeep Shah, aged 53 years, is a Non-Executive Independent Director of our Company. He has completed graduation as a Bachelor of Commerce from Mumbai University. He has over 30 years of experience in secretarial, financial, client management and cor-ordination with various Stock Exchanges. He is currently working in the secretarial field and mainly handles corporate clients offering services ranging from incorporation of a company to regulatory lisoning, compliances, conducting Board Meetings and Annual General Meetings, listings & other corporate actions and various other activities in the lifecycle of a company.

Mr. Rahul Dayama

Mr. Rahul Dayama aged 33 years, is a Non-Executive Independent Director of our Company. He is a Member of The Institute of Chartered Accountants of India since November 2016. He has also completed his Bachelors of Commerce from North Maharashtra University, Jalgaon in the year 2006. He had earlier worked with Haribhakti & Co. He has conducted Risk based Internal, Process & Information Technology audits for Banking, Financial, Manufacturing, Service, Health care and others Industries. He is practicing independently as a chartered accountant since February 2017.

Mrs. Shweta Tolani

Mrs. Shweta Tolani aged 45 years, is a Non-Executive Independent Director of our company. She has Bachelor Degree in Commerce from Pune University. She has over 8 years of experience in accounts, administration and managerial field with Buti Khalifa Group, Dubai. She joined our board on February 06, 2017.

RELATIONSHIP BETWEEN DIRECTORS

None of the Directors of the Company are related to each other except as stated below:

| Sr. No. | Name | Related to | Relationship |
|----------------|-------------------|-------------------|---------------------|
| 1 | Mr. Naresh Karda | Mr. Manohar Karda | Brother |
| | | Mrs. Disha Karda | Wife |
| 2 | Mr. Manohar Karda | Mr. Naresh karda | Brother |
| | | Mrs. Disha Karda | Sister-in-law |
| 3 | Mrs. Disha Karda | Mr. Naresh karda | Husband |
| | | Mr. Manohar Karda | Brother-in-law |

Arrangement or Understanding with Major Shareholders, Customers, Suppliers or Others

None of our Directors have been appointed to the Board pursuant to any arrangement or understanding with major Shareholders, customers, suppliers or others.

Bonus or Profit-Sharing Plan with our Directors

None of the Directors is party to any bonus or profit sharing plan of our Company.

Loans to Directors

There are no loans that have been availed by our Directors from our Company that are outstanding as on the date of this Prospectus.

Borrowing Powers of our Board of Directors

Our Company at its Extra-Ordinary General Meeting held on December 26, 2016 passed a resolution authorizing Board of Directors pursuant to the provisions of Section 180 (1) (c) of the Companies Act, 2013 for borrowing from time to time any sum or sums of money from any person(s) or bodies corporate (including holding Company) or any other entity, whether incorporated or not, on such terms and conditions as the Board of Directors may deem fit for the purpose of the Company's business. The monies so borrowed together with the monies already borrowed by our Company (apart from temporary loans obtained from the banks in the ordinary course of business) may exceed the aggregate of the paid up share capital of our Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of such borrowings together with the amount already borrowed and outstanding shall not, at any time, exceed ₹ 500.00 crores.

REMUNERATION OF EXECUTIVE DIRECTOR

Mr. Naresh Karda, Chairman and Managing Director

The compensation package payable to him as per the agreement and as resolved in the shareholders meeting held on July 24, 2017 is stated hereunder:

Salary: He is entitled to remuneration of upto ₹ 30 lakhs per annum or such amount not exceeding limits specified under Schedule V of the Companies Act 2013.

Remuneration paid to him for fiscal 2017 was ₹ 12.00 lakhs

Mr. Manohar Karda, Whole-Time Director

The compensation package payable to him as per the agreement and as resolved in the Board meeting held on February 01, 2016 is stated hereunder:

- Salary at the rate of ₹ 1,00,000 (Rupees one lakh only) per month.
- Reimbursement of medical and hospitalization expenses to him and his family subject to a ceiling of one month salary in a year.
- Leave Travel Allowance to him and his family once in a year in accordance with the Company policy.
- Bonus for the financial year, at the discretion of the Company with shareholder approval.
- Reimbursement of expenses incurred by him in purchase of newspapers, magazines, books and periodicals in accordance with the Company policy.
- Reimbursement of any other expenses properly incurred by him in accordance with the rules and policies of the Company.
- Provisions of chauffer driven car for the use on Company's business, meal Coupons and telephone at residence.

Remuneration paid to him for fiscal 2017 was ₹ 12.00 lakhs

Mrs. Disha Karda, Executive Director

The compensation package payable to her as resolved in the board meeting held on April 03, 2017 is stated hereunder:

Salary: She is entitled to remuneration of ₹ 12 lakhs per annum

Remuneration paid to her for fiscal 2017 was ₹ 12.00 lakhs

Compensation of Non-Executive Independent Directors

Pursuant to a resolution passed at the meeting of the Board of the Company on August 30, 2017 the Non-Executive Independent Directors will be paid ₹ 3,500/- per sitting fee for all Board / Committee meetings held.

Remuneration paid to our Non-Executive Independent Directors in Fiscal 2017: Nil

Payment or benefit to Directors of Our Company

Except as disclosed in this Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Executive Directors except the normal remuneration for services rendered as a Director of our Company.

Shareholding of Directors in our Company

Except as disclosed below, none of the Directors hold any Equity Shares in our Company as on the date of filing of this Prospectus:

| Name of Directors | No. of Equity Shares held | % of Pre-Issue Paid Up Capital |
|--------------------------|----------------------------------|---------------------------------------|
| Mr. Naresh Karda | 76,00,000 | 76.00% |
| Mrs. Disha Karda | 2,50,000 | 2.50% |
| Mr. Manohar Karda | 3,70,000 | 3.70% |
| Total | 82,20,000 | 82.20% |

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

Except as mentioned in "Our Management" and "Annexure XXV - Related Party Transactions" on page nos. 121 and 164 of this Prospectus, none of the relatives of our Directors currently holds any office or place of profit in our Company.

Interest of the Directors

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

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or allotted to the companies in which they are interested as Directors, Members, and Promoter, pursuant to this issue. Our Directors may also be

deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Except as stated in this chapter titled “*Our Management*” and the chapter titled “*Annexure XXV - Related Party Transactions*” beginning on page nos. 121 and 164 of this Prospectus respectively, our Directors do not have any other interest in our business.

Except as disclosed in “*Annexure XXV - Related Party Transactions*” on page no. 164 of this Prospectus, none of the beneficiaries of loans, advances and sundry debtors are related to the Directors of our Company.

Except as disclosed in “*Properties*” within the Chapter titled “*Business Overview*” beginning on page no. 89 of this Prospectus, our Directors have no interest in any property acquired by our Company within two years of the date of this Prospectus. Further, except as disclosed in “*Properties*” within the Chapter titled “*Business*” beginning on page no. 89 of this Prospectus, our Company has not taken any property on lease from our Promoter and members of Promoter Group within two years of the date of this Prospectus.

Changes in the Board of Directors in the last three years

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

| Sr. No | Name of Director | Date of Change | Reason for change |
|--------|--------------------|-------------------|---|
| 1 | Mr. Naresh Karda | February 01, 2016 | Change in Designation to Managing Director |
| 2 | Mr. Manohar Karda | February 01, 2016 | Change in Designation to Whole-Time Director |
| 3 | Mrs. Disha Karda | February 29, 2016 | Appointment as an Executive Director |
| 4 | Mrs. Shweta Tolani | February 06, 2017 | Appointment as a Non-Executive Independent Director |
| 5 | Mr. Rahul Kalani | March 10, 2017 | Appointment as a Additional Non-Executive Director |
| 6 | Mr. Kishor Karda | March 14, 2017 | Appointment as an Additional Non-Executive Independent Director |
| 7 | Mr. Rahul Kalani | June 29, 2017 | Resignation as an Additional Non-Executive Director |
| 8 | Mr. Kishor Karda | June 29, 2017 | Resignation as an Additional Non-Executive Independent Director |
| 9 | Mr. Mohan Gurnani | August 04, 2017 | Appointment as an Additional Non-Executive Independent Director |
| 10 | Mr. Mohan Gurnani | August 29, 2017 | Appointment as a Non-Executive Independent Director |
| 11 | Mr. Rahul Dayama | August 30, 2017 | Appointment as a Non-Executive Independent Director (Additional Director) |
| 12 | Mr. Rahul Dayama | December 26, 2017 | Appointment as a Non-Executive Independent Director |
| 13 | Mr. Mohan Gurnani | February 16, 2018 | Resignation as a Non-Executive Independent Director |
| 14 | Mr. Sandeep Shah | February 16, 2018 | Appointment as an Additional Non-Executive Independent Director |

Corporate Governance

The provisions of the SEBI (LODR) Regulations, 2015 with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchanges. We are in compliance with the requirements of the applicable regulations, including the SEBI (LODR) Regulations, 2015, the SEBI Regulations and the Companies Act, in respect of corporate governance including constitution of the Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board’s supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Board has been constituted in compliance with the Companies Act and SEBI (LODR) Regulations, 2015. The Board functions either as a full board or through various committees constituted to oversee specific functions. Our executive management provides our Board detailed reports on its performance periodically.

As on the date of this Prospectus, our Board has Six (6) Directors. In compliance with the requirements of the Companies Act we have three (3) Executive Director and three (3) Non-Executive Independent Directors on our Board. Our Chairman is Executive Director and we have two woman directors on our Board.

Committees of our Board

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

1. Audit Committee;
2. Stakeholder's Relationship Committee;
3. Nomination and Remuneration Committee; and
4. Corporate Social Responsibility Committee.

- **Audit Committee**

The Audit Committee of our Board was re-constituted by our Directors by a board resolution dated February 17, 2018 pursuant to Section 177 of the Companies Act, 2013 and under various regulations of the SEBI Listing Regulations.

The Audit Committee comprises of:

| Name of the Member | Nature of Directorship | Designation in Committee |
|--------------------|------------------------------------|--------------------------|
| Mr. Rahul Dayama | Non Executive Independent Director | Chairman |
| Mrs. Shweta Tolani | Non Executive Independent Director | Member |
| Mr. Naresh Karda | Chairman and Managing Director | Member |

The scope of Audit Committee shall include but shall not be restricted to the following:

- a) Oversight of the Issuer's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- d) Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by management
 - Significant adjustments made in the financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of any related party transactions
 - Qualifications in the draft audit report.
- e) Reviewing, with the management, the half yearly financial statements before submission to the board for approval
- f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- h) Approval or any subsequent modification of transactions of the company with related parties;
- i) Scrutiny of inter-corporate loans and investments;
- j) Valuation of undertakings or assets of the company, wherever it is necessary;

- k) Evaluation of internal financial controls and risk management systems;
- l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- n) Discussion with internal auditors any significant findings and follow up there on.
- o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- p) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- r) To review the functioning of the whistle blower mechanism.
- s) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- t) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation (i): The term "related party transactions" shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.

Explanation (ii): If the Company has set up an audit committee pursuant to provision of the Companies Act, the said audit committee shall have such additional functions / features as is contained in this clause.

The Audit Committee enjoys following powers:

- a) To investigate any activity within its terms of reference
- b) To seek information from any employee
- c) To obtain outside legal or other professional advice
- d) To secure attendance of outsiders with relevant expertise if it considers necessary
- e) The audit committee may invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee, but on occasions it may also meet without the presence of any executives of the Issuer. The finance director, head of internal audit and a representative of the statutory auditor may be present as invitees for the meetings of the audit committee.

The Audit Committee shall mandatorily review the following information:

- a) Management discussion and analysis of financial condition and results of operations;
- b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses; and

- e) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
- f) Statement of deviations:
- Quarterly statement of deviation(s) including report of monitoring agency, if applicable.
 - Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32(7) of the Listing Regulations.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

The Company Secretary of the Company acts as the Secretary to the Committee.

Meeting of Audit Committee

The audit committee shall meet at least four times in a year and not more than four months shall elapse between two meetings. The quorum shall be either two members or one third of the members of the audit committee whichever is greater, but there shall be a minimum of two independent members present. Since the formation of the committee, no Audit Committee meetings have taken place.

• **Stakeholder's Relationship Committee**

The Stakeholders' Relationship Committee was constituted by our Board of Directors at their meeting held on August 30, 2017. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations.

The Stakeholders' Relationship Committee comprises of:

| Name of the Member | Nature of Directorship | Designation in Committee |
|---------------------------|------------------------------------|---------------------------------|
| Mr. Rahul Dayama | Non Executive Independent Director | Chairman |
| Mrs. Shweta Tolani | Non Executive Independent Director | Member |
| Mrs. Disha Karda | Executive Director | Member |

This committee will address all grievances of Shareholders/Investors and its terms of reference include the following:

- a) Allotment and listing of our shares in future
- b) Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares and issue of duplicate/split/consolidated share certificates;
- c) Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer/ transmission of shares and debentures;
- d) Reference to statutory and regulatory authorities regarding investor grievances;
- e) To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
- f) And to do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.
- g) overseeing the performance of the registrars and transfer agents of our Company and to recommend measures for overall improvement in the quality of investor services; and

- h) carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act, 2013 or SEBI Listing Regulations, or by any other regulatory authority.

The Company Secretary of our Company acts as the Secretary to the Committee.

Quorum and Meetings

The quorum necessary for a meeting of the Stakeholders Relationship Committee shall be two members or one third of the members, whichever is greater. Since the formation of the committee, no Stakeholders Relationship Committee meetings have taken place.

- **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee was re-constituted by a meeting of the Board of Directors held on February 17, 2018. The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and under various regulations of the SEBI Listing Regulations.

The Nomination and Remuneration Committee currently comprises of:

| Name of the Member | Nature of Directorship | Designation in Committee |
|--------------------|--|--------------------------|
| Mrs. Shweta Tolani | Non Executive Independent Director | Chairperson |
| Mr. Rahul Dayama | Non Executive Independent Director | Member |
| Mr. Sandeep Shah | Non Executive Independent Director (Additional Director) | Member |

The scope of Nomination and Remuneration Committee shall include but shall not be restricted to the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.
- perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 or by the SEBI Listing Regulations or by any other regulatory authority.

Quorum and Meetings

The quorum necessary for a meeting of the Nomination and Remuneration Committee shall be two members or one third of the members, whichever is greater. The Committee is required to meet at least once a year.

The Company Secretary of our Company acts as the Secretary to the Committee.

- **Corporate Social Responsibility Committee**

The members of the Corporate Social Responsibility Committee are:

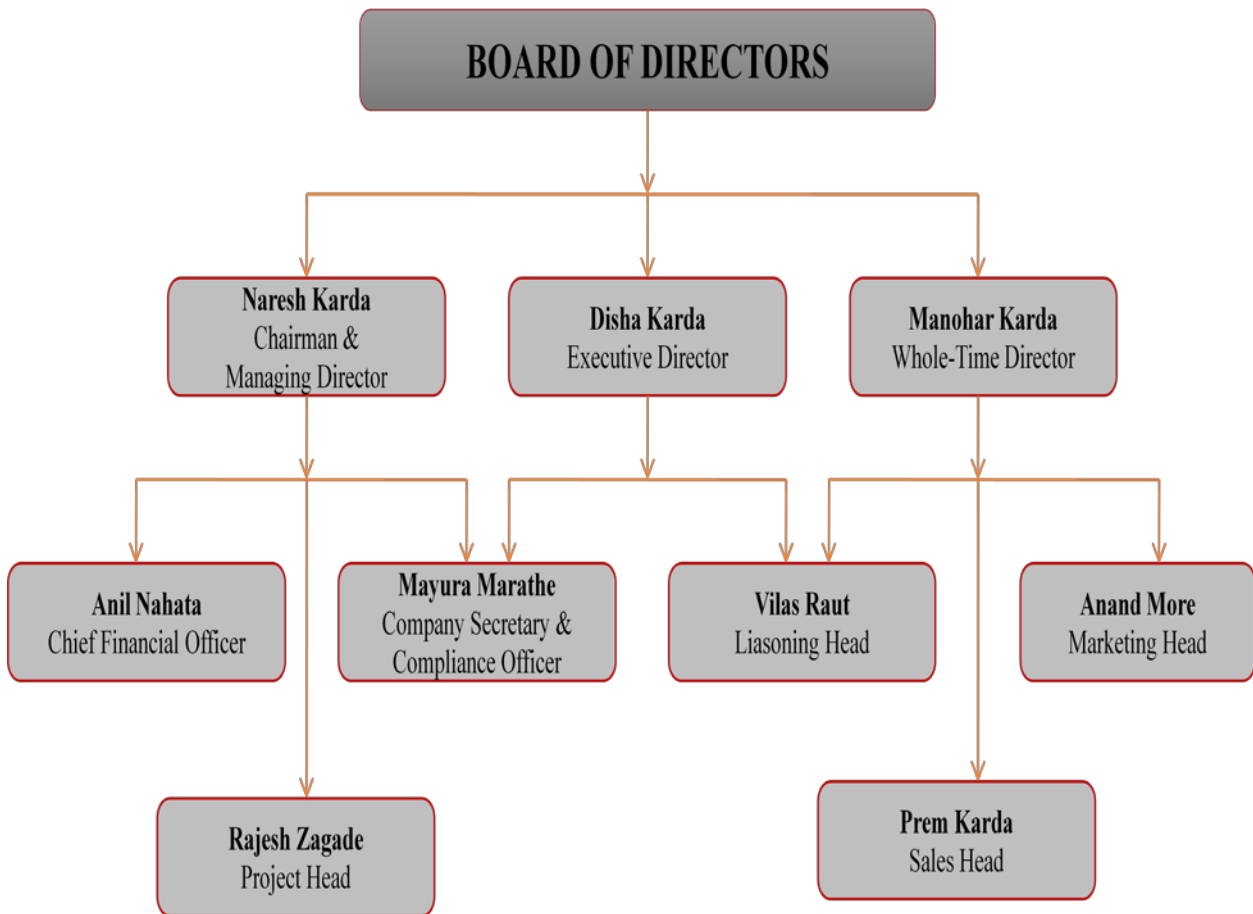
| Name of the Member | Nature of Directorship | Designation in Committee |
|--------------------|------------------------------------|--------------------------|
| Mr. Rahul Dayama | Non Executive Independent Director | Chairman |
| Mr. Naresh Karda | Chairman and Managing Director | Member |
| Mrs. Disha Karda | Executive Director | Member |

The Corporate Social Responsibility Committee was constituted by our Board of Directors at its meeting held on April 02, 2014 and was thereafter reconstituted on August 30, 2017. The terms of reference of the Corporate Social Responsibility Committee of our Company shall include the following:

- a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by our Company in accordance with the provisions of the Companies Act, 2013;
- b) Review and recommend the amount of expenditure to be incurred on activities to be undertaken by our Company;
- c) Monitor the Corporate Social Responsibility Policy of our Company and its implementation from time to time; and
- d) Any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

The Company Secretary of our Company acts as the Secretary to the Committee.

Management Organization Structure



Key Managerial Personnel

Set forth below are the details of the Key Management Personnel of our Company as of the date of this Prospectus:

Mr. Anil Nahata aged 53 years, is the Chief Finance Officer (CFO) of our Company. He is Chartered Accountant having 24 years of experience out of which 20 years were in renowned multi vehicle automobile dealers namely “Bafna Motors Ltd”, “Seva Automotive Pvt. Ltd.”, “Rushabh Motors Pvt. Ltd.”. He is with our company w.e.f. June 2017 and has an experience of more than 4 years in the field of real estate, since he has worked with real estate institution – Viraj Estates Pvt. Ltd. He is currently responsible for overall financial, accounting, commercial and other related works of our Company.

Mrs. Mayura Marathe, aged 26 years, is the Company Secretary and Compliance Officer of our Company. She holds degree of Company Secretary from ICSI and having experience of 1 year in Company related Compliances. She is employed with our company since April 2016 and is currently responsible for all the compliance matters related to our Company. She has received ₹ 2.65 lakhs as remuneration during Fiscal 2017.

Mr. Rajesh Zagade, aged 36 years, is the Project Head of our Company. He is Civil Engineer having more than 15 years of experience in the field of Real Estate and Construction. He is with our company since October 2007 and is currently responsible for the successful planning, execution, monitoring, control and closure of the projects of the Company. He is also responsible for obtaining permits for building sites and supervising the projects from start to end and ensuring completion of the project on timely basis. He has received ₹ 5.85 lakhs as remuneration during the Fiscal 2017.

Mr. Prem Karda, aged 40 years, is the Sales Head of our Company. He is an Under Graduate but having more than a decade of experience in the field of Real Estate. He is with our company since April 2014 and is currently responsible for overall sales of our various projects including setting sales goals and quotas. He is also responsible for leading and guiding the team of sales person in the organisation and mentoring the team of the Company. He has received ₹ 12 Lakhs as remuneration during Fiscal 2017.

Mr. Anand More, aged 30 years, is the Marketing Head of our Company. He has obtained a Master’s degree in Business Administration in Marketing from the Pune University. He has an experience of 10 years in the field of marketing. He had earlier worked with Spencers Retail, Gurudev Biotech India Limited, Govind Dande and Sons (Jewellery Retail) and Ashoka Multi trading. He is working with our Company since August 2016 and is currently responsible for formulating strategies for marketing and PR in order to achieve corporate goals and objectives. He has received ₹ 1.20 lakhs as remuneration during Fiscal 2017 (for the period August 2016 to March 2017).

Mr. Vilas Raut, aged 43 years, is the Liasoning Head of our Company. He holds Drafts man Civil Certificate from Industrial Training Institue, Nashik, having experience of 22 years in the field of real estate, Construction. He had earlier worked with Nitin Karnavat and Associates as a Liasoning Head. He is with our company since October 2016 and is currently responsible for obtaining all the required pre-clearance/ NOC Documents from requisite Government authorities for approvals and sanctioning of the works. He is also responsible for liasoning with appropriate authorities for obtaining clearances and licenses for getting the sanctions relating to the project works. He has received ₹ 1.50 lakhs as remuneration during Fiscal 2017 (for the period November 2016 to March 2017).

Other Notes –

The aforementioned KMPs is on the payrolls of our Company as permanent employees.

Except for Mr. Prem Karda who is brother of our Promoter and Directors, none of our KMPs is related parties as per the Accounting Standard 18:

Service Contracts with Key Management Personnel

Except for terms set forth in the appointment letters, our Key Management Personnel have not entered into any other contractual arrangements with our Company. Our Company has not entered into any service contracts, pursuant to which it’s Key Management Personnel, are entitled to benefits upon termination of employment.

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company, including Directors or Key Management Personnel, is entitled to any benefit upon termination of employment or superannuation.

Relationship amongst the Key Managerial Personnel

None of the aforementioned KMP's is related to each other.

Further, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any Key Management Personnel was selected as member of senior management.

Shareholding of Key Managerial Personnel

As on the date of this Prospectus, none of our Key Managerial Personnel hold any Equity shares of our Company except as mentioned below:

- **Mr. Prem Karda** holds 5,90,000 equity share of our Company.

Interest of Key Managerial Personnel

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

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

Our Company does not have fixed bonus / profit sharing plan for any of the employees or key managerial personnel.

Loans taken by Key Management Personnel

None of our Key Managerial Personnel have taken any loan from our Company as on the date of this Prospectus.

Employee Share Purchase and Employee Stock Option Scheme

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

Payment or Benefit to our Officers

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

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

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


| Sr. No | Name of Employees | Date of Change | Reason for change |
|--------|---------------------|------------------|---|
| 1 | Mr. Laxman Karda | April 11, 2016 | Appointment as Chief Financial Officer |
| 2 | Mrs. Mayura Marathe | April 28, 2016 | Appointment as Company Secretary & Compliance Officer |
| 3 | Mr. Anand More | August 29, 2016 | Appointment as Marketing Head |
| 4 | Mr. Laxman Karda | June 29, 2017 | Resignation as Chief Financial Officer |
| 5 | Mr. Anil Nahata | June 30, 2017 | Appointment as Chief Financial Officer |
| 6 | Mr. Vilas Raut | October 01, 2016 | Appointment as Liasoning Head |

OUR PROMOTER AND PROMOTER GROUP

THE PROMOTER OF OUR COMPANY IS:

1. Mr. Naresh Karda.

The detail of our Promoter is provided below:

| | |
|---|--|
|  | Mr. NARESH KARDA |
| | PAN: ABBPK8084A |
| | Passport No.: Z2384438 |
| | Driver's License No.: NA |
| | Voter's ID No.: DMP2664951 |
| | Name of Bank: ICICI Bank |
| | Bank Branch: Sai Plaza, Nashik Road, Near Bitco College, Nashik-422001. |
| | Bank A/c No.: 018201005592 |

For additional details on the age, background, personal address, educational qualifications, experience, positions / posts, other ventures and Directorships held in the past, please see the chapters titled "Our Management" on page no. 121 and "Our Promoter and Promoter Group" on page no. 135 of this Prospectus.

For details of the build-up of our Promoter's shareholding in our Company, please see "Capital Structure –Notes to Capital Structure" on page no. 58 of this Prospectus.

Other Undertakings and Confirmations

We confirm that the Permanent Account Number, Bank Account number and Passport number of our Promoter have been submitted to the Stock Exchanges at the time of filing of the Draft Red Herring Prospectus with the Stock Exchanges.

Our Promoter and his relatives have not been declared as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI or any other government authority. Further, there are no violations of securities laws committed by our Promoter and members of the Promoter Group in the past and no proceedings for violation of securities laws are pending against them.

Our Promoter and members of the 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.

Our Promoter and members of the Promoter Group are not and have never been promoter, directors or persons 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.

Except as disclosed in "Outstanding Litigation and Material Developments" on page no. 191 of this Prospectus, 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 this Prospectus against our Promoter.

Except as disclosed in this Prospectus, our Promoter is not interested in any entity which holds any intellectual property rights that are used by our Company.

Our Promoter has not taken any unsecured loans which may be recalled by the lenders at any time.

Interests of Promoter & Promoter Group

Except as stated below, our Promoter & Members of Promoter Group are interested in our Company to the extent that they have promoted our Company, to the extent of compensation payable / paid, rents on properties owned by promoter & Members of Promoter Group but used by our company, as well as properties owned by us and used by our Promoter and Promoter Group and reimbursement of expenses (if applicable), to the extent of their respective shareholding in our Company and the remuneration paid to them by the Company, in their capacity as a Director. For further details please see the chapters titled "Capital Structure", "Financial Information" and "Our Management" beginning on page nos. 57, 146 and 121 of this Prospectus.

Pursuant to a lease agreement dated April 16, 2016, our Promoter and members of Promoter Group, Mr. Naresh Karda, Mrs. Disha Karda and Mr. Karamchand Karda have leased the premises situated at Municipal House no. 702/0480/1+2/GS/T-1, Gulmohar Estates, third floor, Village Nashik to the Company for the period between April 01, 2016 to March 31, 2021, at a lease rental of ₹ 150,000 (i.e. ₹ 50,000 per owner) per month, for record keeping purposes. For details see, chapters titled “*Risk Factors*”, “*Business Overview*” and “*Annexure XXV - Related Party Transactions*” beginning on page nos. 15, 89 and 164, respectively. Our Company also use the premises located at Sai Kripa Commercial Complex, Tilak Road, Opp Muktidham, Nasik Road, Nashik, Maharashtra 422 214 as a corporate office of the Company which is provided by our Promoter for our business purpose. Our Promoter has issued NoC for this premise without any rental cost and/or any other cost to the Company. However, we have not entered into any formal agreement with the Promoter for this premise and we have been using this premise for over a few years.

Except as disclosed in chapters titled “*Risk Factors*”, “*Business Overview*” and “*Annexure XXV - Related Party Transactions*” beginning on page nos. 15, 89 and 164 of this Prospectus, Our Promoter is not interested in the properties acquired or proposed to be acquired by our Company in the two years preceding the filing of the Draft Red Herring Prospectus.

Except as disclosed in chapters titled “*Risk Factors*”, “*Business Overview*” and “*Annexure XXV - Related Party Transactions*” beginning on page nos. 15, 89 and 164, our Company has not entered into any contracts, agreements or arrangements during the preceding two years from the date of the Draft Red Herring Prospectus or proposes to enter into any such contract in which our Promoter is directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them.

Our Company has neither made any payments in cash or otherwise to our Promoter and Members of Promoter Group or to firms or companies in which our Promoter and Members of Promoter Group are interested as members, directors or Promoter nor have our Promoter been offered any inducements to become directors or otherwise to become interested in any firm or company, in connection with the promotion or formation of our Company otherwise than as stated in the “*Annexure XXV – Statement of Related Party Transactions*” on page no. 164 of this Prospectus.

Except as disclosed in chapters titled “*Risk Factors*”, “*Business Overview*” and “*Annexure XXV - Related Party Transactions*” beginning on page nos. 15, 89 and 164, Our Promoter has no interest in acquisition of land, construction of building and supply of machinery undertaken by our Company.

Payment or Benefits to Promoter and Promoter Group

Except as stated in “*Annexure XXV - Related Party Transactions*” detailing the related party transactions entered into during the last five Fiscals as per Accounting Standard 18 on page no. 164 of this Prospectus and in “*Interests of Promoter*” above there has been no payment or benefit to our Promoter or Promoter Group during the two years prior to the filing of the Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoter or Promoter Group as on the date of this Prospectus.

Companies with which the Promoter has disassociated in the last three years

Our Promoter has not disassociated himself from any other companies during the last three years preceding the date of the Draft Red Herring Prospectus.

Change in the management and control of Our Company

Our Promoter is the original promoter of our Company and there has been no change in the management or control of our Company since its incorporation.

Guarantees

Except as stated in the chapters titled “*Risk Factors*”, “*Financial Indebtedness*” and “*History and Certain Corporate Matters*” beginning on page nos. 15, 183 and 117 of this Prospectus, our Promoter has not given any guarantee to a third party as of the date of this Prospectus.

Common Pursuits of our Promoter

Some of our Group Companies and Promoter Group entities, as mentioned below, have been undertaking real estate activities which are similar to ours and this may result in potential conflicts of interest with our Company in the future

- Karda Buildcon Private Limited
- Shree Sainath Land & Development (India) Private
- Bhakti Enterprises
- Devesh Infrastructures
- Green Enterprises
- Karda Construction
- Karda Infrastructures
- Tulshi Hari Enterprises
- Gurkar Hotels Pvt. Ltd.
- Drishti Ceramics
- Sai Associates

Our Company has not adopted any measures for mitigating such conflict situations. For details please refer the chapter “*Risk Factors*” on page no. 15 of this Prospectus.

Related Party Transactions

Our Promoter may deem to be interested in our Company to the extent of their shareholding / interest in group companies/ ventures promoted by them with which our Company transacts during the course of its operations. Except as stated in the “*Annexure XXV – Statement of Related Party Transactions*” on page no. 164 of this Prospectus, our Company has not entered into related party transactions with our Promoter or our Group Companies.

Outstanding Litigation

There is no outstanding litigation against our Promoter except as disclosed in the section titled “*Risk Factors*” and chapter titled “*Outstanding Litigation and Material Developments*” beginning on page nos. 15 and 191 of this Prospectus.

OUR PROMOTER GROUP

Apart from our Promoter, as per Regulation 2(1)(zb) of the SEBI (ICDR) Regulation, 2009, the following individuals and entities shall form part of our Promoter Group:

A. Natural Persons who are Part of the Promoter Group

| Name of the Promoter | Name of the Relative | Relationship with the Promoter |
|----------------------|-----------------------------------|--------------------------------|
| Mr. Naresh Karda | Mr. Jagumal Chattumal Karda | Father |
| | Mrs. Putlibai Jagumal Karda | Mother |
| | Mrs. Disha Naresh Karda | Wife |
| | Mr. Manohar Jagumal Karda | Brother(s) |
| | Mr. Prem Jagumal Karda | |
| | Mr. Karamchand Jagumal Karda | |
| | Mr. Vasudev Jagumal Karda | |
| | Mr. Laxman Jagumal Karda | Sister(s) |
| | Mrs. Bagvanti Prakashlal Kundnani | |
| | Mrs. Sunita Vijakumar Hotchandani | |
| | Mrs. Jyoti Prkashlal Chugria | |
| | Mrs. Manju Inderlal Kanjani | |
| | Mrs. Rajni Mukeshlal Mangwani | Son(s) |
| | Mrs. Bhavna Rameshlal Chugria | |
| | Mr. Devesh Naresh Karda | Daughter(s) |
| | Ms. Rashi Naresh Karda | Wife's Father |
| | Mr. Gangaram Tahelianey | Wife's Mother |
| | Mrs. Kamala Gangaram Tahelianey | |

| Name of the Promoter | Name of the Relative | Relationship with the Promoter |
|----------------------|--------------------------------|--------------------------------|
| | Mr. Kishor Gangaram Tahelianey | Wife's Brother(s) |
| | Mrs. Jaya Rajkumar Kotwal | Wife's Sister(s) |
| | Mrs. Devika Hemant Bhatia | |
| | Mrs. Bharti Mahesh Ambwani | |

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

As per Regulation 2(1)(zb)(iv) of the SEBI (ICDR) Regulations, 2009, the following Companies / Trusts / Partnership firms / HUFs or Sole Proprietorships shall form part of our Promoter Group:

| Sr. No. | Name of Promoter Group Entity/Company |
|---------|--|
| 1 | Gurkar Hotels Private Limited |
| 2 | Karda Buildcon Private Limited |
| 3 | Shree Sainath Land & Development (India) Private Limited |
| 4 | Bhakti Enterprises |
| 5 | Devesh Infrastructures |
| 6 | Green Enterprises |
| 7 | Karda Constructions |
| 8 | Karda Infrastructures |
| 9 | Tulshi Hari Enterprises |
| 10 | Drishti Ceramics |
| 11 | Sai Associates |

OUR GROUP COMPANIES

The definition of ‘Group Companies’ was amended pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2015, to include companies covered under applicable accounting standards and such other companies as are considered material by the Board. In addition to our Promoter Group, as specified under the section “*Our Promoter, Promoter Group*” on page no. 135 of this Prospectus, the companies that form part of our ‘Group Companies’ are based on the requirements of the Schedule VIII of the SEBI (ICDR) Regulations, 2009, as amended. Pursuant to a Board resolution dated August 04, 2017, the Board formulated a policy with respect to companies which it considered material to be identified as group companies. Our Board has approved all companies which are identified as related parties in accordance with Accounting Standards 18 as per the Restated Financial Statements are identified as group entities. Accordingly, following are forming part of our Group Companies:

Our Group Companies based on the above are:

1. Gurkar Hotels Private Limited;
2. Karda Buildcon Private Limited; and
3. Shree Sainath Land & Development (India) Private Limited.

FINANCIAL INFORMATION OF GROUP ENTITIES

As per Schedule VIII (IX) (C) (2) of the SEBI (ICDR) Regulations 2009, the financial information of our group companies on the basis of Turnover, are given below:

The details of our Group Companies are set forth below:

1. Gurkar Hotels Private Limited (GHPL)

Corporate Information

GHPL was incorporated under the Companies Act, 1956 as Gurkar Hotels Private Limited on 12th November, 2013 in the state of Maharashtra. Its registered office is situated at 3rd floor, Gulmohar Estate, Samarth Nagar, Nashik - 422007. The main objects of Gurkar Hotels Private Limited is to carry on all types of Hospitality projects, facilities, activities or works and to build, construct, erect, install, undertake, lay down, commission, establish, own, operate, manage, control, administer, lease and transfer all Hospitality projects, facilities or works and activities including establishing, running chain of hotels, restaurants, motels, roadside hotels, holiday homes, guest houses and resorts and for that purpose purchase, acquire for development on outright basis lease of land, buildings, structures and other properties of any tenure and any interest therein, and to negotiate and enter into contract with any person, firms and companies engaged in hotel industry business, to make investments in companies engaged in any of the above mentioned activities and to enter into joint venture agreements with any entity engaged in any of the above mentioned businesses and further for the purpose to enter into collaboration and or joint venture and or deal with foreign and or local entities or their agents and/or associates and or local and or foreign governments and or authorities for implementing the aforesaid objects. The CIN No. of GHPL is U55101MH2013PTC250033.

Board of Directors

- Mr. Naresh Karda
- Mr. Basant Gurnani

Interest of our Promoter

Our promoter and promoter group hold 50.00% equity shares of GHPL.

Capital Structure:

| Particulars | No. of Equity Shares of ₹ 10 each |
|--|-----------------------------------|
| Authorised Capital | 95,00,000 |
| Issued, Subscribed and Paid-up Capital | 93,50,000 |

Shareholding Pattern:

| Particulars | No. of Shares | % of Total Shares |
|---------------------------------|---------------|-------------------|
| Our promoter and promoter group | 46,75,000 | 50.00% |
| Others | 46,75,000 | 50.00% |
| Total | 93,50,000 | 100.00% |

Financial Information:

The brief financial details of GHPL derived from its audited financial statements, for Fiscals 2017, 2016 and 2015 are set forth below:

(₹ in lakhs)

| Sr. No. | Particulars | As at March 31, | | |
|---------|-------------------------------------|-----------------|--------|--------|
| | | 2017 | 2016 | 2015 |
| 1 | Equity Shares Capital | 935.00 | 935.00 | 935.00 |
| 2 | Reserves and Surplus | (7.14) | (3.72) | (1.59) |
| 3 | Share Application Pending Allotment | - | - | - |
| 4 | Net Worth | 927.86 | 931.28 | 933.41 |
| 5 | Income including Other Income | - | - | 0.99 |
| 6 | Profit/ (Loss) After Tax | (3.42) | (2.13) | (1.61) |
| 7 | Earnings Per Share | (0.04) | (0.02) | (0.02) |
| 8 | Net Asset Value per Share | 9.92 | 9.96 | 9.98 |

Other disclosures:

- The equity shares of GHPL are not listed on any stock exchange;
- GHPL is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up. Further, GHPL has made a loss in the immediately preceding year, but does not have a negative net-worth in the immediately preceding year.
- No application has been made to RoC for striking off the name of GHPL;
- GHPL is not prohibited from accessing the capital markets for any reasons by the SEBI or any other authorities.

There are no defaults in meeting any statutory /bank/institutional dues. No proceedings have been initialled for economic offences against GHPL.

2. Karda Buildcon Private Limited (KBPL)

Corporate Information

KBPL was incorporated under the Companies Act, 1956 as Karda Buildcon Private Limited on 7th January, 2014 in the state of Maharashtra. Its registered office is situated at Shop No. UG 109, Dreams -The Mall, LBS Marg, Bhandup (W), Mumbai - 400078. The main objects of Karda Buildcon Private Limited is to carry on the business of building promoters, land developers, builders, contractor & all types of construction & to undertake all types of contracts entailing build operate transfer (BOT) or build operate lease transfer (BOLT) of roadways, national highways, reservoir bridges, flyovers, wells, dams, embankments, irrigation canals, residential colonies, industrial shed & estate factories & other buildings or any kind of work in connection with construction industry in India or outside India The CIN No. of KBPL is U45200MH2014PTC251838.

Board of Directors

- Mr. Naresh Karda
- Mr. Ashish Katariya

Interest of our Promoter

Our promoter and promoter group hold directly and indirectly 50.00% Equity Shares of KBPL.

Capital Structure

| Particulars | No. of Equity Shares of ₹ 10 each |
|--|-----------------------------------|
| Authorised Capital | 1,00,000 |
| Issued, Subscribed and Paid-up Capital | 10,000 |

Shareholding Pattern:

| Particulars | No. of Shares | % of Total Shares |
|---------------------------------|---------------|-------------------|
| Our promoter and promoter group | 5,000 | 50.00% |
| Others | 5,000 | 50.00% |
| Total | 10,000 | 100.00% |

Financial Information:

The brief financial details of KBPL derived from its Audited Financial Statements, for Fiscals 2017, 2016 and 2015 are set forth below:

(₹ in lakhs)

| Particulars | As at March 31, | | |
|-------------------------------------|-----------------|-------|-------|
| | 2017 | 2016 | 2015 |
| Equity Shares Capital | 1.00 | 1.00 | 1.00 |
| Reserves and Surplus | 9.73 | - | - |
| Share Application Pending Allotment | - | - | - |
| Net Worth | 10.73 | 1.00 | 1.00 |
| Income including other income | 188.83 | - | - |
| Profit/ (Loss) after tax | 9.73 | - | - |
| Earnings per share | 97.27 | - | - |
| Net asset value per share | 107.27 | 10.00 | 10.00 |

Other disclosures:

- The equity shares of KBPL are not listed on any stock exchange.
- KBPL is neither a Sick Company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 nor is under winding up. Further KBPL does not have a negative net worth in the immediate preceding year.
- No application has been made to ROC for striking off the name of KBPL.
- KBPL is not prohibited from accessing the capital markets for any reasons by the SEBI or any other authorities.

There are no defaults in meeting any statutory / bank / institutional dues. No proceedings have been initialled for economic offences against KBPL.

3. Shree Sainath Land & Development (India) Private Limited (SSLDIPL)

Corporate Information

SSLDIPL was incorporated under the Companies Act, 1956 as Shree Sainath Land & Development (India) Private Limited on 12th January, 2011 in the state of Maharashtra. Its registered office is situated at Shop No. UG 109, Dreams - The Mall, LBS Marg, Bhandup (W), Mumbai - 400078. The main objects of Shree Sainath Land & Development (India) Private Limited is to carry on in India or elsewhere either alone or jointly with one or more persons, government, local or other bodies, the business of land development, builders, contractors, advisor, administrator, subcontractor, turnkey contractor and manager, promoters, designers, consultants, constructors of all types of buildings and structures including houses, flats, apartments, offices, shopping malls, godowns, warehouses, shops, factories, special economic zones, sheds, hospitals, hostels, hotels, motels, holiday resorts, shopping cum residential complexes, constructions and developmental work such as roads, ways, culverts, bridges, railways, tramways, water tanks, reservoirs, wharves, warehouses, factories, buildings, structures, drainage and sewage works, water distribution and filtration systems, docks, harbours, piers, irrigation works, foundation works, flyovers, airport, runways, rock drilling, aqueducts, stadiums, hydraulic units, sanitary works, power supply works, power stations, hotels, hospitals, dharamshalas, multistory, colonies, complexes, housing projects and other similar works and to undertake, work on BOT basis or build, own, operate and transfer basis as contracted from the Central Government, various State Governments, Union Territories, cantonments, local authorities, autonomous bodies, and other Government departments and to convert, improve, design, erect, establish, equip, develop, dismantle, pull down, turn to account,

furnish, level, decorate, fabricate, install, finish, repair, maintain, search, survey, examine, taste, inspect, locate, modify, own, operate, protect, promote, provide, participate, reconstruct, grout, dig, excavate, pour, renovate, remodel, rebuild, undertake, contribute, assist construct, acquire, develop, erect, install, alter, improve, add, establish, renovate, recondition, protect, participate, enlarge, repair, demolish, remove, replace, maintain, manage, buy, sell, lease, let on hire, commercialize, turn to account, fabricate, handle and control, all such buildings and structures and to purchase, sale, or deal in all types of immovable properties for development or for resale. The CIN No. of SSLDIPL is U45400MH2011PTC212231.

Board of Directors

- Mr. Ashok Katariya
- Mr. Satish Parakh
- Mr. Naresh Karda
- Mr. Manohar Karda

Interest of our Promoter

Our promoter and promoter group hold directly and indirectly 35.00% Equity Shares of SSLDIPL.

Capital Structure

| Particulars | No. of Equity Shares of ₹ 10 each |
|--|-----------------------------------|
| Authorised Capital | 18,00,000 |
| Issued, Subscribed and Paid-up Capital | 16,00,000 |

Shareholding Pattern:

| Particulars | No. of Shares | % of Total Shares |
|---------------------------------|------------------|-------------------|
| Our Company | 2,40,000 | 15.00% |
| Our promoter and promoter group | 5,60,000 | 35.00% |
| Others | 8,00,000 | 50.00% |
| Total | 16,00,000 | 100.00% |

Financial Information:

The brief financial details of SSLDIPL derived from its Audited Financial Statements, for Fiscals 2017, 2016 and 2015 are set forth below:

(₹ in lakhs)

| Particulars | As at March 31, | | |
|-------------------------------------|-----------------|--------|--------|
| | 2017 | 2016 | 2015 |
| Equity Shares Capital | 160.00 | 160.00 | 160.00 |
| Reserves and Surplus | (12.11) | (4.79) | 0.37 |
| Share Application Pending Allotment | - | - | - |
| Net Worth | 147.89 | 155.21 | 160.37 |
| Income including other income | 3.88 | - | 1.12 |
| Profit/ (Loss) after tax | (7.31) | (5.16) | 0.19 |
| Earnings per share | (0.46) | (0.32) | 0.01 |
| Net asset value per share | 9.24 | 9.70 | 10.02 |

Other disclosures:

- The equity shares of SSLDIPL are not listed on any stock exchange.
- SSLDIPL is neither a Sick Company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 nor is under winding up. Further SSLDIPL does not have a negative net worth in the immediate preceding year.
- No application has been made to ROC for striking off the name of SSLDIPL.
- SSLDIPL is not prohibited from accessing the capital markets for any reasons by the SEBI or any other authorities.

There are no defaults in meeting any statutory / bank / institutional dues. No proceedings have been initialled for economic offences against SSLDIPL.

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

In the promotion of our Company-

None of the Group Companies have any interest in the promotion of our Company.

In the properties acquired or proposed to be acquired by our Company in the past two years before filing the Draft Red Herring Prospectus with SEBI

None of our Group Entities is interested in the properties acquired or proposed to be acquired by our Company in the two years preceding the filing of the Draft Red Herring Prospectus.

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

None of the Group Companies have any interest in our Company in relation to transactions for acquisition of land, construction of building and supply of machinery.

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

No amount or benefits were paid or were intended to be paid to our Group Companies during the last two years except to the extent of their shareholding and the dividend payable, if any and other distributions in respect of the Equity Shares held by them.

Common Pursuits of our Group Companies

Our Group Companies have been authorised by their respective Memorandum of Associations to undertake activities which are similar to ours and are currently engaged in businesses similar to ours. Following is the Group Company, whose main objects are similar to ours and this may result in potential conflicts of interest with our Company in the future

- Gurkar Hotels Private Limited
- Karda Buildcon Private Limited
- Shree Sainath Land & Development (India) Private Limited

Our Company has not adopted any measures for mitigating such conflict situations.

Related business transactions within the Group Companies and its significance on the financial performance of our Company

For details, please see the chapter titled “*Financial Statements- Annexure XXV- Related Party Transactions*” on page no. 164 of this Prospectus.

Sale/purchase between Group Companies (exceeding 10% in aggregate of the total sales or purchases of our Company)

For details, please see the chapter titled “*Financial Statements- Annexure XXV- Related Party Transactions*” on page no. 164 of this Prospectus.

Defunct Group Companies

None of the Group Companies are defunct and no application has been made to the registrar of companies for striking off the name of any of the Group Companies during the five years preceding the date of the Draft Red Herring Prospectus.

Loss making Group Companies

Except as mentioned below, none of our Group Companies have incurred losses in their last preceding audited Fiscal Year. See “*Risk Factors – Certain of our Group Companies have incurred losses in the three fiscal years ended March 31, 2017.*” on page no. 15 of this Prospectus.

- Gurkar Hotels Private Limited
- Shree Sainath Land & Development (India) Private Limited

Outstanding Litigations

For details relating to the material legal proceedings involving our Group Companies, see the chapter titled “*Outstanding Litigations and Material Developments*” on page no. 191 of this Prospectus.

Other Confirmations

Our Group Companies have further confirmed that they have not been declared as wilful defaulters and there have been no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them except as stated under chapters “*Risk Factors*”, “*Our Group Companies*” and “*Outstanding Litigations and Material Developments*” on page nos. 15, 139 and 191 of this Prospectus, respectively. Additionally, none of our Group Companies have been restrained from accessing the capital markets for any reasons by the SEBI or any other authorities. None of the Group Companies are listed or have failed to list on any stock exchange in any recognised stock exchange in India or abroad or have made any public or rights issue of securities in preceding three years.

DIVIDEND POLICY

Under the Companies Act, 2013, our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the General Meeting. The shareholders of our Company have the right to decrease, not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors. Our Company has no formal dividend policy.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, see “*Financial Indebtedness*” beginning on page no. 183 of this Prospectus.

We have not declared any dividends in any of the fiscals preceding the filing of this Prospectus.

SECTION VI – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

REPORT OF THE AUDITORS ON FINANCIAL STATEMENTS

To,
The Board of Directors,
Karda Constructions Limited
2nd Floor, Gulmohar Status,
Above Business Bank,
Samarth Nagar, Nashik – 422 005

We have examined Financial Statements and Other Financial Information of Karda Constructions Limited (the 'Company') taking into consideration the terms of reference and terms of our engagement agreed upon with you in connection with the proposed IPO of the Company and the Guidance Note (Revised) on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India.

The said Restated Financial Statements and other Financial Information have been prepared for the purposes of inclusion in the Red Herring Prospectus/ Prospectus (collectively hereinafter referred to as "Offer Document") in connection with the proposed Initial Public Offer ("IPO") of the Company in accordance with the requirements of:

- i. Sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 read with applicable provisions within Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended (hereinafter referred to as the "Act");
 - ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the 'SEBI Regulations') and the related clarifications issued by the Securities and Exchange Board of India ('SEBI'); as amended to date;
 - iii. We have examined the accompanied 'Restated Statement of Profit and Loss' (Annexure – II) for the period ended September 30, 2017 and for the years ended on 31st March 2017, 2016, 2015, 2014 and 2013 and the 'Restated Statement of Assets and Liabilities' (Annexure – I) as on those dates, forming Part of the 'Financial Information' dealt with by this Report, detailed below. Both read together with the Significant Accounting Policies and Notes to Accounts (Annexure – IV & V) thereon, which are the responsibility of the Company's management. The information have been extracted from the financial statements for the financial years ended on 31st March 2017, 2016, 2015, 2014 and 2013 audited by M/s. Natesh & Associates, Chartered Accountants, being the Statutory Auditors of the Company for the respective years and for the period ended September 30, 2017 audited by us being the current Statutory Auditors of the Company. The financial statements for the financial years ended on 31st March 2017 is re-audited by us in terms of SEBI Regulations. We did not carry out any validation tests or review procedures of financial statements for aforesaid financial year audited by previous auditors, upon which we have placed our reliance while reporting.
1. In terms of Schedule VIII, Clause IX (9) of the SEBI (ICDR) Regulations, 2009 and other provisions relating to accounts of Karda Constructions Limited, we, M/s. JPL & Associates, Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of the ICAI.
 2. Based on our examination, we further report that:
 - a. The Restated Statement of Assets and Liabilities of the Company for the period ended September 30, 2017 and for the period as at March 31, 2017, 2016, 2015, 2014 and 2013 examined by us, as set out in Annexure I to this examination report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in the statement of significant accounting policies in Annexure IV and the Notes to Accounts in Annexure V.
 - b. The Restated Statement of Profit and Loss of the Company for the period ended September 30, 2017 and for the financial years ended on March 31, 2017, 2016, 2015, 2014 and 2013 examined by us, as set out in Annexure II to this examination report are after making adjustments and regrouping as in our opinion were

appropriate and more fully described in the statement of significant accounting policies in Annexure IV and the Statement of Adjustments to the audited financial statements in Annexure V.

- c. The Restated Statement of Cash Flows of the Company for the period ended September 30, 2017 and for the financial years ended March 31, 2017, 2016, 2015, 2014 and 2013 examined by us, as set out in Annexure III to this examination report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in the statement of significant accounting policies in Annexure IV and the Notes to Accounts in Annexure V.
- d. The Restated Financial Statements have been made after incorporating adjustments for :
 - i. The changes, if any, in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all the reporting period /years.
 - ii. Prior period and other material amounts in the respective financial years to which they relate.

Which are stated in the Notes to Accounts as set out in Annexure V:

- e. Such Financial statements do not require any corrective adjustments on account of :
 - i. Other remarks/comments in the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub - section (4A) of section 227 of the act, on financial statements of the company for the period ended September 30,2017 and for the financial years ended March 31, 2017, 2016, 2015, 2014 and 2013.
 - ii. Extra-ordinary items that need to be disclosed separately in the accounts requiring adjustments.
3. At the request of the company, we have also examined the following financial information("Other Financial Information") proposed to be included in the offer document prepared by the management and approved by the board of directors of the company and annexed to this report:
- i) Schedule of Share Capital (Annexure - VI)
 - ii) Schedule of Reserves & Surplus (Annexure - VII)
 - iii) Schedule of Long Term Borrowings (Annexure - VIII)
 - iv) Schedule of Other Long Term Liabilities (Annexure- IX)
 - v) Schedule of Long Term Provisions (Annexure - X)
 - vi) Schedule of Short Term Borrowings (Annexure - XI)
 - vii) Statement of Trade Payables (Annexure - XII)
 - viii) Schedule of Other Current Liabilities (Annexure - XIII)
 - ix) Schedule of Short Term Provisions (Annexure - XIV)
 - x) Schedule of Fixed Assets (Annexure - XV)
 - xi) Schedule of Non Current Investments (Annexure - XVI)
 - xii) Schedule of Long term Loans and Advances (Annexure - XVII)
 - xiii) Schedule of Inventories (Annexure - XVIII)
 - xiv) Schedule of Trade Receivables (Annexure - XIX)
 - xv) Schedule of Cash and Cash Equivalents (Annexure - XX)
 - xvi) Schedule of Short Term Loans and Advances (Annexure - XXI)
 - xvii) Schedule of Other Current Assets (Annexure- XXII)
 - xviii) Schedule of Revenue from Operations (Annexure - XXIII)
 - xix) Schedule of Other Income (Annexure - XXIV)
 - xx) Schedule of Related Party Transactions (Annexure - XXV)
 - xxi) Capitalization Statement (Annexure - XXVI)
 - xxii) Schedule of Contingent Liability (Annexure - XXVII)
 - xxiii) Summary of Accounting Ratios (Annexure - XXVIII)
 - xxiv) Statement of Tax Shelter (Annexure - XXIX)
4. In our opinion, the Restated Financial Statements and the other Financial Information set forth in Annexure I to XXIX read with the significant accounting policies and notes to the restated financial statements have been prepared in accordance with section 26 read with applicable provisions within Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 of Companies Act, 2013 and the SEBI Regulations and the

Guidance Note on the reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India (ICAI).

Consequently the financial information has been prepared after making such regroupings and adjustments as were, in our opinion, considered appropriate to comply with the same. As a result of these regrouping and adjustments, the amount reported in the financial information may not necessarily be the same as those appearing in the respective audited financial statements for the relevant years.

5. This report should not in any way construed as a reissuance or redrafting of any of the previous audit report issued by us nor should this report be construed as new opinion on any of the financial statement referred to therein.
6. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
7. This report is intended solely for your information and for inclusion in the Offer document in connection with the Company's proposed IPO of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For M/s. JPL & Associates,
Chartered Accountants**
(Firm Registration No. 132748W)

CA. Vipul Lathi
Partner
Membership No: 134897

Place: Jalgaon
Date: February 03, 2018

Annexure I
STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(₹ in lakhs)

| Particulars | September 30, 2017 | As at March 31, | | | | |
|--|--------------------|------------------|------------------|------------------|------------------|------------------|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| EQUITY AND LIABILITIES | | | | | | |
| Shareholder's fund | | | | | | |
| a) Equity Share Capital | 1,000.00 | 900.00 | 500.00 | 500.00 | 500.00 | 150.00 |
| b) Reserves and surplus | 2,586.94 | 2,135.05 | 1,755.18 | 1,125.91 | 820.49 | 478.09 |
| Total Shareholders Fund | 3,586.94 | 3,035.05 | 2,255.18 | 1,625.91 | 1,320.49 | 628.09 |
| | | | | | | |
| Share Application Pending Allotment | - | - | - | - | - | 900.00 |
| | | | | | | |
| Non-current liabilities | | | | | | |
| a) Long Term Borrowings | 6,934.91 | 7,991.32 | 7,412.20 | 6,127.84 | 2,828.34 | 1,238.56 |
| b) Other Long Term Liabilities | 5,249.33 | 5,855.84 | 8,580.18 | 12,480.41 | 10,538.85 | 10,449.32 |
| c) Deferred Tax Liability | 5.05 | 5.68 | 5.66 | 6.15 | 6.86 | 2.80 |
| d) Long Term Provisions | 13.95 | 12.65 | 9.98 | 7.51 | 5.57 | 4.49 |
| Total | 12,203.24 | 13,865.49 | 16,008.03 | 18,621.91 | 13,379.63 | 11,695.17 |
| | | | | | | |
| Current liabilities | | | | | | |
| a) Short-term borrowings | 3,615.82 | 3,212.60 | 2,744.54 | 310.35 | 532.97 | 389.64 |
| b) Trade payables | 707.44 | 654.67 | 931.85 | 815.19 | 725.10 | 898.09 |
| c) Other Current Liabilities | 5,555.59 | 3,655.64 | 2,732.22 | 1,797.12 | 2,486.10 | 1,619.66 |
| d) Short-term provisions | 632.97 | 430.26 | 289.61 | 134.14 | 168.10 | 108.09 |
| Total | 10,511.82 | 7,953.18 | 6,698.21 | 3,056.81 | 3,912.27 | 3,015.48 |
| TOTAL | 26,302.00 | 24,853.72 | 24,961.42 | 23,304.63 | 18,612.39 | 16,238.73 |
| | | | | | | |
| ASSETS | | | | | | |
| | | | | | | |
| Non - Current Assets | | | | | | |
| a) Fixed Assets | | | | | | |
| i.) Tangible assets | 288.82 | 271.85 | 227.54 | 207.44 | 203.89 | 165.78 |
| ii) Intangible assets | 4.95 | 3.60 | 2.79 | 1.58 | 1.58 | 1.26 |
| Gross Block | 293.77 | 275.45 | 230.33 | 209.03 | 205.48 | 167.04 |
| Less Depreciation | 91.91 | 77.72 | 51.21 | 29.21 | 8.68 | 1.40 |
| Net Block | 201.86 | 197.73 | 179.13 | 179.82 | 196.80 | 165.64 |
| b) Non- Current Investments | 2,492.24 | 1,981.84 | 642.28 | 1,070.76 | 187.20 | 184.52 |
| c) Long term Loans & Advances | 651.45 | 666.96 | 1,149.27 | 1,023.65 | 803.97 | 540.99 |
| Total | 3,345.56 | 2,846.53 | 1,970.67 | 2,274.23 | 1,187.98 | 891.15 |
| | | | | | | |
| Current Assets | | | | | | |
| a) Inventories | 17,171.78 | 17,107.79 | 18,803.25 | 18,327.58 | 15,287.27 | 13,058.41 |
| b) Trade Receivables | 26.56 | 69.49 | 22.45 | 30.33 | 54.65 | 66.67 |
| c) Cash and Cash equivalents | 289.38 | 220.56 | 113.21 | 717.13 | 320.34 | 445.59 |
| d) Short-term loans and advances | 4,687.02 | 4,085.62 | 3,497.00 | 1,507.25 | 436.10 | 1,636.00 |
| e) Other Current Asset | 781.69 | 523.73 | 554.83 | 448.11 | 1,326.05 | 140.91 |
| Total | 22,956.43 | 22,007.19 | 22,990.74 | 21,030.40 | 17,424.42 | 15,347.58 |
| TOTAL | 26,302.00 | 24,853.72 | 24,961.42 | 23,304.63 | 18,612.39 | 16,238.73 |

Annexure II
STATEMENT OF PROFIT AND LOSS ACCOUNT, AS RESTATED

(₹ in lakhs)

| Particulars | September 30, 2017 | For the year ended March 31, | | | | |
|---|-----------------------|------------------------------|------------------|-----------------|-----------------|-----------------|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| INCOME: | | | | | | |
| Revenue from Operations | 4,034.90 | 10,530.56 | 10,071.58 | 4,514.03 | 5,753.84 | 4,225.14 |
| Other Income | 534.83 | 471.71 | 521.89 | 139.41 | 153.55 | 103.51 |
| Total income | 4,569.73 | 11,002.26 | 10,593.47 | 4,653.44 | 5,907.39 | 4,328.65 |
| EXPENSES: | | | | | | |
| Changes in Inventory of work-in-progress and finished goods | (64.00) | 1,695.47 | (475.68) | (3,040.30) | (2,228.87) | (3,365.93) |
| Construction Expenses | 2,422.92 | 5,473.24 | 7,796.33 | 5,179.34 | 6,206.83 | 6,526.65 |
| Employee benefits expense | 105.54 | 220.31 | 172.45 | 157.09 | 178.41 | 111.42 |
| Finance cost | 954.82 | 1,825.92 | 1,713.05 | 1,113.66 | 868.97 | 411.12 |
| Depreciation and amortization expense | 14.19 | 26.51 | 22.00 | 20.76 | 7.51 | 1.63 |
| Administration and other expenses | 322.28 | 513.41 | 429.17 | 778.26 | 338.63 | 257.04 |
| Total expenses | 3,755.75 | 9,754.86 | 9,657.33 | 4,208.81 | 5,371.47 | 3,941.95 |
| Net Profit / (Loss) before extraordinary items and tax | 813.97 | 1,247.41 | 936.14 | 444.63 | 535.92 | 386.70 |
| Extraordinary items – Provision for gratuity | - | - | 2.54 | 1.98 | 1.10 | 2.38 |
| Net Profit / (Loss) before tax | 813.97 | 1,247.41 | 933.61 | 442.65 | 534.82 | 384.32 |
| Less: Tax expense | | | | | | |
| Current tax | 202.50 | 430.00 | 289.40 | 134.00 | 168.00 | 108.00 |
| Deferred tax | (0.64) | 0.02 | (0.49) | (0.71) | 4.06 | 2.78 |
| Tax expense (Firms) | 60.23 | 14.24 | 7.27 | 1.80 | 2.21 | 3.14 |
| Total Tax Expense | 262.09 | 444.26 | 296.18 | 135.09 | 174.27 | 113.93 |
| Net Profit / (Loss) after tax | 551.88 | 803.14 | 637.43 | 307.56 | 360.55 | 270.39 |

Annexure III
CASH FLOW STATEMENT, AS RESTATED
(₹ in lakhs)

| Particulars | September 30, 2017 | As at March 31, | | | | |
|--|--------------------|-----------------|-----------------|-------------------|-----------------|-------------------|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Cash Flow From Operating Activities | | | | | | |
| Net Profit Before Tax | 813.97 | 1,247.41 | 933.61 | 442.65 | 534.82 | 384.32 |
| Adjustments for : | | | | | | |
| Depreciation/Amortisation | 14.19 | 26.51 | 22.00 | 20.76 | 7.51 | 1.40 |
| Provision for Gratuity | 1.36 | 2.73 | 2.54 | 1.98 | 1.10 | 2.38 |
| Interest received on Fixed Deposit | (13.70) | (28.33) | (33.53) | (23.19) | (13.17) | (5.93) |
| Interest received on Advances | (176.48) | (344.83) | (281.09) | (77.35) | (121.64) | (86.00) |
| Share of Profit from Partnership firms | (230.83) | (45.76) | (57.41) | (12.80) | (5.71) | (7.71) |
| Dividend on Shares | (0.20) | (2.52) | (1.78) | (2.34) | (1.88) | (1.88) |
| Profit on ICICI Prudential Savings Fund | (102.62) | (30.31) | (147.17) | (9.53) | - | - |
| Finance Cost | 954.82 | 1,825.92 | 1,713.05 | 1,113.66 | 868.97 | 411.12 |
| Operating Profit Before Working Capital Changes | 1,260.51 | 2,650.80 | 2,150.21 | 1,453.85 | 1,269.99 | 697.72 |
| Adjusted for (Increase)/ Decrease: | | | | | | |
| Inventories | (64.00) | 1,695.47 | (475.68) | (3,040.30) | (2,228.87) | (3,365.93) |
| Trade Receivables | 42.93 | (47.04) | 7.88 | 24.32 | 12.02 | (64.12) |
| Short Term Loans and Advances | (601.40) | (588.62) | (1,989.75) | (1,071.15) | 1,199.90 | (1,575.25) |
| Other Current Assets | (257.95) | 31.10 | (106.72) | 877.70 | (1,185.38) | (56.23) |
| Trade Payables | 52.77 | (277.18) | 116.66 | 90.09 | (172.99) | (252.86) |
| Other Current Liabilities | 1899.95 | 923.42 | 935.10 | (688.98) | 866.44 | 1,571.21 |
| Cash Generated From Operations Before Exceptional Items | 2,332.82 | 4,387.94 | 637.71 | (2,354.47) | (238.88) | (3,045.45) |
| Add:- Exceptional Items | - | - | - | - | - | - |
| Cash Generated From Operations | 2,332.82 | 4,387.94 | 637.71 | (2,354.47) | (238.88) | (3,045.45) |
| Less: Direct Tax paid | 60.04 | 326.84 | 149.37 | 171.90 | 128.35 | 55.27 |
| Net Cash flow from/(used in) Operating Activities (A) | 2,272.78 | 4,061.10 | 488.34 | (2,526.37) | (367.23) | (3,100.72) |
| | | | | | | |
| Cash Flow From Investing Activities | | | | | | |
| Interest received from Fixed Deposits | 13.70 | 28.33 | 33.53 | 23.19 | 13.17 | 5.93 |
| Sale/(Purchase) of fixed assets | (18.32) | (45.12) | (21.36) | (3.59) | (38.44) | (164.62) |
| Sale/(Purchase) of investments | (510.46) | (1,339.62) | 428.48 | (883.55) | (2.68) | 43.44 |
| Dividend on Shares | 0.20 | 2.52 | 1.78 | 2.34 | 1.88 | 1.88 |
| Share of Profit from Partnership firms | 230.83 | 45.76 | 57.41 | 12.80 | 5.71 | 7.71 |
| Profit on ICICI Prudential Savings Fund | 102.62 | 30.31 | 147.17 | 9.53 | - | - |
| Interest received on advances | 176.48 | 344.83 | 281.09 | 77.35 | 121.64 | 86.00 |
| Net Cash Flow from Investing Activities (B) | (4.95) | (932.97) | 928.10 | (761.94) | 101.28 | (19.67) |
| | | | | | | |
| Cash Flow From Financing Activities | | | | | | |
| Proceeds from Share Capital | - | - | - | - | 350.00 | - |
| Proceeds from Share Application Money | - | - | - | - | (900.00) | 900.00 |
| Increase/(Decrease) of Long Term Borrowing | (1,056.40) | 579.12 | 1,284.36 | 3,299.50 | 1,589.78 | (54.92) |
| Increase/(Decrease) of Short Term Borrowing | 403.22 | 468.06 | 2,434.18 | (222.62) | 143.34 | (487.77) |
| Increase / (Decrease) in Other Long Term Liabilities | (606.51) | (2,724.35) | (3,900.22) | 1,941.55 | 89.53 | 3,761.92 |
| Increase/ (Decrease) of Long Term Loans & Advances | 15.51 | 482.31 | (125.62) | (219.68) | (262.98) | (376.38) |
| Finance Cost | (954.82) | (1,825.92) | (1,713.05) | (1,113.66) | (868.97) | (411.12) |

| Particulars | September 30, 2017 | As at March 31, | | | | |
|---|-----------------------|-------------------|-------------------|-----------------|-----------------|-----------------|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Net Cash Flow from Financing Activities (C) | (2,199.01) | (3,020.78) | (2,020.36) | 3,685.10 | 140.70 | 3,331.72 |
| Net Increase/ (Decrease) in Cash and Cash Equivalents (A + B + C) | 68.82 | 107.35 | (603.91) | 396.79 | (125.26) | 211.34 |
| Cash & Cash equivalent at the beginning of the year | 220.56 | 113.21 | 717.13 | 320.34 | 445.59 | 234.25 |
| Cash & Cash Equivalent at the end of the year | 289.38 | 220.56 | 113.22 | 717.13 | 320.34 | 445.59 |

Annexure IV

SIGNIFICANT ACCOUNTING POLICIES

The policies adopted in the preparation and presentation of the financial statements are as follows:

1. System of Accounting:

- a) The entity follows a mercantile system of accounting and recognises income and expenditure on accrual basis. Interest income will be accounted at the time of receipt in case the income is not quantifiable at the time of finalisation of accounts.
- b) Financial Statements are based on historical cost and their costs are not adjusted to reflect the impact of the changing purchasing value of money.
- c) Sale of land and plots (including development rights) is recognised in the financial year in which the agreement to sell/ application forms (containing salient terms of agreement to sell) is executed and there exists no uncertainty in the ultimate collection of consideration from buyers. Where the Company has any remaining substantial obligations as per agreements, revenue is recognised on “**percentage of completion method**”.

2. Fixed Asset and Depreciation:

Fixed Assets are carried at cost of acquisition or construction less accumulated depreciation. Fixed assets include all duties, non-refundable taxes and directly attributable costs incurred for bringing the asset into working condition for intended use.

Depreciation for fixed asset is calculated on straight line basis using the rates arrived at, based on the useful lives estimated by the management, which are equal to the useful lives prescribed under Schedule II to the Companies Act, 2013.

3. Valuation of Inventories:

Items of inventories are valued on the basis of landed cost on FIFO basis or market value whichever is lower.

- (i) Raw Materials : At landed cost on FIFO Basis
- (ii) Construction – Work-in-progress: At Cost or net realisable value whichever is lower.

4. Revenue Recognition:

Revenue from constructed properties for all projects commenced on or after April 01, 2012 or project where the revenue is recognized for the first time on or after the above date, is recognized in accordance with the Revised Guidance Note issued by the Institute of Chartered Accountants of India (“ICAI”) on ”Accounting for Real Estate Transactions (Revised 2012)”. As per the guidance note, the revenue have been recognized on percentage of completion method provided all of the following conditions are met at the reporting date.

- (i) Required critical approvals necessary for commencement of the project have been obtained.
- (ii) At least 25% of estimated construction and development costs (excluding land cost) has been incurred
- (iii) At least 25% of the saleable project area is secured by the Agreements to sell/ application forms (containing salient terms of the agreement to sell); and
- (iv) At least 10% of the total revenue as per agreement to sell are realized in respect of the agreements.

5. Other Income:

Interest income is accounted on accrual basis. Dividend Income is accounted for when the right to receive is established.

6. Provision for Current and Deferred Tax:

Provision for current, fringe and deferred tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act 1961. Deferred tax resulting from the “timing difference” between book and

taxable profit for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the asset will be realised in the future.

7. Earnings per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to the equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of the equity shares outstanding during the period.

8. Cash flow statement:

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

9. Current / Non-current classification:

The Schedule III to the Act requires assets and liabilities to be classified as either Current or Non-current. An asset is classified as current when it satisfies any of the following criteria:

- (i) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
 - (ii) it is held primarily for the purpose of being traded;
 - (iii) it is expected to be realised within twelve months after the reporting date; or
 - (iv) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.
- All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- (i) it is expected to be settled in, the Company's normal operating cycle;
 - (ii) it is held primarily for the purpose of being traded;
 - (iii) it is due to be settled within twelve months after the reporting date; or
 - (iv) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the opinion of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.
- All other liabilities are classified as non-current.

Operating Cycle

Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 3 to 4 years for the purpose of current and non-current classification of assets and liabilities.

10. Investments:

- (i) Long term Investments are carried at Cost plus brokerage and other charges. Provision is made to recognise a decline, other than temporary in value of investments and is determined separately for each individual investment.
- (ii) Current investments are carried at lower of cost and fair value, computed separately in respect of each category of investment.
- (iii) Investment properties are carried individually at cost less impairment, if any.

11. Employee Benefits:

(i) Short-Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries and wages, leave salary etc. and the expected cost of ex-gratia are recognized in the period in which the employee renders the related services.

(ii) Post Employment Benefits

Defined contribution & benefit plans:

The provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and the Gratuity Act, 1972 are not applicable to the Company. The Company does not have any other retirement benefit scheme for employees.

12. Borrowing Cost:

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are treated as direct cost and are considered as part of the cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

13. Impairment of Assets:

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit and Loss Statement. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

14. Provision, Contingent Liabilities and Contingent Assets:

The Company creates a provision where there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made where there is a possible obligation that may, but probably will not require an outflow of resources. When there is a possible obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Annexure V
NOTES TO ACCOUNTS

1. Managerial Remuneration

(₹ in lakhs)

| Particulars | September 30, 2017 | For the year ended March 31, | | | | |
|-------------------------|--------------------|------------------------------|-------|-------|-------|-------|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Salaries and Allowances | 18.00 | 36.00 | 25.00 | 24.00 | 24.00 | 24.00 |
| Other Fees | - | - | - | - | - | - |

2. Remuneration to Statutory Auditors

(₹ in lakhs)

| Particulars | September 30, 2017 | For the year ended March 31, | | | | |
|----------------------|--------------------|------------------------------|-------------|-------------|-------------|-------------|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Statutory Audit Fees | - | 0.85 | 0.70 | 0.70 | 0.75 | 0.87 |
| Tax Audit Fees | - | 0.40 | 0.30 | 0.30 | 0.42 | 0.53 |
| Total | - | 1.25 | 1.00 | 1.00 | 1.17 | 1.40 |

3. The Company has not received any intimation from suppliers regarding their status under micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure, if any, in relation to amount unpaid as at the yearend together with interest payable as required under the said Act have not been furnished.
4. The management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required.
5. Previous year figures have been re-grouped and reclassified wherever necessary to confirm to the current year classification.
6. There are no Auditor's Qualifications in any of the audited Financial Statements for the period ended September 30, 2017 and for the years ended as at March 31, 2017, 2016, 2015, 2014 and 2013.

7. Information regarding Foreign Exchange earnings and expenditure:

(₹ in lakhs)

| Particulars | September 30, 2017 | For the year ended March 31, | | | | |
|---------------------------------|--------------------|------------------------------|------|------|------|------|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Earning in Foreign Exchange | - | - | - | - | - | - |
| Expenditure in Foreign Exchange | - | - | - | - | - | - |

ADJUSTMENTS MADE IN RESTATED FINANCIAL STATEMENTS / REGROUPING NOTES

1) Restatements done in Profit & Loss Account that affect the Net Profit after Tax

Certain restatements have been made in order to correct the incorrect accounting treatment or errors of past financial years as explained below:

(₹ in lakhs)

| Particulars | September 30, 2017 | For the year ended March 31, | | | | |
|---|--------------------|------------------------------|---------------|---------------|---------------|---------------|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Profit after Tax as per Audited Financials | 551.88 | 768.79 | 632.24 | 307.83 | 343.53 | 272.31 |
| Changes made in Restated Financials | - | | | | | |
| Less: Depreciation charged on Office Premises | - | - | (0.43) | (0.43) | (0.03) | - |
| Less: Provision for Gratuity | - | - | (2.54) | (1.98) | (1.10) | (2.38) |
| Add: Provision for Gratuity for previous years | - | 10.18 | - | - | - | - |

| | | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| Add: Depreciation on Office Premises from FY 2014 to FY 2016 | - | 0.90 | - | - | - | - |
| Add: Short/(Excess)Provision for Tax | - | 23.27 | 8.16 | 2.14 | 18.15 | 0.46 |
| Profit after Tax as per Restated Financials | 551.88 | 803.14 | 637.43 | 307.56 | 360.55 | 270.39 |

2) Material Regroupings not affecting Net Profit after Tax

Appropriate adjustments have been made in the respective years of Restated Summary Statement of Assets and Liabilities, Restated Summary Statement of Profits and Losses and Restated Summary Statement of Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the regroupings as per the Audited financials of the Company for the year ended March 31, 2017 and for the period ended September 30, 2017, prepared in accordance with Schedule III, and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

Annexure VI

STATEMENT OF SHARE CAPITAL, AS RESTATED

(₹ in lakhs)

| Particulars | September 30, 2017 | As at March 31, | | | | |
|---|--------------------|-----------------|-----------------|---------------|---------------|---------------|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Authorised Share Capital : | | | | | | |
| 1,50,000 Equity Shares of ₹ 100/- each | - | - | - | - | - | 150.00 |
| 5,00,000 Equity Shares of ₹ 100/- each | - | - | - | 500.00 | 500.00 | - |
| 1,00,00,000 Equity Shares of ₹ 10/- each | - | - | 1,000.00 | - | - | - |
| 1,40,00,000 Equity Shares of ₹ 10/- each | 1,400.00 | 1,400.00 | - | - | - | - |
| Total | 1,400.00 | 1,400.00 | 1,000.00 | 500.00 | 500.00 | 150.00 |
| Issued Subscribed and Paid Up Capital : | | | | | | |
| 1,50,000 Equity Shares of ₹ 100/- each, fully paid up | - | - | - | - | - | 150.00 |
| 5,00,000 Equity Shares of ₹ 100/- each, fully paid up | - | - | - | 500.00 | 500.00 | - |
| 50,00,000 Equity Shares of ₹ 10/- each, fully paid up | - | - | 500.00 | - | - | - |
| 90,00,000 Equity Shares of ₹ 10/- each, fully paid up | - | 900.00 | - | - | - | - |
| 1,00,00,000 Equity Shares of ₹ 10/- each, fully paid up | 1,000.00 | - | - | - | - | - |
| Total | 1,000.00 | 900.00 | 500.00 | 500.00 | 500.00 | 150.00 |

Reconciliation of number of shares outstanding:

| Particulars | September 30, 2017 | As at March 31, | | | | |
|---|--------------------|------------------|------------------|----------------|----------------|----------------|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Equity Shares | | | | | | |
| At the beginning of the period (Equity Shares of ₹ 100/- each, fully paid up) | 90,00,000 | - | 5,00,000 | 500,000 | 150,000 | 50,000 |
| At the beginning of the period (Equity Shares of ₹ 10/- each, fully paid up) | - | 50,00,000 | - | - | - | - |
| Addition during the period (of ₹ 100/- each, fully paid up) | - | - | - | - | 350,000 | 100,000 |
| Split into ₹ 10/- each, fully paid up | - | - | 50,00,000 | - | - | - |
| Add: Bonus Shares issued during the year | 10,00,000 | 40,00,000 | - | - | - | - |
| Outstanding at the end of the period | 1,00,00,000 | 90,00,000 | 50,00,000 | 500,000 | 500,000 | 150,000 |

Annexure VII
STATEMENT OF RESERVES AND SURPLUS

(₹ in lakhs)

| Particulars | September 30, 2017 | As at March 31, | | | | |
|--|--------------------|-----------------|-----------------|-----------------|---------------|---------------|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Profit & Loss A/c | | | | | | |
| Balance as at the beginning of the year | 2,135.05 | 505.18 | 1,125.91 | 820.49 | 478.09 | 210.12 |
| Add : Profit/(Loss) for the year transferred to reserves | 551.88 | 803.14 | 637.43 | 307.56 | 360.55 | 270.39 |
| Add: Change in method of depreciation | - | - | - | - | - | 0.24 |
| Add/(Less): Transfer (to)/from Debenture Redemption Reserves | - | 1,250.00 | (1,250.00) | - | - | - |
| Less: Issue of Bonus Shares | (100.00) | (400.00) | - | - | - | - |
| Less: Short/(Excess)Provision for Tax | - | (23.27) | (8.16) | (2.14) | (18.15) | (0.46) |
| Less: Gratuity provision for previous years | - | - | - | - | - | (2.20) |
| Balance as at the end of the year | 2,586.94 | 2,135.05 | 505.18 | 1,125.91 | 820.49 | 478.09 |
| Debenture Redemption Reserve | | | | | | |
| Balance as at the beginning of the year | - | 1,250.00 | - | - | - | - |
| Add: Transfer from reserves | - | - | 1,250.00 | - | - | - |
| Less: Debentured redeemed | - | (1,250.00) | - | - | - | - |
| Balance as at the end of the year | - | - | 1,250.00 | - | - | - |
| Total | 2,586.94 | 2,135.05 | 1,755.18 | 1,125.91 | 820.49 | 478.09 |

Annexure VIII
STATEMENT OF LONG TERM BORROWINGS, AS RESTATED

(₹ in lakhs)

| Particulars | September 30, 2017 | As at March 31, | | | | |
|---|--------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Secured Loans | | | | | | |
| Loan from banks and financial institution | 6,934.91 | 7,958.54 | 5,210.87 | 1,135.80 | 2,828.34 | 1,238.56 |
| Other long term borrowings | - | - | 2,201.33 | 4,992.04 | - | - |
| Total (a) | 6,934.91 | 7,958.54 | 7,412.20 | 6,127.84 | 2,828.34 | 1,238.56 |
| Unsecured Loans | | | | | | |
| Loan from Corporate | - | 32.77 | - | - | - | - |
| Total (b) | - | 32.77 | - | - | - | - |
| Total | 6,934.91 | 7,991.32 | 7,412.20 | 6,127.84 | 2,828.34 | 1,238.56 |

For further details w.r.t. long term borrowings, kindly see chapter titled "Financial Indebtedness" on page no. 183 of this Prospectus.

Annexure IX
STATEMENT OF OTHER LONG TERM LIABILITIES, AS RESTATED

(₹ in lakhs)

| Particulars | September 30, 2017 | As at March 31, | | | | |
|---------------------------------|--------------------|-----------------|-----------------|------------------|------------------|------------------|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Advances received from customer | 5,240.12 | 5,855.09 | 8,580.18 | 12,480.41 | 10,538.85 | 10,449.32 |
| Rent Deposit Received | 9.21 | 0.75 | - | - | - | - |
| Total | 5,249.33 | 5,855.84 | 8,580.18 | 12,480.41 | 10,538.85 | 10,449.32 |

Annexure X
STATEMENT OF LONG TERM PROVISION, AS RESTATED

(₹ in lakhs)

| Particulars | September 30, 2017 | As at March 31, | | | | |
|------------------------|--------------------|-----------------|-------------|-------------|-------------|-------------|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Provision for Gratuity | 13.95 | 12.65 | 9.98 | 7.51 | 5.57 | 4.49 |
| Total | 13.95 | 12.65 | 9.98 | 7.51 | 5.57 | 4.49 |

Annexure XI
STATEMENT OF SHORT TERM BORROWINGS, AS RESTATED

(₹ in lakhs)

| Particulars | September 30, 2017 | As at March 31, | | | | |
|------------------------|--------------------|-----------------|-----------------|---------------|---------------|---------------|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Secured Loans | | | | | | |
| From Banks | 2,509.82 | 2,510.17 | 1,252.24 | 310.35 | 497.37 | 359.93 |
| Unsecured Loans | | | | | | |
| Loan from Director | 1,106.00 | 702.43 | 399.69 | - | 35.60 | 29.71 |
| Loan from Corporate | - | - | 1,092.60 | - | - | - |
| Total | 3,615.82 | 3,212.60 | 2,744.54 | 310.35 | 532.97 | 389.64 |

| | | | | | | |
|----------------------|------------------|------------------|------------------|-----------------|-----------------|-----------------|
| Secured Borrowings | 12,143.74 | 12,367.21 | 10,813.29 | 8,130.73 | 5,760.63 | 3,163.99 |
| Unsecured Borrowings | 1,106.00 | 735.20 | 399.69 | - | 35.60 | 29.71 |
| Total | 13,249.74 | 13,102.42 | 11,212.98 | 8,130.73 | 5,796.24 | 3,193.70 |

For further details w.r.t. short term borrowings, kindly see chapter titled "Financial Indebtedness" on page no. 183 of this Prospectus.

Annexure XII
STATEMENT OF TRADE PAYABLES, AS RESTATED

(₹ in lakhs)

| Particulars | September 30, 2017 | As at March 31, | | | | |
|------------------------------|--------------------|-----------------|---------------|---------------|---------------|---------------|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Creditors for Expense | 707.44 | 404.22 | 730.85 | 568.61 | 417.82 | 455.35 |
| Creditors for Plot Purchases | - | 250.46 | 201.00 | 246.58 | 307.27 | 442.74 |
| Total | 707.44 | 654.67 | 931.85 | 815.19 | 725.10 | 898.09 |

Annexure XIII
STATEMENT OF OTHER CURRENT LIABILITIES, AS RESTATED

(₹ in lakhs)

| Particulars | September 30, 2017 | As at March 31, | | | | |
|--------------------------------------|--------------------|-----------------|----------|----------|----------|----------|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Current maturities of long term debt | 2,699.01 | 1,898.50 | 2,148.85 | 1,692.53 | 2,434.92 | 1,565.51 |
| Statutory dues payable | | | | | | |
| - TDS | 16.39 | 47.76 | 38.89 | 29.64 | 20.23 | 22.58 |
| -VAT | - | 10.38 | 10.46 | 4.98 | 4.20 | (7.31) |
| -LBT | - | - | - | 1.28 | 0.65 | - |
| -Profession tax | 0.12 | 0.12 | 0.06 | - | 0.16 | 0.06 |
| -Service Tax | 7.72 | 0.64 | 2.71 | 0.01 | - | - |
| -ESIC | 0.36 | 0.37 | 0.08 | 0.08 | - | - |
| Rent Payable | 7.70 | - | 1.63 | 8.10 | - | - |
| Audit fees payable | - | - | - | - | 1.40 | 1.24 |
| Salary payable | 13.07 | 11.77 | 13.09 | 15.66 | 5.16 | 37.45 |
| Other expense payable | - | 0.46 | 2.25 | - | - | 0.13 |
| Stamp duty registration receipts | - | - | 12.66 | 32.15 | 11.42 | - |
| Other amenities receipts | - | - | 26.12 | 12.69 | 7.95 | - |
| Book overdraft | 467.35 | 412.56 | 475.41 | - | - | - |

| | | | | | | |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Director's Salary Paayable | 13.46 | - | - | - | - | - |
| Payable to Partnership firms | | | | | | |
| Karda Infrastructures | 1,844.32 | 1,133.29 | - | - | - | - |
| Green Enterprises | 8.01 | 11.53 | - | - | - | - |
| Bhakti Enterprises | 478.09 | 128.27 | - | - | - | - |
| Total | 5,555.59 | 3,655.64 | 2,732.22 | 1,797.12 | 2,486.10 | 1,619.66 |

Annexure XIV
STATEMENT OF SHORT TERM PROVISIONS, AS RESTATED

(₹ in lakhs)

| Particulars | September 30, 2017 | As at March 31, | | | | |
|--------------------------|--------------------|-----------------|---------------|---------------|---------------|---------------|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Provision for Income Tax | 632.50 | 430.00 | 289.40 | 134.00 | 168.00 | 108.00 |
| Provision for Gratuity | 0.33 | 0.26 | 0.20 | 0.14 | 0.10 | 0.09 |
| Other Provisions | 0.14 | - | - | - | - | - |
| Total | 632.97 | 430.26 | 289.61 | 134.14 | 168.10 | 108.09 |

Annexure XV
STATEMENT OF FIXED ASSETS, AS RESTATED

(₹ in lakhs)

| Particulars | September 30, 2017 | As at March 31, | | | | |
|---------------------------------|--------------------|-----------------|---------------|---------------|---------------|---------------|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| OFFICE EQUIPMENTS | | | | | | |
| Opening Balance | 28.36 | 16.79 | 16.67 | 16.06 | 12.78 | - |
| Addition during the year | 8.45 | 11.57 | 0.12 | 0.61 | 3.28 | 12.78 |
| Reduction during the year | - | - | - | - | - | - |
| Accumulated Depreciation | 16.82 | 13.51 | 8.21 | 4.01 | 0.93 | 0.20 |
| Closing Balance | 19.99 | 14.85 | 8.58 | 12.66 | 15.13 | 12.58 |
| FURNITURE | | | | | | |
| Opening Balance | 28.37 | 7.81 | 7.42 | 7.42 | 7.24 | - |
| Addition during the year | 2.36 | 20.56 | 0.39 | - | 0.18 | 7.64 |
| Reduction during the year | - | - | - | - | - | 0.40 |
| Accumulated Depreciation | 5.25 | 3.89 | 2.02 | 1.31 | 0.60 | 0.14 |
| Closing Balance | 25.48 | 24.49 | 5.79 | 6.11 | 6.82 | 7.10 |
| INTERIOR - Nashik Office | | | | | | |
| Opening Balance | 137.74 | 137.74 | 137.74 | 137.74 | 137.54 | - |
| Addition during the year | - | - | - | - | 0.20 | 137.54 |
| Reduction during the year | - | - | - | - | - | - |
| Accumulated Depreciation | 49.36 | 43.09 | 29.78 | 18.45 | 5.36 | 0.77 |
| Closing Balance | 88.38 | 94.65 | 107.96 | 119.29 | 132.37 | 136.77 |
| PRINTER & SCANNER | | | | | | |
| Opening Balance | 1.91 | 1.91 | 1.91 | 1.91 | 1.91 | - |
| Addition during the year | 0.25 | - | - | - | - | 1.91 |
| Reduction during the year | - | - | - | - | - | - |
| Accumulated Depreciation | 0.53 | 0.47 | 0.35 | 0.23 | 0.11 | 0.02 |
| Closing Balance | 1.63 | 1.44 | 1.56 | 1.68 | 1.80 | 1.89 |
| COMPUTER – Hardware | | | | | | |
| Opening Balance | 12.71 | 11.68 | 7.17 | 5.47 | 4.92 | - |
| Addition during the year | 1.49 | 1.02 | 4.51 | 1.70 | 0.55 | 4.96 |
| Reduction during the year | - | - | - | - | - | 0.04 |
| Accumulated Depreciation | 9.93 | 8.83 | 6.49 | 3.00 | 0.94 | 0.13 |
| Closing Balance | 4.27 | 3.87 | 5.19 | 4.17 | 4.53 | 4.79 |

| Particulars | September 30, 2017 | As at March 31, | | | | |
|---------------------------------------|--------------------|-----------------|---------------|---------------|---------------|---------------|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| COMPUTER – Software | | | | | | |
| Opening Balance | 3.60 | 2.79 | 1.58 | 1.58 | 1.26 | - |
| Addition during the year | 1.35 | 0.81 | 1.21 | - | 0.33 | 1.26 |
| Reduction during the year | - | - | - | - | - | - |
| Accumulated Depreciation | 2.68 | 2.26 | 1.69 | 0.83 | 0.32 | 0.07 |
| Closing Balance | 2.27 | 1.35 | 1.11 | 0.76 | 1.26 | 1.19 |
| GENERATOR | | | | | | |
| Opening Balance | 26.80 | 15.65 | 9.17 | 7.93 | 1.39 | 1.16 |
| Addition during the year | 4.42 | 11.15 | 6.48 | 1.24 | 6.54 | 0.24 |
| Reduction during the year | - | - | - | - | - | - |
| Accumulated Depreciation | 4.04 | 3.10 | 1.55 | 0.92 | 0.38 | 0.07 |
| Closing Balance | 27.18 | 23.69 | 14.09 | 8.25 | 7.55 | 1.32 |
| MUMBAI OFFICE – Assets | | | | | | |
| Opening Balance | 27.37 | 27.37 | 27.37 | 27.37 | - | - |
| Addition during the year | - | - | - | - | 27.37 | - |
| Reduction during the year | - | - | - | - | - | - |
| Accumulated Depreciation | 1.55 | 1.33 | 0.90 | 0.47 | 0.03 | - |
| Closing Balance | 25.82 | 26.03 | 26.47 | 26.90 | 27.33 | - |
| TRUCK | | | | | | |
| Opening Balance | 8.60 | 8.60 | - | - | - | - |
| Addition during the year | - | - | 8.60 | - | - | - |
| Reduction during the year | - | - | - | - | - | - |
| Accumulated Depreciation | 1.75 | 1.23 | 0.21 | - | - | - |
| Closing Balance | 6.85 | 7.37 | 8.39 | - | - | - |
| Tangible Gross Block | 288.82 | 271.85 | 227.54 | 207.44 | 203.89 | 165.78 |
| Intangible Gross Block | 4.95 | 3.60 | 2.79 | 1.58 | 1.58 | 1.26 |
| Total Accumulated Depreciation | 91.91 | 77.72 | 51.21 | 29.21 | 8.68 | 1.40 |
| Net Block | 201.86 | 197.73 | 179.13 | 179.82 | 196.80 | 165.64 |

Annexure XVI

STATEMENT OF NON CURRENT INVESTMENTS, AS RESTATED

(₹ in lakhs)

| Particulars | September 30, 2017 | As at March 31, | | | | |
|---|--------------------|-----------------|---------------|-----------------|---------------|---------------|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Investment in Unquoted Securities | | | | | | |
| Nashik Road Deolali Vyapari Bank | 5.03 | 5.03 | 5.03 | 5.03 | - | - |
| Nashik Merchant Co-op Bank | - | 11.69 | 11.69 | 11.69 | 11.69 | 9.21 |
| Shree Sainath Land and Developers (I) Pvt Ltd | 24.00 | 24.00 | 24.00 | 24.00 | 24.00 | 24.00 |
| Investment in Property | | | | | | |
| Plot S. no. 292/1A/Bhagur | 22.21 | 22.21 | 22.21 | 22.21 | 22.21 | 22.21 |
| Investment in Partnership firms(Fixed Capital) | | | | | | |
| Green Enterprises | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 |
| Sai Associates | 98.60 | 98.60 | 128.60 | 128.60 | 128.60 | 128.60 |
| Karda Infrastructures | 0.17 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 |
| Bhakti Enterprises | 0.05 | 0.05 | 0.05 | - | - | - |
| Investment in Quoted Mutual Funds | | | | | | |
| ICICI Prudential Savings Fund | 2,341.68 | 1,819.56 | 450.00 | 878.53 | - | - |
| Total | 2,492.24 | 1,981.84 | 642.28 | 1,070.76 | 187.20 | 184.52 |

Annexure XVII
STATEMENT OF LONG TERM LOANS AND ADVANCES, AS RESTATED

(₹ in lakhs)

| Particulars | September 30, 2017 | As at March 31, | | | | |
|------------------------------------|--------------------|-----------------|-----------------|-----------------|---------------|---------------|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Unsecured, Considered Good: | | | | | | |
| Advance for Land/Plot Purchase | 167.00 | 167.00 | 696.00 | 642.50 | 610.50 | 443.00 |
| Advance for TDR Purchase | - | - | - | 0.75 | 11.95 | 0.75 |
| PMGKY Deposit | 54.39 | 54.39 | - | - | - | - |
| Security Deposits | | | | | | |
| EMD Deposit -Government Contract | 71.85 | 79.28 | - | - | - | - |
| MSEDCL Deposit | 1.28 | 0.95 | - | - | - | - |
| Flat at Goa | 0.39 | 0.39 | - | - | - | - |
| Telephone deposit | 0.01 | 0.01 | - | - | - | - |
| Fixed Deposit with Bank | 356.53 | 364.94 | 453.27 | 380.40 | 181.53 | 97.24 |
| Total | 651.45 | 666.96 | 1,149.27 | 1,023.65 | 803.97 | 540.99 |

Annexure XVIII
STATEMENT OF INVENTORIES, AS RESTATED

(₹ in lakhs)

| Particulars | September 30, 2017 | As at March 31, | | | | |
|-----------------------------|--------------------|------------------|------------------|------------------|------------------|------------------|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Closing Inventories: | | | | | | |
| -Finished Goods | 303.46 | 369.74 | 1,017.09 | 1,790.57 | 3,195.89 | 4,056.84 |
| - Work-in-progress | 14,140.52 | 14,181.21 | 14,946.99 | 14,008.97 | 10,114.24 | 8,094.27 |
| -Plots/Land Bank | 2,727.81 | 2,556.84 | 2,839.18 | 2,528.04 | 1,977.15 | 907.29 |
| Total | 17,171.78 | 17,107.79 | 18,803.25 | 18,327.58 | 15,287.27 | 13,058.41 |

Annexure XIX
STATEMENT OF TRADE RECEIVABLES, AS RESTATED

(₹ in lakhs)

| Particulars | September 30, 2017 | As at March 31, | | | | |
|-----------------------------------|--------------------|-----------------|--------------|--------------|--------------|--------------|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Unsecured, considered good | | | | | | |
| More than six months | - | - | 0.86 | 4.89 | 5.83 | - |
| Others | 26.56 | 69.49 | 21.59 | 25.44 | 48.82 | 66.67 |
| Total | 26.56 | 69.49 | 22.45 | 30.33 | 54.65 | 66.67 |

Annexure XX
STATEMENT OF CASH AND CASH EQUIVALENTS, AS RESTATED

(₹ in lakhs)

| Particulars | September 30, 2017 | As at March 31, | | | | |
|----------------------------|--------------------|-----------------|---------------|---------------|---------------|---------------|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Cash in Hand | 107.60 | 132.13 | 24.28 | 249.74 | 9.21 | 69.06 |
| Total (a) | 107.60 | 132.13 | 24.28 | 249.74 | 9.21 | 69.06 |
| Balances with Banks | | | | | | |
| In Current Account | 92.91 | 59.51 | 46.13 | 445.75 | 277.54 | 336.91 |
| In DSR Account | - | - | - | - | - | 17.77 |
| In Escrow Account | 28.69 | 28.92 | 42.80 | 21.64 | 33.59 | 21.86 |
| In Rera account | 60.18 | - | - | - | - | - |
| Total (b) | 181.78 | 88.43 | 88.93 | 467.39 | 311.13 | 376.53 |
| Total (a+b) | 289.38 | 220.56 | 113.21 | 717.13 | 320.34 | 445.59 |

"Pursuant to the MCA notification G.S.R. 308 (E) dated March 30, 2017, the details of Specified Bank Notes (SBNs) held and transacted during the period from November 08, 2016 to December 30, 2016 are given below.

(₹ in lakhs)

| Particulars | SBNs | Other denomination notes | Total |
|---------------------------------------|--------|--------------------------|--------|
| Closing cash in hand as on 08.11.2016 | 652.60 | 130.85 | 783.45 |
| (+) Permitted receipts | Nil | 0.39 | 0.39 |
| (-) Permitted payments | Nil | 7.23 | 7.23 |
| (-) Amount deposited in Banks | 652.60 | Nil | 652.60 |
| Closing cash in hand as on 30.12.2016 | Nil | 124.01 | 124.01 |

For the purposes of this clause, the term “Specified Bank Notes” shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016”.

Annexure XXI

STATEMENT OF SHORT TERM LOANS AND ADVANCES, AS RESTATED

(₹ in lakhs)

| Particulars | September 30, 2017 | As at March 31, | | | | |
|---------------------|--------------------|-----------------|-----------------|-----------------|---------------|-----------------|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Advance to Supplier | 18.85 | 25.51 | 109.42 | 151.71 | 207.49 | 199.28 |
| Advance Salary | 0.75 | 1.06 | 1.80 | 2.93 | 4.94 | 0.24 |
| Other Advances | 4,667.42 | 4,059.06 | 3,385.78 | 1,352.61 | 223.67 | 1,436.48 |
| Total | 4,687.02 | 4,085.62 | 3,497.00 | 1,507.25 | 436.10 | 1,636.00 |

Annexure XXII

STATEMENT OF OTHER CURRENT ASSETS, AS RESTATED

(₹ in lakhs)

| Particulars | September 30, 2017 | As at March 31, | | | | |
|---|--------------------|-----------------|---------------|---------------|-----------------|---------------|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Advance Tax | 255.00 | 170.00 | 130.00 | 115.00 | 130.00 | 90.00 |
| Balances with government authorities | | | | | | |
| - Income Tax - IT Appeal | 204.69 | 185.69 | 105.00 | 60.00 | - | 3.96 |
| -MVAT Receivable | - | - | 5.54 | 5.77 | 6.24 | 6.86 |
| -Service Tax Inputs | 25.94 | 31.70 | 168.11 | 126.56 | 66.14 | 17.73 |
| -Service Tax Inputs (RCM) | - | 2.20 | - | - | - | - |
| -Service RCM | - | 3.96 | 3.96 | 3.97 | 2.53 | - |
| -Service Tax Receivable | - | 25.84 | - | - | - | - |
| -TDS | 51.21 | 45.80 | 35.59 | - | 17.64 | - |
| GST Receivable | 103.13 | - | - | - | - | - |
| -TCS | - | - | - | 14.57 | 0.07 | 9.19 |
| Other advances | 36.35 | - | 2.16 | - | - | - |
| Preliminary expenses not w/off | - | - | - | - | 0.23 | 0.47 |
| Prepaid interest on secured loan | 15.68 | - | - | - | - | - |
| Other receivables | | | | | | |
| TDS Receivable from financial institutions | 18.30 | 36.59 | - | - | - | - |
| Stamp duty | 17.47 | 14.60 | - | - | - | - |
| Rent Receivable | - | 1.39 | - | - | - | - |
| MVAT Receivable from customer | 5.16 | 5.16 | - | - | - | - |
| Share Issue Expense | 45.80 | 0.80 | - | - | - | - |
| Other Receivables | 2.93 | | | | | |
| Due from Partnership firms | | | | | | |
| Green Enterprises | - | - | 5.61 | 0.17 | 125.20 | 12.70 |
| Karda Infrastructure | - | - | 80.45 | 122.09 | 978.00 | - |
| Bhakti Enterprises | - | - | 18.41 | - | - | - |
| Total | 781.69 | 523.73 | 554.83 | 448.11 | 1,326.05 | 140.91 |

Annexure XXIII
STATEMENT OF REVENUE FROM OPERATIONS, AS RESTATED

(₹ in lakhs)

| Particulars | September 30, 2017 | For the year ended March 31, | | | | |
|------------------------|--------------------|------------------------------|------------------|-----------------|-----------------|-----------------|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Sale of Flats/Premises | 4,034.90 | 10,530.56 | 9,743.58 | 4,514.03 | 5,753.84 | 4,154.14 |
| Sale of Plot | - | - | 328.00 | - | - | 58.00 |
| Sale of TDR | - | - | - | - | - | 13.00 |
| Total | 4,034.90 | 10,530.56 | 10,071.58 | 4,514.03 | 5,753.84 | 4,225.14 |

Annexure XXIV
STATEMENT OF OTHER INCOME, AS RESTATED

(₹ in lakhs)

| Particulars | September 30, 2017 | For the year ended March 31, | | | | |
|---|--------------------|------------------------------|---------------|---------------|---------------|---------------|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Recurring: | | | | | | |
| Interest on Advances | 176.48 | 344.83 | 281.09 | 77.35 | 121.64 | 86.00 |
| Interest on Fixed Deposits | 13.70 | 28.33 | 33.53 | 23.19 | 13.17 | 5.93 |
| Profit from Partnership Firm | 230.83 | 45.76 | 57.41 | 12.80 | 5.71 | 7.71 |
| Dividend on Shares | 0.20 | 2.52 | 1.78 | 2.34 | 1.88 | 1.88 |
| Profit on ICICI Prudential Savings Fund | 102.62 | 30.31 | 147.17 | 9.53 | - | - |
| Non- Recurring: | | | | | | |
| Interest on Income Tax Refund | - | - | - | - | 0.47 | - |
| Interest on Late Collection | - | - | - | - | - | 2.00 |
| Miscellaneous income | - | 7.71 | 0.91 | 13.07 | 10.67 | |
| Rent Received | 11.00 | 12.23 | - | 1.15 | - | - |
| Total | 534.83 | 471.71 | 521.89 | 139.41 | 153.55 | 103.51 |

Annexure XXV
STATEMENT OF RELATED PARTY TRANSACTIONS, AS RESTATED

As per Accounting Standard 18 on related party disclosure issue by the Institute of Chartered Accountants of India, the Company's related parties are disclosed below:

(i) Key Managerial Personnel

| September 30, 2017 | For the year ended March 31, | | | | |
|--------------------|------------------------------|-------------------|-------------------|-------------------|-------------------|
| | 2017 | 2016 | 2015 | 2014 | 2013 |
| Mr. Naresh Karda | Mr. Naresh Karda | Mr. Naresh Karda | Mr. Naresh Karda | Mr. Naresh Karda | Mr. Naresh Karda |
| Mr. Manohar Karda | Mr. Manohar Karda | Mr. Manohar Karda | Mr. Manohar Karda | Mr. Manohar Karda | Mr. Manohar Karda |
| Mrs. Disha Karda | Mrs. Disha Karda | Mrs. Disha Karda | - | - | - |

(ii) Relatives of KMPs

| September 30, 2017 | For the year ended March 31, | | | | |
|----------------------|------------------------------|----------------------|----------------------|----------------------|----------------------|
| | 2017 | 2016 | 2015 | 2014 | 2013 |
| Mr. Karamchand Karda | Mr. Karamchand Karda | Mr. Karamchand Karda | Mr. Karamchand Karda | Mr. Karamchand Karda | Mr. Karamchand Karda |
| - | - | - | Mrs. Disha Karda | Mrs. Disha Karda | Mrs. Disha Karda |
| Mr. Prem Karda | Mr. Prem Karda | Mr. Prem Karda | Mr. Prem Karda | Mr. Prem Karda | Mr. Prem Karda |

(iii) Associates / Enterprises over which directors and / or their relatives has significant influence

| September 30, 2017 | For the year ended March 31, | | | | |
|--|--|-----------------------|--------------------------|--|--|
| | 2017 | 2016 | 2015 | 2014 | 2013 |
| Dhrishti Ceramics | Dhrishti Ceramics | Dhrishti Ceramics | Dhrishti Ceramics | - | - |
| Karda Infrastructures | Karda Infrastructures | Karda Infrastructures | Karda Infrastructures | Karda Infrastructures | - |
| Green Enterprises | Green Enterprises | Green Enterprises | Green Enterprises | Green Enterprises | Green Enterprises |
| Devesh Infrastructures | Devesh Infrastructures | - | - | - | - |
| Karda Buildcon Pvt. Ltd. | Karda Buildcon Pvt. Ltd. | - | Karda Buildcon Pvt. Ltd. | Karda Buildcon Pvt. Ltd. | - |
| Shree Sainath Land & Development (India) Pvt. Ltd. | Shree Sainath Land & Development (India) Pvt. Ltd. | - | - | Shree Sainath Land & Development (India) Pvt. Ltd. | Shree Sainath Land & Development (India) Pvt. Ltd. |
| Karda Construction | Karda Construction | - | - | - | - |
| Sai Associates | Sai Associates | Sai Associates | Sai Associates | Sai Associates | Sai Associates |
| Bhakti Enterprises | Bhakti Enterprises | Bhakti Enterprises | - | - | - |

(iv) Particulars of Transactions with Related Parties

Key Managerial Personnel

(₹ in lakhs)

| Particulars | September 30, 2017 | For the year ended March 31, | | | | |
|---------------------------|--------------------|------------------------------|----------|------------|------------|----------|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| 1) Finance | | | | | | |
| Loan Taken | 1,759.51 | 2,932.53 | 752.34 | 1,768.86 | 1,735.78 | 518.35 |
| Repayment of Loan taken | (1355.94) | (2,792.82) | (355.24) | (1,789.66) | (1,769.51) | (557.52) |
| 2) Expenses | | | | | | |
| Salary/ Remuneration | 18.00 | 36.00 | 25.00 | 24.00 | 24.00 | 24.00 |
| Interest Expenses | 114.16 | 181.13 | 2.88 | - | 41.43 | 11.09 |
| Rent Expenses | 6.00 | 12.00 | 12.00 | 12.00 | 12.00 | 12.00 |
| 3) Closing Balance | | | | | | |
| Unsecured loan | 1,106.00 | 702.43 | 399.69 | - | 35.60 | 29.71 |

Relatives of Key Managerial Personnel

(₹ in lakhs)

| Particulars | September 30, 2017 | For the year ended March 31, | | | | |
|-------------------------|--------------------|------------------------------|-------|-------|-------|-------|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| 1) Finance | | | | | | |
| Loan Taken | - | - | - | - | - | - |
| Repayment of Loan taken | - | - | - | - | - | - |
| 2) Expense | | | | | | |
| Salary/ Remuneration | 6.00 | 12.00 | 23.00 | 24.00 | 24.00 | 24.00 |
| Rent Paid | 3.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 |

Associates / Enterprises over which directors and / or their relatives has significant influence

(₹ in lakhs)

| Particulars | September 30, 2017 | For the year ended March 31, | | | | |
|----------------------|--------------------|------------------------------|------------|----------|------------|----------|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| 1) Finance | | | | | | |
| Capital Introduced | (1,302.18) | (1,619.90) | (7,927.42) | (625.57) | (1,473.71) | (134.27) |
| Capital Withdrawn | 2,128.72 | 2,981.70 | 7,887.75 | 1,593.71 | 377.30 | 203.52 |
| 2) Expense | | | | | | |
| Material Purchased | 23.95 | 40.62 | 33.70 | 66.25 | - | - |
| Interest Expenses | | 0.87 | - | - | - | - |
| 3) Income | | | | | | |
| Share of Profit from | 230.83 | 45.76 | 57.41 | 12.80 | 5.71 | 7.71 |

| | | | | | | |
|------------------------------|----------|----------|--------|--------|----------|----------|
| Partnership firms | | | | | | |
| Rent Earned | 0.93 | 1.86 | - | - | - | - |
| Interest Income | | - | 3.16 | 7.12 | 111.12 | 85.96 |
| 4) Closing Balance | | | | | | |
| Payable to Partnership firms | 2,330.42 | 1,273.09 | - | - | - | - |
| Due from Partnership firms | - | - | 104.47 | 122.26 | 1,103.20 | 12.70 |
| Loans / Advances | - | - | - | - | - | 1,424.63 |

**Annexure XXVI
STATEMENT OF CAPITALIZATION**

(₹ in lakhs)

| Particular | Pre Issue (as at September 30, 2017) | Post Issue* |
|--|---|------------------|
| Debt | | |
| Long Term Debt | 9,633.92 | 8,933.92 |
| Short Term Debt | 3,615.82 | 1,315.82 |
| Total Debts (A) | 13,249.74 | 10,249.74 |
| Equity (Shareholder's funds) | | |
| Equity share capital | 1,000.00 | 1,230.00 |
| Reserve and Surplus | 2,586.94 | 6,496.94 |
| Total Equity (B) | 3,586.94 | 7,726.94 |
| Long Term Debt / Equity Shareholder's funds | 2.69 | 1.15 |
| Total Debts / Equity Shareholder's funds | 3.69 | 1.33 |

* Assuming repayment of the loans / debt facilities as per Objects of the Issue on page no. of this Prospectus.

Note:

- The above has been computed on the basis of Restated Financials of the Company.

**Annexure XXVII
STATEMENT OF CONTINGENT LIABILITIES, AS RESTATED**

(₹ in lakhs)

| Particulars | September 30, 2017 | As at March 31, | | | | |
|--|-----------------------|-----------------|-----------------|-----------------|----------|----------|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Guarantee given for loan taken by Karda Infrastructure | 500.00 | 928.09 | 1,282.45 | 1,491.60 | - | - |
| Guarantee given/ Co-Borrower for loan taken by Shree Sainath Land & Development (India) Pvt Ltd* | 3643.61 | 3,865.77 | 4,000.00 | - | - | - |
| Income Tax for AY 2010-11 | 200.00 | 200.00 | 200.00 | - | - | - |
| Income Tax for AY 2014-15 | 31.28 | 31.28 | - | - | - | - |
| Income Tax for AY 2015-16 | 203.91 | - | - | - | - | - |
| Sales tax for FY 2013-14 | - | 0.54 | - | - | - | - |
| Sales tax for FY 2012-13 | 58.46 | 58.46 | - | - | - | - |
| Total | 4,637.26 | 5,084.14 | 5,482.45 | 1,491.60 | - | - |

Annexure XXVIII
STATEMENT OF ACCOUNTING RATIOS, AS RESTATED

(₹ in lakhs)

| Particulars | September 30, 2017 | For the year ended March 31, | | | | |
|---|--------------------|------------------------------|-------------|-------------|-------------|-------------|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Restated PAT as per P & L Account | 551.88 | 803.14 | 637.43 | 307.56 | 360.55 | 270.39 |
| Actual number of shares outstanding at the end of period | 1,00,00,000 | 9,000,000 | 5,000,000 | 50,00,000 | 50,00,000 | 15,00,000 |
| Weighted Average Number of Equity Shares at the end of the period | 1,00,00,000 | 1,00,00,000 | 1,00,00,000 | 1,00,00,000 | 1,00,00,000 | 1,00,00,000 |
| Share Capital | 1,000.00 | 900.00 | 500.00 | 500.00 | 500.00 | 150.00 |
| Reserves and Surplus | 2,586.94 | 2,135.05 | 1,755.18 | 1,125.91 | 820.49 | 478.09 |
| Net Worth | 3,586.94 | 3,035.05 | 2,255.18 | 1,625.91 | 1,320.49 | 628.09 |
| Earnings Per Share | | | | | | |
| Basic and Diluted | 5.52 | 8.03 | 6.37 | 3.08 | 3.61 | 4.16 |
| Return on Net Worth (%) | 15.39% | 26.46% | 28.27% | 18.92% | 27.30% | 43.05% |
| Net Asset Value Per Share (₹) | 35.87 | 33.72 | 45.10 | 32.52 | 26.41 | 41.87 |
| Nominal Value per Equity Share (₹) | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 |

Notes on Accounting Ratios:

1. Earnings Per Share (₹) = (Restated PAT as per P & L Account/ Weighted Average Number of Equity Shares at the end of the Year).
2. Return on Net Worth (%) = Restated PAT as per P & L Account/ Net Worth - Restated * 100.
3. Net Asset Value Per Share (₹) = Net Worth- Restated/ Number of Equity Shares at the end of the Year.
4. The Face Value of the Equity Shares for the year March 31, 2015, 2014 and 2013 was ₹ 100/-. However, for comparison purposes, the same has been considered as face value of ₹ 10/- per Equity Share and No. of Shares are accordingly adjusted.

Annexure XXIX
STATEMENT OF TAX SHELTER

(₹ in lakhs)

| Particulars | September 30, 2017 | For the year ended March 31, | | | | |
|--|--------------------|------------------------------|---------------|---------------|---------------|---------------|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Normal Corporate tax rates (%) | 34.61% | 34.61% | 33.06% | 32.45% | 32.45% | 32.45% |
| Minimum alternative tax rates | 21.34% | 21.34% | 20.39% | 20.01% | 20.01% | 20.01% |
| Profit before tax as per Restated P/L (A) | 813.97 | 1,247.41 | 933.61 | 442.65 | 534.82 | 384.32 |
| Items considered separately | | | | | | |
| Rent Received | - | 12.23 | - | 1.15 | - | - |
| Share of Profit from Partnership firm | 230.83 | 45.76 | 57.41 | 12.80 | 5.71 | 7.71 |
| Dividend on Shares | 0.20 | 2.52 | 1.78 | 2.34 | 1.88 | - |
| Interest on FD | 13.70 | 28.33 | 33.53 | - | 13.17 | - |
| Interest on advances | 176.48 | 344.83 | - | - | - | - |
| Donation | - | (3.50) | (5.03) | (2.50) | (0.78) | - |
| Repairs and Maintenance of Property | - | - | - | 0.35 | - | - |
| Profit from Redemption of Mutual Funds | 102.62 | 30.31 | - | - | - | - |
| Income declared in PMGKY | - | 109.00 | - | - | - | - |
| Total Incomes considered separately (B) | 523.83 | 569.48 | 87.70 | 14.12 | 19.98 | 7.71 |
| Restated Profit other than | 290.14 | 677.93 | 845.91 | 428.53 | 514.84 | 376.61 |

| Particulars | September 30, 2017 | For the year ended March 31, | | | | |
|---|--------------------|------------------------------|---------------|---------------|---------------|---------------|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| income considered separately (C)=(A-B) | | | | | | |
| Tax Adjustment | | | | | | |
| Permanent Differences | | | | | | |
| Expenses disallowed u/s 37 | - | 10.19 | - | - | - | 5.59 |
| Total Permanent Differences (D) | - | 10.19 | - | - | - | 5.59 |
| Timing Difference | | | | | | |
| Book Depreciation | 14.19 | 27.41 | 21.56 | 20.10 | 7.25 | 1.40 |
| Income Tax Depreciation allowance | (12.34) | (26.59) | (19.98) | (17.80) | (20.38) | (10.41) |
| Total Timing Differences (E) | 1.85 | 0.82 | 1.58 | 2.30 | (13.14) | (9.01) |
| Income From Business or Profession (F)=(C+D+E) | 291.99 | 688.92 | 847.49 | 430.83 | 501.70 | 373.20 |
| Income From Other Sources (G) | 190.38 | 375.69 | 35.31 | 3.48 | 15.05 | - |
| Income from Capital Gains (H) | 102.62 | 114.72 | - | - | - | - |
| Taxable Income / (Loss) I = (F+G+H) | 584.99 | 1,179.33 | 882.80 | 434.31 | 516.75 | 373.20 |
| Less: Deduction U/Ch VIA | | | | | | |
| Donation | - | (1.10) | (0.99) | (0.08) | - | - |
| Taxable Income/(Loss) (H=F+G) | 584.99 | 1,178.23 | 881.82 | 434.23 | 516.75 | 373.20 |
| Tax on Business Income | 202.45 | 394.11 | 291.53 | 140.91 | 167.69 | 121.10 |
| MAT on Book Profit | 173.70 | 286.66 | 190.36 | 88.57 | 107.02 | 76.90 |
| Tax paid as per normal or MAT | - | - | Normal | Normal | Normal | Normal |

Notes:

1. The aforesaid Statement of tax Shelters has been prepared as per the 'Restated Profit and Loss Account.

CHANGES IN ACCOUNTING POLICIES IN THE LAST THREE YEARS

There has been no change in the Accounting Policies in the last three (3) years except change in method of Depreciation from WDV to SLM as per the Schedule II of the Companies Act, 2013.

CHANGES IN ACCOUNTING PERIOD

There has been no change in the accounting period of the Company.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of financial condition and results of operations together with our financial statements included in this Prospectus. The following discussion relates to our Company and is based on our restated financial statements. Our financial statements have been prepared in accordance with Indian GAAP, the accounting standards and other applicable provisions of the Companies Act.

Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be "Forward looking statement" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.

OVERVIEW

The Karda Group is a well established Nashik based group having its presence in the construction industry for more than two decades. The group was founded by our promoter Mr. Naresh Karda in year 1994. In the years following its inception the group concentrated on developing affordable housing in the residential segment and from year 2001 onwards, the group diversified into commercial segment.

Our Company, Karda Constructions Limited was incorporated in 2007 with a view to corporatize the group's activities in the real estate sector. Our Company is focused on quality and affordable developments. We believe we have an established brand and reputation, and a track record of developing innovative projects through our emphasis on contemporary architecture, strong project execution and quality construction in the real estate industry, for which our Company had received "**Mega Builder of the Year**" award of Divya Marathi in June 2013. Further our Promoter, Mr. Naresh Karda had also been awarded as "**Business Icon of Nashik**" by Lokmat in December 2014.

Our Company has contributed significantly towards the development of Nashik and has so far successfully completed and delivered significant amount of real estate as shown below:

| Project Type | Carpet Area (in sq. ft.) | No. of Projects | No. of Units |
|------------------------------|--------------------------|-----------------|----------------------|
| Residential | 8,57,417 | 12 | 834 flats |
| Residential-cum-Office Space | 1,93,108 | 5 | 210 flats & 63 Shops |
| Total | 10,50,525 | 17 | 1,107 units |

We currently have 11 Ongoing and 3 Planned projects, which we expect to provide an estimated total Carpet Area of 17,13,725 square feet. The estimated Carpet Area of our Ongoing and Planned projects is summarised in the table below:

| Project Type ⁽¹⁾ | Ongoing | | Percentage of Total Ongoing Estimated Carpet Area | Planned | | Percentage of Total Planned Estimated Carpet Area | Grand Total | | Percentage of Total Estimated Carpet Area |
|------------------------------|--|-----------------|---|--|-----------------|---|--|-----------------|---|
| | Estimated Carpet Area (in sq. ft.) ⁽¹⁾⁽²⁾ | No. of Projects | | Estimated Carpet Area (in sq. ft.) ⁽¹⁾⁽²⁾ | No. of Projects | | Estimated Carpet Area (in sq. ft.) ⁽¹⁾⁽²⁾ | No. of Projects | |
| Residential | 10,98,954 | 10 | 71.95% | 1,86,357 | 3 | 100.00% | 12,85,311 | 13 | 75.00% |
| Residential-cum-Office Space | 4,28,414 | 1 | 28.05% | - | - | - | 4,28,414 | 1 | 25.00% |
| Total | 15,27,368 | 11 | 100.00% | 1,86,357 | 3 | 100.00% | 17,13,725 | 14 | 100.00% |

⁽¹⁾ Information provided in respect of our Ongoing and Planned projects is based on current management plans and subject to change.

⁽²⁾ We classify our projects as Completed, Ongoing or Planned depending on their respective stages of development.

Further in order to expand our portfolio of business activities our Company has recently ventured into Government Construction Contracts. For further details refer section titled "**Description of Our Business**" on page no. 91 of this Prospectus.

Our total income and net profit after tax as restated were ₹ 4,328.65 lakhs and ₹ 270.39 lakhs for the year ended March 31, 2013, ₹ 5,907.39 lakhs and ₹ 360.55 lakhs for the year ended March 31, 2014, ₹ 4,653.44 lakhs and ₹ 307.56 lakhs for the year ended March 31, 2015, ₹ 10,593.47 lakhs and ₹ 637.43 lakhs for the year ended March 31, 2016 and ₹ 11,002.26 lakhs and ₹ 803.14 lakhs for the year ended March 31, 2017, showing a CAGR of 19.57 % in profit after tax. Further, our total income and net profit after tax for the period ended September 30, 2017 ended were ₹ 4,569.73 lakhs and ₹ 551.88 lakhs

As on December 31, 2017 we have 64 employees on the pay roll of our Company.

For further details regarding our business operations, please see the chapter titled “*Business Overview*” beginning on page no. 89 of this Prospectus.

COMPETITION

The real estate development industry in India, including Nashik, while fragmented, is highly competitive. We expect to face increased competition from large domestic development companies. We compete for the sale of our projects. We believe that we are able to distinguish ourselves from our competitors on the basis of our strong presence in Nashik, our established brand and reputation, the quality of our design and construction, and the location of our projects.

We also compete to acquire land and land development rights. The availability of suitable land parcels for our projects (particularly of the size we target and in desirable locations) may be limited in Nashik. However, we believe that our established brand and reputation provide us with a competitive advantage when competing for land development rights, as we believe third-party land owners recognise the premium that may be obtained on the sale of projects developed under our brand.

We compete against our competitors by establishing ourselves as a well equipped manufacturing company with following strengths:

- *Strong presence in Nashik*
- *Established brand and reputation*
- *Our proven execution capabilities*
- *Strong project pipeline providing cash flow visibility*
- *Vast land reserves and an ability to identify new projects*

Significant Developments after September 30, 2017 that may affect our Future Results of Operations

Except as mentioned below, we confirm that there have been no events or circumstances since the date of last financial statements as disclosed in the Red Herring Prospectus which materially or adversely affect or is likely to affect the profitability of our company, or the value of our assets, or our ability to pay liabilities within next twelve months.

- Our Company has entered into a Work Order / Work Contract Agreement on October 14, 2017 with Shree Sainath Land & Development (India) Pvt. Ltd. for construction work pertaining to turnkey project for residential building at Deolali, Maharashtra for an total amount of ₹ 1,892.49 lakhs.
- Our Company has taken a new working capital loan from Edelweiss Capital Limited with a vide sanction letter dated October 26, 2017 for a total sanction amount of ₹ 1,500 lakhs in relation to the project of Hari Sanskruti II.
- Loan from Tata Capital Housing Finance Ltd. having an outstanding balance of ₹ 77.01 lakhs was repaid and closed on January 23, 2018.

FACTORS AFFECTING OUR RESULT OF OPERATIONS

Except as otherwise stated in the Prospectus and the Risk Factors given in the Prospectus, the following important factors could cause actual results to differ materially from the expectations include, among others:

Fluctuations in market prices for our projects

Our total income is affected by the sales prices of our projects which are affected by prevailing market conditions and prices in the real estate sector in Nashik and in India generally (including market forces of supply and demand), the nature and location of our projects, and other factors such as our brand and reputation and the design of the projects.

Supply and demand market conditions are affected by various factors outside our control, including:

- *Prevailing local economic, income and demographic conditions;*
- *Availability of consumer financing (interest rates and eligibility criteria for loans);*
- *Availability of and demand for projects comparable to those we develop;*
- *Changes in governmental policies relating to zoning and land use;*
- *Changes in applicable regulatory schemes; and*
- *Competition from other real estate developers.*

Sales volume and rate of progress of construction and development

Income from projects, which comprised 88.30% of our total income for the period ended September 30, 2017, 95.71% of our total income in the year ended March 31, 2017, 95.07% in the year ended March 31, 2016, 97.00% in the year ended March 31, 2015, 97.40% in the year ended March 31, 2014 and 95.97% in the year ended March 31, 2013 is recognised in accordance with the percentage of project completion method with respect to that portion relating to the sale of our projects. Under the percentage of project completion method of revenue recognition, our income from sales and costs recognised in any particular period depend on the volume of bookings (as compared with the Saleable Area for the respective project) we have been able to obtain, as well as the rate of progress of construction of our projects.

The volume of bookings depends on our ability to design projects that will meet customer preferences and market trends, and to timely market and pre-sell our projects, the willingness of customers to pay for the projects or enter into sale agreements well in advance of receiving possession of the projects and general market conditions. We market and pre-sell our projects in phases from the time we launch the project, which is typically after we have procured the land or land development rights and when are in the process of planning and designing the project, up until the time we complete our project, depending on market conditions.

Construction progress depends on various factors, including the availability of labour and raw materials, the actual cost of construction (which is particularly affected by fluctuations in the market price for steel and cement) and changes to the estimated total construction cost, the competence of and priority given to our projects by our contractors, the receipt of approvals and regulatory clearances, access to utilities such as electricity and water, and the absence of contingencies such as litigation and adverse weather conditions. We generally do not recognise income for our residential projects until the construction work reaches a certain level depending on the type of project and the percentage of completion over the course of construction is not distributed equally through the period as it depends on the actual cost incurred during any particular period as well as the amount of estimated total construction cost which may vary during the period of development.

Cost and availability of land and TDRs

The cost of land, which includes the amounts paid for freehold rights, leasehold rights, construction cost of area given to landlords in consideration for joint development rights, cost of registration and stamp duty, may represent a substantial part of our project cost, particularly in Nashik. We acquire land and land development rights from the government and private parties. We acquire land or enter into arrangements to develop land in advance of planning and designing our projects. Please see the section entitled “*Our Business – Key Business Processes*” on page no. 100. The profitability of our business is dependent on our land acquisition costs and our growth is dependent on the availability of land for our future development. We compete with other developers to identify and acquire land of suitable size and location for the development of our projects.

We acquire TDRs to increase the Saleable Area of our developments and, to the extent we generate TDRs from reservations on land we own, we generally retain these TDRs, although we may liquidate a portion of these TDRs for

short-term cash flows. There is an active market for the purchase and sale of TDRs which is affected by a number of factors, including prevailing conditions of demand and supply in the real estate market, timing of completion of projects which generate TDRs, the extent to which increase in developable plot ratio may be allowed by making payment to the state government and changes in the TDR regulatory regime in Nashik. The cost of TDRs as a proportion of project costs depends upon the quantum of TDR utilised in the project and the cost of acquisition of TDRs.

Cost of construction/development

In addition to the cost of land and TDRs described above, our cost of construction/development comprises primarily the cost of raw materials (in particular cement and steel), contractors, architects and other consultants, construction materials, etc.

Cost of third party contractors, architects and consultants

We outsource the design and construction of our projects. We engage domestic architects under fixed price contracts and third-party contractors under item rate contracts which specify a fixed contract price, which includes all materials and labour costs, other than cement and steel, which are provided by us. Certain of our contracts with our contractors also provide for an incentive bonus to be paid if the project is completed within a specified time frame. Other variable costs comprise indirect taxes in connection with the contract. We typically engage contractors through a competitive bidding process.

The progress and quality of construction of the projects we develop depends on the availability and skill of our contractors and consultants, as well as contingencies affecting them, including labour and industrial actions such as strikes and lockouts. Such labour and industrial actions may cause significant delays to the construction timetables for our projects, and we may therefore be required to find replacement contractors and consultants at higher cost. As a result, any increase in prices resulting from higher construction costs could adversely affect our profit margins, demand for our projects and the relative affordability of our projects as compared to our competitors' products.

Cost of raw materials, construction materials and finishings

Our cost of construction/development is affected by price fluctuations in raw materials (in particular cement and steel), electrical accessories, plumbing materials, flooring (tiles), painting, lifts and escalators. These and other construction materials and finishings form a significant portion of our cost of construction. Raw materials prices may be affected by shortages in supply and price volatility caused by various factors beyond our control, including general economic conditions, competition, production levels, transportation costs and changes in import restrictions. In addition, our supply chain may be periodically interrupted by circumstances beyond our control, including work stoppages and labour disputes affecting our suppliers, their distributors, or the transporters of our supplies.

In the past, we generally outsourced the construction of our projects to third party contractors under fixed price contracts which cover the cost of raw materials except cement and steel. However, in the future, we intend to award contracts which provide that the contractor will also provide cement and steel although we may allow the contractor to vary the contract price depending on the actual prices of cement and steel. We are therefore directly affected by any price increases of these raw materials. If there are extraordinary price increases in construction materials due to increase in demand, or shortages in supply, the contractors we hire for construction or development work may be unable to fulfil their contractual obligations and we may have to engage another contractor at a higher cost, or we may end up doing the work ourselves or we may face delay in the construction of our projects. Prices for steel and cement in particular fluctuated significantly during the last five fiscal years.

In addition, during periods of volatility in the price of building materials, where prices have increased significantly or unexpectedly, we may not be able to pass price increases through to our customers, particularly as we generally aim to pre-sell a significant portion of our residential units prior to project completion, which could reduce or eliminate the profits we attain with regard to our projects, or even result in losses. As a result, increases in costs for any construction materials may impact our construction costs, and consequently our profitability. If the actual cost of a project increases so that the total cost of the project exceeds or is estimated to exceed total income, we recognise the loss immediately.

Our Financial Expenses

We have term loan and working capital facilities from our bankers and also certain unsecured borrowings from our Directors and other concerns (ICDs). Our profitability is significantly impacted by our financial costs. For the fiscal

2017, 2016 and 2015, our financial expenses were ₹ 1,825.92 lakhs, ₹ 1,713.05 lakhs, and ₹ 1,113.66 lakhs and for the period ended September 30, 2017 it was ₹ 954.82 lakhs. Our financial growth depends on how well we manage and service our debts.

Our ability to successfully implement its strategy and its growth and expansion plans

Our growth plans are considerable and would put significant demands on our management team and other resources. Any delay in implementation of our strategy and growth and expansion plans could impact our Company's roll out schedules and cause cost and time over runs.

General economic and business conditions

As a Company with its complete operations in India, we are affected by general economic conditions in the country and in particular economic factors that affect real estate sector in India. India's gross domestic product, or GDP, has been and will continue to be of importance in determining our operating results and future growth.

RESULTS OF OUR OPERATIONS
(₹ in lakhs)

| Particulars | For the period ended September 30, | | For the year ended March 31, | | | | | | | |
|---|------------------------------------|-------------------|------------------------------|-------------------|------------------|-------------------|-----------------|-------------------|-----------------|-------------------|
| | 2017 | % of Total Income | 2017 | % of Total Income | 2016 | % of Total Income | 2015 | % of Total Income | 2014 | % of Total Income |
| INCOME | | | | | | | | | | |
| Revenue from Operations | 4,034.90 | 88.30% | 10,530.56 | 95.71% | 10,071.58 | 95.07% | 4,514.03 | 97.00% | 5,753.84 | 97.40% |
| Other Income | 534.83 | 11.70% | 471.71 | 4.29% | 521.89 | 4.93% | 139.41 | 3.00% | 153.55 | 2.60% |
| Total Income (A) | 4,569.73 | 100.00% | 11,002.26 | 100.00% | 10,593.47 | 100.00% | 4,653.44 | 100.00% | 5,907.39 | 100.00% |
| EXPENDITURE | | | | | | | | | | |
| Changes in Inventory of work-in-progress and finished goods | (64.00) | (1.40)% | 1,695.47 | 15.41% | (475.68) | (4.49)% | (3,040.30) | (65.33)% | (2,228.87) | (37.73)% |
| Construction Expenses | 2,422.92 | 53.02% | 5,473.24 | 49.75% | 7,796.33 | 73.60% | 5,179.34 | 111.30% | 6,206.83 | 105.07% |
| Employee benefit expenses | 105.54 | 2.31% | 220.31 | 2.00% | 172.45 | 1.63% | 157.09 | 3.38% | 178.41 | 3.02% |
| Finance costs | 954.82 | 20.89% | 1,825.92 | 16.60% | 1,713.05 | 16.17% | 1,113.66 | 23.93% | 868.97 | 14.71% |
| Depreciation and amortisation expense | 14.19 | 0.31% | 26.51 | 0.24% | 22.00 | 0.21% | 20.76 | 0.45% | 7.51 | 0.13% |
| Other Expenses | 322.28 | 7.05% | 513.41 | 4.67% | 429.17 | 4.05% | 778.26 | 16.72% | 338.63 | 5.73% |
| Total Expenses (B) | 3,755.75 | 82.19% | 9,754.86 | 88.66% | 9,657.33 | 91.16% | 4,208.81 | 90.45% | 5,371.47 | 90.93% |
| Net Profit/(Loss) before extraordinary items and tax | 813.97 | 17.81% | 1,247.41 | 11.34% | 936.14 | 8.84% | 444.63 | 9.55% | 535.92 | 9.07% |
| Extraordinary items | - | - | - | - | 2.54 | 0.02% | 1.98 | 0.04% | 1.10 | 0.02% |
| Net Profit/(Loss) before exceptional items and tax | 813.97 | 17.81% | 1,247.41 | 11.34% | 933.61 | 8.81% | 442.65 | 9.51% | 534.82 | 9.05% |
| Exceptional items | - | - | - | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% |
| Less: Tax Expense | | | | | | | | | | |
| Current tax | 202.50 | 4.43% | 430.00 | 3.88% | 289.40 | 2.73% | 134.00 | 2.88% | 168.00 | 2.84% |
| Deferred tax | (0.64) | (0.01)% | 0.02 | 0.00% | (0.49) | 0.00% | (0.71) | (0.02)% | 4.06 | 0.07% |
| Tax expense (Firms) | 60.23 | 1.32% | 14.24 | 0.13% | 7.27 | 0.07% | 1.80 | 0.04% | 2.21 | 0.04% |
| Total Tax Expense | 262.09 | 5.74% | 444.26 | 4.04% | 296.18 | 2.80% | 135.09 | 2.90% | 174.27 | 2.95% |
| Net Profit / (Loss) after tax | 551.88 | 12.08% | 803.14 | 7.30% | 637.43 | 6.60% | 307.56 | 7.31% | 360.55 | 6.71% |

Main Components of our Profit and Loss Account

Income

Our total income comprises of revenue from operations and other income.

Revenue from Operations

Our revenue from operations as a percentage of total income was 95.71%, 95.07%, 97.00% and 97.40% respectively, for the fiscals 2017, 2016, 2015 and 2014 and 88.30% for the period ended September 30, 2017

Other Income

Our other income comprises of interest income & other miscellaneous income. Other income, as a percentage of total income was 4.29%, 4.93%, 3.00% and 2.60% respectively, for the fiscals 2017, 2016, 2015 and 2014 and 11.70% for the period ended September 30, 2017.

Expenditure

Our total expenditure primarily consists of Construction Expenses, Changes in Inventory, Employee Benefit Expenses, Finance costs, Depreciation & Amortisation Expenses and Other Expenses.

Construction Expenses

Construction Expenses are primarily in relation to purchases of raw materials including cement, steel, etc for the construction of projects & Direct Expenses including Land Expenses, Site Development Expenses, & Other Construction related expenses.

Employee Benefit Expenses

Expenses in relation to employees' remuneration and benefits include salary & wages, director's remuneration, contribution to PF, staff welfare expenses and ESI payments etc.

Finance costs

Finance cost primarily consists of borrowing costs and interest payable on loans availed by our company from banks & financial institutions and entities and also includes bank charges.

Depreciation and Amortization Expenses

Depreciation and Amortization Expenses primarily consist of depreciation on the fixed assets of our Company which primarily includes Office Premises, Furniture and Fixtures, Interiors- Office, Printer & Scanner, Computer- Hardware, Computer- Software, Generator, Office equipments and Truck.

Other Expenses

Other expenses primarily include administrative expenses and selling & distribution expenses.

Provision for Tax

The provision for current taxation is computed in accordance with relevant tax regulation. Deferred tax is recognized on timing differences between the accounting and the taxable income for the year and quantified using the tax rates and laws enacted or subsequently enacted as on balance sheet date. Deferred tax assets are recognized and carried forward to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized in future.

Review for the six (6) months period ended September 30, 2017

Income

Our total income for the six months period ended September 30, 2017 was ₹ 4,569.73 lakhs. In the current period, the revenue earned from operations is ₹ 4,034.90 lakhs or 88.30% of the total income. Other income for said period was recorded at ₹ 534.83 lakhs or 11.70% of total income.

Inventories of work in progress and finished goods

Changes in inventories of work-in-progress and finished goods for six months period ended September 30, 2017 was negative ₹ 64.00 lakhs. As a proportion of our total income, it was negative 1.40%.

Construction Expenses

Our Construction Expenses for six months period ended September 30, 2017 was ₹ 2,422.92 lacs. As a proportion of our total income it was 53.02%.

Employee Benefit Expenses

Our Employee Benefit Expenses for six months period ended September 30, 2017 was ₹ 105.54 lakhs. As a proportion of our total income it was 2.31%.

Financial Cost

Our Financial Cost for six months period ended September 30, 2017 was ₹ 954.82 lakhs i.e. 20.89% of the total income for the period.

Depreciation and Amortization Expenses

Our Depreciation and Amortization Expenses for six months period ended September 30, 2017 was ₹ 14.19 lakhs. As a proportion of total income it was 0.31%.

Other Expenses

Our Other Expenses for six months period ended September 30, 2017 was ₹ 322.28 lakhs. As a proportion of our total income it was 7.05%.

Profit before Tax

Profit / (Loss) before Tax for six months period ended September 30, 2017 were ₹ 813.97 lacs. As a proportion of our total income it was 17.81%.

Profit after Tax

Profit / (Loss) after Tax for six months period ended September 30, 2017 were ₹ 551.19 lacs. As a proportion of our total income it was 12.06%.

Fiscal 2017 compared with fiscal 2016

Income

In fiscal 2017, our total income increased by ₹ 408.79 lakhs or 3.86%, from ₹ 10,593.47 lakhs in fiscal 2016 to ₹ 11,002.26 lakhs in fiscal 2017. The increase in the year 2017 was primarily due to an increase in income from projects, partially offset by a decrease in non operating income.

Income from Projects: Income from projects increased by 4.56% from ₹ 10,071.58 lakhs in the year ended March 31, 2016 to ₹ 10,530.56 lakhs in the year ended March 31, 2017, primarily due to additional units recognised as sold (net of any cancellations) in the year ended March 31, 2017.

Non operating Income: Non operating income decreased by ₹ 50.19 lakhs or 9.62%, from ₹ 521.89 lakhs in fiscal 2016 to ₹ 471.71 lakhs in fiscal 2017, primarily due to lower profits resulting from the sale/redemption/liquidation of mutual funds during the year.

Expenditure

Total expenditure increased by 1.88% from ₹ 9,657.33 lakhs in the year ended March 31, 2016 to ₹ 9,839.26 lakhs in the year ended March 31, 2017, primarily due to an increase in employee cost, depreciation/amortisation expense, administration expenses and interest and finance charges, partially offset by decrease in cost of construction/development.

Construction Expense

The construction expense in fiscal 2017 were ₹ 5,473.24 lakhs, a decrease of ₹ 2,323.09 lakhs or 29.80% as compared to the previous year expenses of ₹ 7,796.33 lakhs in fiscal 2016, primarily due to decrease in expenditure on construction material, site expenses, etc.

Employee Benefit Expenses

Our staff cost increased by ₹ 47.86 lakhs or 27.75%, from ₹ 172.45 lakhs in fiscal 2016 to ₹ 220.31 lakhs in fiscal 2017, primarily due to an increase in the number of employees and increase in staff salaries during the year.

Finance Cost

Finance cost during the year increased by ₹ 112.87 lakhs or 6.59%, from ₹ 1,713.05 lakhs in fiscal 2016 to ₹ 1,825.92 lakhs in fiscal 2017, primarily due to an increase in interest on fund based (long term and short term) facilities and other unsecured loans.

Depreciation and Amortization Expenses

Depreciation expenses decreased by ₹ 4.51 lakhs, from ₹ 22.00 lakhs in fiscal 2016 to ₹ 26.51 lakhs in fiscal 2017, primarily due to an addition made to fixed assets during the year.

Other Expenses

Other expenses increased by ₹ 84.24 lakhs or 19.63% from ₹ 429.17 lakhs in fiscal 2016 to ₹ 513.41 lakhs in fiscal 2017, primarily due to an increase in administrative, non operational and selling expenses in FY 2016-17.

Profit before Tax

Our Profit before tax increased by ₹ 313.80 lakhs from ₹ 933.61 lakhs in fiscal 2016 to ₹ 1,247.41 lakhs in fiscal 2017, primarily due to an increase in the total income during the year.

Profit after Tax

After accounting for taxes at applicable rates, our Profit after Tax increased by ₹ 165.72 lakhs or 26.00 %, from ₹ 637.43 lakhs in fiscal 2016 to ₹ 803.14 lakhs in fiscal 2017.

Fiscal 2016 compared with fiscal 2015

Income

In fiscal 2016, our total income increased by ₹ 5,940.04 lakhs or 127.65%, from ₹ 4,653.44 lakhs in fiscal 2015 to ₹ 10,593.47 lakhs in fiscal 2016. The increase in the year 2017 was primarily due to an increase in income from projects, income from sale of plots and non operating income.

Income from Projects: Income from projects increased by 123.12% from ₹ 4,514.03 lakhs in the year ended March 31, 2015 to ₹ 10,071.58 lakhs in the year ended March 31, 2017, primarily due to additional units recognised as sold (net of any cancellations) in the year ended March 31, 2017.

Non operating Income: Non operating Income increased by ₹ 382.48 lakhs or 274.35%, from ₹ 139.41 lakhs in fiscal 2015 to ₹ 521.89 lakhs in fiscal 2016, primarily due to increase in interest income, profit from partnership firm and profit on sale of mutual fund units.

Expenditure

Total expenditure increased by 129.45% from ₹ 4,208.81 lakhs in the year ended March 31, 2015 to ₹ 9,657.33 lakhs in the year ended March 31, 2016, primarily due to an increases in cost of construction/development, employee cost, depreciation/amortisation expense, interest and finance charges, partially offset by decrease in administration expenses.

Construction Expense

The construction expense in fiscal 2016 were ₹ 7,796.33 lakhs, an increase of ₹ 2,616.99 lakhs or 50.53% as compared to the previous year expenses of ₹ 5,179.34 lakhs in fiscal 2015, primarily due to increase in expense on construction material, site expenses, etc.

Employee Benefit Expenses

Our staff cost increased by ₹ 15.36 lakhs or 9.78%, from ₹ 157.09 lakhs in fiscal 2015 to ₹ 172.45 lakhs in fiscal 2016, primarily due to an increase in the number of employees and increase in staff salaries during the year.

Finance Cost

Finance cost during the year increased by ₹ 599.39 lakhs or 53.82%, from ₹ 1,113.66 lakhs in fiscal 2015 to ₹ 1,713.05 lakhs in fiscal 2016, primarily due to an increase in interest on fund based (long term and short term) facilities and other unsecured loans.

Depreciation and Amortization Expenses

Depreciation expenses increased by ₹ 1.23 lakhs or 5.94%, from ₹ 20.76 lakhs in fiscal 2015 to ₹ 22.00 lakhs in fiscal 2016, primarily due to purchase of fixed assets during the year.

Other Expenses

Other expenses decreased by ₹ 349.09 lakhs or 44.85% from ₹ 778.26 lakhs in fiscal 2015 to ₹ 429.17 lakhs in fiscal 2016, primarily due to decrease in administrative, non operational and selling expenses which were incurred in fiscal 2016.

Profit before Tax

Our Profit before tax increased by ₹ 490.96 lakhs from ₹ 442.65 lakhs in fiscal 2015 to ₹ 933.61 lakhs in fiscal 2016, primarily due to an increase in the total income during the fiscal 2016.

Profit after Tax

After accounting for taxes at applicable rates, our Profit after Tax increased by ₹ 329.87 lakhs or 107.25%, from ₹ 307.56 lakhs in fiscal 2015 to ₹ 637.43 lakhs in fiscal 2016.

Fiscal 2015 compared with fiscal 2014

Income

In fiscal 2015, our total income decreased by ₹ 1,253.95 lakhs or 21.23%, from ₹ 5,907.39 lakhs in fiscal 2014 to ₹ 4,653.44 lakhs in fiscal 2015, primarily due to a decrease in income from projects and non operating income.

Other income decreased by ₹ 14.13 lakhs or 9.20%, from ₹ 153.55 lakhs in fiscal 2014 to ₹ 139.41 lakhs in fiscal 2015, primarily due to decrease in interest income.

Expenditure

Total expenditure decreased by 21.65% from ₹ 5,371.47 lakhs in the year ended March 31, 2014 to ₹ 4,208.81 lakhs in the year ended March 31, 2015, primarily due to a decreases in cost of construction/development, employee cost, partially offset by increase in depreciation/amortisation expense, interest and finance charges and administration expenses.

Construction Expense

The construction expense in fiscal 2015 were ₹ 5,179.34 lakhs, a decrease of ₹ 1,027.48 lakhs or 16.55% as compared to the previous year expenses of ₹ 6,206.83 lakhs in fiscal 2014, primarily due to decrease in purchases of construction material, site expenses, etc.

Employee Benefit Expenses

Our staff cost decreased by ₹ 21.32 lakhs or 11.95%, from ₹ 178.41 lakhs in fiscal 2014 to ₹ 157.09 lakhs in fiscal 2015, primarily due to a decrease in number of employees in FY 2014-15.

Finance Cost

Finance cost during the year increased by ₹ 244.69 lakhs or 28.16%, from ₹ 868.97 lakhs in fiscal 2014 to ₹ 1,113.66 lakhs in fiscal 2015, primarily due to an increase in interest on fund based (long term and short term) facilities and other unsecured loans.

Depreciation and Amortization Expenses

Depreciation expenses increased by ₹ 13.25 lakhs from ₹ 7.51 lakhs in fiscal 2014 to ₹ 20.76 lakhs in fiscal 2015, primarily due to purchase of fixed assets in FY 2014-15.

Other Expenses

Other expenses increased by ₹ 439.63 lakhs or 129.83% from ₹ 338.63 lakhs in fiscal 2014 to ₹ 778.26 lakhs in fiscal 2015, primarily due to rise in administrative, non operating and selling expenses in fiscal 2015.

Profit before Tax

Our Profit before tax decreased by ₹ 92.17 lakhs from ₹ 534.82 lakhs in fiscal 2014 to ₹ 442.65 lakhs in fiscal 2015. The decrease was due to decrease in total income.

Profit after Tax

After accounting for taxes at applicable rates, our Profit after Tax decreased by ₹ 52.99 lakhs or 14.70 %, from ₹ 360.55 lakhs in fiscal 2014 to ₹ 307.56 lakhs in fiscal 2015.

Cash Flows

(₹ in lakhs)

| Particulars | For Period Ended September 30, 2017 | Year ended March 31, | | |
|--|---|----------------------|------------|------------|
| | | 2017 | 2016 | 2015 |
| Net Cash from Operating Activities | 2,272.78 | 4,061.10 | 488.34 | (2,526.37) |
| Net Cash from Investing Activities | (4.95) | (932.97) | 928.10 | (761.94) |
| Net Cash used in Financing Activities | (2,199.01) | (3,020.78) | (2,020.36) | 3,685.10 |
| Net Increase / (Decrease) in Cash and Cash equivalents | 68.82 | 107.35 | (603.91) | 396.79 |

Cash Flows from Operating Activities

Net cash from operating activities for the period ended September 30, 2017 was ₹ 2,272.78 lakhs as compared to the PBT of ₹ 813.97 lakhs for the same period. This difference is primarily on account of changes in inventories, trade receivables, short term loans and advances, other current assets, trade payables, other current liabilities and short term provisions.

Net cash from operating activities in fiscal 2017 was ₹ 4,061.10 lakhs as compared to the PBT of ₹ 1,247.41 lakhs for the same period. This difference is primarily on account of changes in inventories, trade receivables, short term loans and advances, other current assets, trade payables, other current liabilities and short term provisions.

Net cash from operating activities in fiscal 2016 was ₹ 488.34 lakhs as compared to the PBT of ₹ 933.61 lakhs for the same period. This difference is primarily on account of changes in inventories, trade receivables, short term loans and advances, other current assets, trade payables, other current liabilities and short term provisions.

Net cash from operating activities in fiscal 2015 was negative ₹ 2,526.37 lakhs as compared to the PBT of ₹ 442.65 lakhs for the same period. This difference is primarily on account of changes in inventories, trade receivables, short term loans and advances, other current assets, trade payables, other current liabilities and short term provisions.

Cash Flows from Investment Activities

For the period ended September 30, 2017 the net cash invested in Investing Activities was negative ₹ 4.95 lakhs. This was on account of purchase of fixed assets, and purchase of investments.

In fiscal 2017, the net cash invested in Investing Activities was negative ₹ 932.97 lakhs. This was on account of purchase of fixed assets, and purchase of investments.

In fiscal 2016, the net cash invested in Investing Activities was ₹ 928.10 lakhs. This was on account of sale of investments, interest income and income from investments.

In fiscal 2015, the net cash invested in Investing Activities was ₹ 761.94 lakhs. This was on account of purchase of investments, purchase of fixed assets, interest income and income from investments.

Cash Flows from Financing Activities

Net cash from financing activities for the period ended September 30, 2017 was negative ₹ 2,199.01 lakhs. This was on account of decrease in other long term liabilities and interest and financial charges

Net cash from financing activities in fiscal 2017 was negative ₹ 3,020.78 lakhs. This was on account of decrease in other long term liabilities and interest and financial charges.

Net cash from financing activities in fiscal 2016 was negative ₹ 2,020.36 lakhs. This was on account of decrease in other long term liabilities, decrease in long term loans & advances and interest and financial charges.

Net cash from financing activities in fiscal 2015 was ₹ 3,685.10 lakhs. This was on account of increase in long term borrowings, decrease in long term loans & advances and interest & financial charges.

CERTAIN ADDITIONAL DISCLOSURE

Increase in equity share capital for 2013-14

The Equity Share Capital of the company increased from ₹ 150 lakhs to ₹ 500 lakhs due to allotment of 3,50,000 equity shares of ₹ 100 each for cash at par to promoter and promoter group on March 29, 2014.

Increase in equity share capital for 2016-17

The Equity Share Capital of the company increased from ₹ 500 lakhs to ₹ 900 lakhs due to allotment of 40,00,000 equity shares of ₹ 10 each as part of a bonus issue in the ratio of 4:5 to all its existing shareholders of the company on July 11, 2016. The same was allotted by way of capitalizing the company's available reserves and surplus.

Constant increase in reserves and surplus from 2013-17

The following table depicts our increase in reserves and surplus for the last five years:

(₹ in lakhs)

| Particulars | As on March 31, | | | | |
|----------------------|-----------------|---------|---------|--------|--------|
| | 2017 | 2016 | 2015 | 2014 | 2013 |
| Reserves and Surplus | 2135.05 | 1755.18 | 1125.91 | 820.49 | 478.09 |

As seen above; there has been an YoY increase of 21.64%, 55.89%, 37.22% and 71.62% respectively in FY 17, 16, 15 and 14 respectively due to increase in profits added during each of these years to the overall reserves of the company. (In FY 2017; there was a gross increase of 44.44% of which ₹ 400 lakhs was utilized towards capitalization of reserves pursuant to bonus issue of equity shares during that year and hence the net increase of 21.64%.)

Sharp increase in long term and short term borrowings from 2013 to 2017

The following table depicts our increase in reserves and surplus for the last five years:

(₹ in lakhs)

| Particulars | As on March 31, | | | | |
|-----------------------|------------------|------------------|-----------------|-----------------|-----------------|
| | 2017 | 2016 | 2015 | 2014 | 2013 |
| Long Term Borrowings | 7,991.32 | 7,412.20 | 6,127.84 | 2,828.34 | 1,238.56 |
| Short Term Borrowings | 3,212.60 | 2,744.54 | 310.35 | 532.97 | 389.64 |
| Total | 11,203.92 | 10,156.74 | 6,438.19 | 3,361.31 | 1,628.20 |

As seen above; there has been an YoY increase of 10.31%, 57.76%, 91.53% and 106.44% respectively in FY 17, 16, 15 and 14 respectively due to increase in debt funding availed for the on-going projects of the company. Being a first generation promoter driven company; we have so far largely relied on debt funding for our real estate projects and hence there has been sharp increase in our long term as well as short term borrowing levels YoY for the last four years. We believe that our strategy to repay certain parts of our debt from the IPO proceeds would help in improving our debt to equity ratio and future sustainability.

Fluctuating change in inventory from 2013 to Mar 2017

Our changes in inventory of WIP and finished goods ("CI") recognized as expenses in the profit and loss accounts for the fiscal years 2013, 2014, 2015, 2016 and 2017 was ₹ (3,365.93) lakhs, ₹ (2,228.87) lakhs, ₹ (3,040.30) lakhs, ₹ (475.68) lakhs and ₹ 1,695.47 lakhs respectively. CI is determined based on the Percentage of Completion method ("POCM") as per relevant guidelines of ICAI. A negative CI represents value of unsold / WIP goods which is reduced from total expenditure in order to correctly represent the expenditure incurred towards sales during the year and the expenditure which has been incurred towards unsold / WIP goods. A positive CI represents the value of earlier year inventories which have been sold during the year in order to correctly match the sales with current year expenditure. As can be seen there has been a shift from negative CI to positive CI over the years showing that the company has been able to sell more goods as compared to its construction expenses over the years.

Fluctuating profit from 2013 to 2017

Our changes net profit for the fiscal years 2013, 2014, 2015, 2016 and 2017 was ₹ 270.39 lakhs, ₹ 360.55 lakhs, ₹ 307.56 lakhs, ₹ 637.43 lakhs and ₹ 803.14 lakhs respectively. This shows a YoY increase/(decrease) in profits of 33.34%, (14.70%), 107.25% and 25.99% for FY 2014, 2015, 2016 and 2017 respectively. Except for FY 2014 wherein we have a slight drop in profits our company has shown substantial YoY increase in net profitability.

OTHER MATTERS

1. Unusual or infrequent events or transactions

Except as described in this Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

2. Significant economic changes that materially affected or are likely to affect income from continuing Operations

Other than as described in the Section titled “*Financial Information*” and chapter titled “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*”, beginning on page nos. 146 and 169 respectively of this Prospectus respectively, to our knowledge there are no significant economic changes that materially affected or are likely to affect income from continuing Operations.

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations

Other than as described in the chapter titled “*Risk Factors*” and “*Management’s Discussion and Analysis of Financial Conditions and Result of Operations*”, beginning on page nos. 15 and 169 respectively of this Prospectus respectively to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our company from continuing operations.

4. Future relationship between Costs and Income

Other than as described in the chapter titled “*Risk Factors*” beginning on page no. 15 of this Prospectus, to our knowledge there are no factors, which will affect the future relationship between costs and income or which are expected to have a material adverse impact on our operations and finances.

5. The extent to which material increases in revenue or income from operations are due to increased volume, introduction of new products or services or increased prices

Increases in revenues are by and large linked to increases in introduction of new services and volume of business activity carried out by the Company.

6. Status of any publicly announced new products or business segments

Please refer to the chapter titled “*Business Overview*” beginning on page no. 89 of this Prospectus.

7. The extent to which the business is seasonal.

Our business is not seasonal in nature.

8. Any significant dependence on a single or few suppliers or customers

There is no dependence on a single or few suppliers or customers.

FINANCIAL INDEBTEDNESS

Set forth below, is a brief summary of our Company's borrowings as on September 30, 2017 together with a brief description of certain significant terms of such financing arrangements.

| Nature of Borrowing | Amount (₹ in lakhs) |
|-----------------------------------|---------------------|
| Secured Borrowings ⁽¹⁾ | 12,143.74 |
| Unsecured Borrowings | 1,106.00 |
| Total | 13,249.74 |

⁽¹⁾ Including Current Maturities of Long Term Debt ₹ 2,699.01 lakhs

Secured Loans

(i) Term Loans

(₹ in lakhs)

| Name of Lender | Type of Loan | Date of Sanction | Amount Sanctioned | Amount outstanding as on September 30, 2017 | Interest (in % p.a.) | Repayment Schedule | Security |
|---|------------------------------|------------------|-------------------|---|----------------------|--|----------|
| ICICI Home Finance Company Ltd | Term Loan | 28/04/2015 | 5,000.00 | 3,596.96 | 14.00% | Repayment of principal amount commences from May 15, 2017 in 24 monthly instalments, However the lender shall have a right to transfer certain percentage of the receivables from the Escrow Account towards the outstanding facility. | Note 1 |
| Indiabulls Commercial Credit Ltd | Loan Against Property | 30/09/2016 | 5,200.00 | 4,576.85 | 15.50% | Repayable within 60 months from the date of disbursement, with a moratorium period of 18 months. Further the lender shall have a right to transfer 70% of the receivables from the Escrow Account towards the outstanding facility. | Note 2 |
| Indiabulls Housing Finance Ltd | Term Loan | 23/03/2015 | 10.60 | 9.75 | 13.75% | Repayable in 156 monthly instalments of ₹ 14,618 each. | Note 3 |
| Indiabulls Housing Finance Ltd | Term Loan | 10/03/2015 | 29.40 | 27.06 | 13.75% | Repayable in 156 monthly instalments of ₹ 40,543 each. | Note 4 |
| Tata Capital Housing Finance Ltd ⁽¹⁾ | Project Construction Funding | 27/01/2014 | 885.00 | 77.01 | 15.50% | Repayable in 18 months from the following months of the final disbursement. Further the lender shall have a right to transfer 15% of the receivables from the Escrow Account towards the outstanding facility. | Note 5 |
| The Navjeevan Co-op Bank Ltd | Term Loan | 19/02/2017 | 500.00 | 303.08 | 12.50% | Repayable in 24 months, with initial moratorium of six months. | Note 6 |
| The Nashik | Loan | 02/02/2015 | 250.00 | 229.07 | 13.00% | Repayable in 84 monthly | Note 7 |

| Name of Lender | Type of Loan | Date of Sanction | Amount Sanctioned | Amount outstanding as on September 30, 2017 | Interest (in % p.a.) | Repayment Schedule | Security |
|-----------------------------------|--------------------|------------------|-------------------|---|----------------------|---|----------|
| Rd Deolali Vypari Bank | Against Property | | | | | instalments of ₹ 4,55,000 each. | |
| The Nashik Rd Deolali Vypari Bank | Property Loan | 21/06/2016 | 250.00 | 228.98 | 13.00% | Repayable in 84 monthly instalments of ₹ 4,55,000 each. | Note 8 |
| The Nashik Rd Deolali Vypari Bank | Property Loan | 21/06/2016 | 250.00 | 180.52 | 13.00% | Repayable in 84 monthly instalments of ₹ 4,55,000 each. | Note 9 |
| State Bank of India | Term Loan Facility | 17/06/2017 | 3,100.00 | 399.08 | 12.50% | Repayment within a period of 48 months including moratorium of 21 months from first disbursement. | Note 10 |

⁽¹⁾ The Tata Capital Housing Finance Ltd loan has been closed as per letter dated 23/01/2018.

Note 1: The facility, all interest thereon, and all other monies in respect there of shall be secured by:

1. Exclusive charge by way of registered mortgage on the following properties:
 - (a) All the piece and parcel of land located at Survey no. 248/1 to 6/1+2+3+4(P), Tal- Deolali, Dist – Nashik within the limits of Nashik Municipal Corporation admeasuring approx 21,512 sq. Mts. including all the structures there on both present and future.
 - (b) Unsold area of approx 27,717 sq. ft. in Residential Project “Hari Sparsh” having a saleable area of approx 76,530 sq. ft. being developed by the borrower at Survey no. 305/1A/2B/1+305/1A/2B/2, Cantonment Nashik.
 - (c) Unsold area of approx 16,273 sq. ft. in Residential Project “Tulsi Hari Sankul” having a saleable area of approx 45,159 sq. ft. being developed by M/s. Hari Tulsi Enterprises at Survey no. 813/A/1+813/ B, Nashik Shiwar, Nasardi River Road, Nashik.
 - (d) Unsold area of approx 6,832 sq. ft. in Residential Project “Hari Niwas” having a saleable area of approx 105,738 sq. ft. being developed by the borrower at Survey no. 9/1 to 18/16+18/15, Deolali, Nashik Road, Nashik.
 - (e) All piece and parcel of land located at Survey no. 110/5B/2/1+2+3+4, admeasuring total area of 7,700 sq. mts. Situated at Wadala, Tal, Dist. Nashik within the limits of Nashik Municipal Corporation, including all the structures there on both present and future.
2. First ranking pari-passu charge, by way of registered mortgage, with the Other lender on the Property 5, i.e. all piece and parcel of land located at Survey no. 110/5B/2/1+2+3+4, admeasuring total area of 7,700 sq. mts. Situated at Wadala, Tal, Dist. Nashik within the limits of Nashik Municipal Corporation, including all the structures there on both present and future.
3. Exclusive charge by way of registered mortgage on the scheduled receivables/cash flows/revenues (both present and future) from the following properties :
 - (a) Residential cum Commercial Project “Hari Sankruti”, having saleable area of approx. 3,63,380 sq. ft. (after excluding an area of 18,875 sq. ft. given to the land owners) being developed by the borrower.
 - (b) Residential Project “Hari Sparsh” having a saleable area of approx 76,530 sq. ft. being developed by the borrower at Survey no. 305/1A/2B/1+305/1A/2B/2, Cantonment Nashik.
 - (c) Residential Project “Tulsi Hari Sankul” having a saleable area of approx 45,159 sq. ft. being developed by M/s. Hari Tulsi Enterprises at Survey no. 813/A/1+813/ B, Nashik Shiwar, Nasardi River Road, Nashik.

- (d) Residential Project “Hari Niwas” having a saleable area of approx 105,738 sq. ft. being developed by the borrower at Survey no. 9/1 to 18/16+18/15, Deolali, Nashik Road, Nashik.
- (e) Residential Project “Hari Shrushti” having saleable area of approx 128,876 sq. ft. being developed by the borrower.
4. First ranking pari-passu charge, by way of registered mortgage, with the other lender on scheduled receivables from the residential Project “Hari Shrushti” having saleable area of approx 128,876 sq. ft. being developed by the borrower.
5. Exclusive charge by way of registered mortgage on security of all rights, title, interest, claims, benefits, demands under the Project “Hari Sanskruti”, “Hari Sparsh”, “Tulsi Hari Sankul” and “Hari Shrushti” documents, both present and future.
6. First ranking pari-passu charge, by way of registered mortgage, with other lenders on security of all rights, title, interest, claims, benefits, demands under the Project “Hari Shrushti” documents, both present and future.
7. Exclusive charge by way of registered mortgage on the Escrow Accounts and the DSR Account, all monies credited/deposited therein (in whatever form the same may be), and all investments in respect thereof (in whatever from the same may be).

Note 2: The facility, all interest thereon, and all other monies in respect there of shall be secured by 195 unsold units in “Hari Vishwa” along with the plot no. 290/1+2+3+4/6/2, opposite TAJ, behind Express INN, Mumbai Agra Highway, Nashik and N.A. plots no. 42/3/1, Mahalaxmi Nagar Road, Vihitgaon Shiwar, Lamroad, Opp. Octroi Naka no. 6 Nashik- 423106.

Note 3: The facility, all interest thereon, and all other monies in respect there of shall be secured by registered mortgage of “Karda House”, located at Anand Nagar, Behind Muktidham, Nashik Road, Nashik- 422109.

Note 4: The facility, all interest thereon, and all other monies in respect there of shall be secured by registered mortgage of office space of “M/s. Karda Constructions Ltd”, located at 2nd floor, Gulmohar Status, above Business Bank, Mahatma Nagar, Nashik.

Note 5: The facility, all interest thereon, and all other monies in respect there of shall be secured by registered mortgage of the project land admeasuring 7445 sq. mts. situated at plot no. 4+5, Survey no. 97/4+5, B/h. Gurugovind Singh Polytechnic School, next to Indira Nagar, Wadala Shiwar, Tal. Dist. Nashik along with construction thereon along with mortgage/ hypothecation of all receivables; land value: ₹ 1,879.20 lakhs; Ownership: M/s. Karda Constructions Ltd.

Further equivalent to 1.75 times of the loan/facility amount will be provided by the borrower and all the cost of the security creation will be borne by the borrower. The lender shall also have a lien on unsold units in the Project, and incase if the borrower wants to sell the unit to any prospective purchaser, they would obtain NOC from Tata Capital Housing Finance Limited to this effect.

Note 6: Prime Securities:

1. Registered plot at Survey no. 34/3B, Hectar 10R, Mouje Sansari, Deolali Camp, Taluka Nashik in the name of Mr. Naresh Karda. Agreement dated 04.07.2015, agreement value ₹ 45.00 lakhs.
2. Registered plot at Survey no. 146/1+2+3 Hectar 70R, Mouje Sansari, Deolali Camp, Taluka Nashik in the name of Mr. Naresh Karda. Agreement dated 11.02.2015, agreement value ₹ 124.50 lakhs.
3. Registered plot at survey no. 70/1+2+3, plot no. 3, 4128.53 sq. mts. at Panchak, Taluka & Dist. Nashik in the name of M/s. Karda Constructions Limited through its director Mr. Naresh Karda. Agreement dated 19.01.2017, agreement value ₹ 128.00 lakhs.

Guarantors: Joint and several guarantees of all the Directors of the company in their individual capacity.

Note 7: The facility, all interest thereon, and all other monies in respect there of shall be secured by registered mortgage of:

1. Land admeasuring 4,462 sqmt, situated at Survey no. 4/A C/1A+ 4/A C/1B+ 4/AC/1D + 4/A C/1E village Chehedi Dist. Nashik, land value: ₹ 830.40 lakhs; Ownership: M/s. Karda Constructions Ltd.
2. Land admeasuring Hectar 50R, situated at Survey no. 19/7/1, village Takdi, DistNashik. Land value: ₹ 400.00 lakhs; Ownership: M/s. Karda Constructions Ltd.

Note 8: The facility, all interest thereon, and all other monies in respect there of shall be secured by registered mortgage of:

1. Land admeasuring 4,549.44 sq. mt. located at survey no. 13/3/1 at Panchak Village, Dist. Nashik. Land value: ₹ 582.30 lakhs; Ownership: M/s. Karda Constructions Ltd.
2. Land admeasuring Hectar 36 R located at survey no. 306/2 at Bhangur Village, Dist. Nashik. Land value: ₹ 432.00 lakhs; Ownership: M/s. Karda Constructions Ltd.

Note 9: The facility, all interest thereon, and all other monies in respect there of shall be secured by registered mortgage of:

1. Land admeasuring 4,549.44 sq. mt. located at survey no. 13/3/1 at Panchak Village, Dist. Nashik. Land value: ₹ 582.30 lakhs; Ownership: M/s. Karda Constructions Ltd.
2. Land admeasuring Hectar 36 R located at survey no. 306/2 at Bhangur Village, Dist. Nashik. Land value: ₹ 432.00 lakhs; Ownership: M/s. Karda Constructions Ltd.

Note 10: The facility, all interest thereon, and all other monies in respect there of shall be secured by registered mortgage of:

1. All that piece and parcel of respect of the property Plot No. 1 area adm. 575.15 sq. mtrs., Plot No. 2 area adm. 876.50 sq. mtrs., out of Gat no. 376/1B + 378/2, situated at Adagaon, Tal & Dist. Nashik. (Owned by M/s. Karda Constructions Ltd., through director – Mr. Naresh Karda).
2. All that piece and parcel of respect of the property Plot No. 10 area adm. 322.89 sq. mtrs., out of Gat no. 376/1B + 378/2, situated at Adagaon, Tal & Dist. Nashik. (Owned by Mrs. Disha Naresh Karda).
3. All that piece and parcel of the property area adm. 968.25 sq. mtrs., situated at Deolali, Tal & Dist. Nashik. (Owned by Mr. Naresh Karda, Mr. Manohar Karda and Mr. Prem Karda).
4. All that piece and parcel of respect of the property Plot No. 7 area adm. 800 sq. mtrs., out of S. no. 484/3/1/2, situated at village Nashik, Taluka & Dist. Nashik. (Owned by M/s. Karda Constructions Ltd., through director – Mr. Naresh Karda).
5. All that piece and parcel of respect of the property Plot No. 8 area adm. 1008.39 sq. mtrs., out of S. No. 484/3/1/2, situated at village Nashik, Taluka & Dist. Nashik. (Owned by M/s. Karda Constructions Ltd., through director – Mr. Naresh Karda).
6. All that piece and parcel of respect of the property Plot No. 11 area adm. H.00-.05.70R, i.e. 570 sq. mtrs. & Plot no. 12 area adm. H 00-4.99 R i.e. 499.00 sq mtrs., out of S. no. 306/1A/5, lying and being situated at Mauje Bhagur, Taluka & Dist. Nashik. (Owned by M/s. Karda Constructions Ltd., through director – Mr. Naresh Karda).
7. All that piece and parcel of properties constructed on area adm. 1332.15 Sq. Mtrs., of S. No. 37/1B & area adm. 4276.02 sq. mtrs., of S. No. 37/1C total area adm. 5608.17 sq. mtrs., and the building under construction thereon named as “ Hari Bhakti” the property situated at Mauje – Deolali, Tal. & Dist Nashik. (Owned by M/s. Karda Constructions Ltd., through director – Mr. Naresh Karda).
8. All that piece and parcel of properties being constructed/ to be constructed in the Complex knows as “Hari Vasant” constructed on all that piece and parcel of Non- Agricultural plot of land area adm. 8300 sq. mts., (out of total area adm. 20350 sq. mts) out of area adm. 0H.51R of S. No. 4/2A, area adm 1H.04R of S No. 4/1B & Area admn. 0H.40R of S. No. 4/2B/2 (total area adm. 20350 sq. mts), +TDR area adm. 2350 sq. mts.

out of D.P. Road + FSI area and the building under construction, there on named as “Hari Vasant”, the property situated at Mauje- Anandwalli, Tal. & Dist, within the limits of Nashik Municipal Corporation and within Sub- Registration District Nashik. (Owned by M/s. Karda Constructions Ltd., through director – Mr. Naresh Karda).

9. Hypothecation of the Company’s stocks and Receivables for the project “Hari Vasant” being constructed on all that piece and parcel of Non- Agricultural plot of land area admn. 8300 sq. mts., (out of total area admn. 20,350 sq. mts) out of area admn. 0H.51R of S. No. 4/2A, area admn 1H.04R of S No. 4/1B & Area admn. 0H.40R of S. No. 4/2B/2 (total area amd. 20350 sq. mts), + TDR area admn. 2350 sq. mts. out of D.P. Road + FSI area situated at Mauje- Anandwalli, Tal. & Dist, within the limits of Nashik Municipal Corporation and within Sub- Registration District Nashik.
10. Hypothecation of the Company’s stocks and Receivables for the project “Hari Bhakti” being constructed on all that piece and parcel of Non- Agricultural plot of land area admn. 1332.15 sq. mtrs., of S. No. 37/1B & area admn. 4276.02 sq. mtrs., of S. No. 37/1C total area admn. 5608.17 Sq. mtrs., situated at Mauje – Deolali, Tal. & Dist Nashik.

Guarantee:

- (a) Mr. Naresh Karda
- (b) Mr. Manohar Karda

(ii) Working Capital Facility

(₹ in lakhs)

| Name of Lender | Type of Loan | Date of Sanction | Amount Sanctioned | Amount outstanding as on September 30, 2017 | Interest (in % p.a.) | Repayment Schedule | Security |
|-----------------------------------|----------------------|------------------|------------------------|---|----------------------|---|----------|
| Axis Bank Ltd | Over Draft | 22/02/2016 | 260.00 | 185.25 | 14.00% | Repayable on demand. | Note 1 |
| State Bank of India | Working Capital Loan | 16/03/2016 | 1800.00 ⁽¹⁾ | 1,431.89 | 11.80% | Repayable in 36 months with quarterly reduction. | Note 2 |
| State Bank of India | Cash Credit Facility | 17/06/2017 | 1,700.00 | 401.40 | 12.50% | Repayment within a period of 36 months including moratorium of 15 months from first disbursement. | Note 3 |
| The Navjeevan Co-op Bank Ltd | Over Draft | 19/02/2017 | 300.00 | 292.24 | 12.50% | Repayable in 24 months | Note 4 |
| The Nashik Rd Deolali Vypari Bank | Working Capital Loan | 02/02/2015 | 250.00 | 199.05 | 13.00% | Repayable in 12 months | Note 5 |

⁽¹⁾ The above Drop line Over Draft limit has been revised to be ₹ 1,225.00 Lacs (Projects specific for Hari Shrushti & Hari Sagar .The securities available against the loan are given in Note 6.

Note 1: The facility, all interest thereon, and all other monies in respect there of shall be secured by exclusive charge on N.A. Open land, admeasuring 1,396.62 sq. mt. located at Survey no. 11/1/1A, plot no. 3, Dasak Nashik. Owned by: Karda Constructions Limited.

Further the facility is secured by personal guarantee of:

- (a) Mr. Naresh J Karda
- (b) Mr. Manohar Karda

Note 2: The facility, all interest thereon, and all other monies in respect there of shall be secured by registered mortgage of:

1. All that piece and parcel of N.A. Land bearing S. No 259/2(P) area adm. H0-20R situated at Deolali Tal & Dist Nashik.
2. All that piece and parcel of N.A. Land bearing S. No 259/1(P) area adm. H0-50R & Land bearing S. No 259/2(P) area adm. H0-20 situated at Deolali Tal & Dist Nashik
3. All that piece and parcel of N.A. Land area adm. H.00-13.20 R i.e.1320 sq. mtrs out of S. No. 110/2/2, area adm. H. 00-20 r out of S. No 110/2/3 & area adm. H.00-20 R, out of S. No. 110/2/5 situated at Wadala, Tal. & Dist. Nashik, within the limits of Nashik Municipal Corporation.
4. Negative lien on the asset (Flats) created / constructed out of Bank finance, situated at
 - (a) Hari Shrushti situated at S. No 110/5B/2/1(P), S. No 110/5B/2/2,S.No 110/5B/2/3,S.No 110/5B/2/4 Opp IT Park, Indira Nagar off Mumbai Agra Highway Nashik.
 - (b) Hari Sagar situated at S. No 99A/1, Plot No.3,4,5,7,8,9,10,11,&,13, Opp. Niki Sagar Hotel, Lam Road, Deolali Camp, Nashik and
 - (c) Hypothecation of Stocks and Receivables.

Guarantee:

- (a) Mr. Naresh Karda
- (b) Mr. Manohar Karda

Note 3: Primary Security:

1. All that piece and parcel of respect of the property Plot No. 1 area adm. 575.15 sq. mtrs., Plot No. 2 area adm. 876.50 sq. mtrs., out of Gat no. 376/1B + 378/2, situated at Adagaon, Tal & Dist. Nashik. (Owned by M/s. Karda Constructions Ltd., through director – Mr. Naresh Karda).
2. All that piece and parcel of respect of the property Plot No. 10 area adm. 322.89 sq. mtrs., out of Gat no. 376/1B + 378/2, situated at Adagaon, Tal & Dist. Nashik. (Owned by Mrs. Disha Naresh Karda).
3. All that piece and parcel of the property area adm. 968.25 sq. mtrs., situated at Deolali, Tal & Dist. Nashik. (Owned by Mr. Naresh Karda, Mr. Manohar Karda and Mr. Prem Karda).
4. All that piece and parcel of respect of the property Plot No. 7 area adm. 800 sq. mtrs., out of S. no. 484/3/1/2, situated at village Nashik, Taluka & Dist. Nashik. (Owned by M/s. Karda Constructions Ltd., through director – Mr. Naresh Karda).
5. All that piece and parcel of respect of the property Plot No. 8 area adm. 1008.39 sq. mtrs., out of S. No. 484/3/1/2, situated at village Nashik, Taluka & Dist. Nashik. (Owned by M/s. Karda Constructions Ltd., through director – Mr. Naresh Karda).
6. All that piece and parcel of respect of the property Plot No. 11 area adm. H.00-05.70R, i.e. 570 sq. mtrs. & Plot no. 12 area adm. H 00-4.99 R i.e. 499.00 sq mtrs., out of S. no. 306/1A/5, lying and being situated at Mauje Bhagur, Taluka & Dist. Nashik. (Owned by M/s. Karda Constructions Ltd., through director – Mr. Naresh Karda).
7. All that piece and parcel of properties constructed on area adm. 1332.15 sq. mtrs., of S. No. 37/1B & area adm. 4276.02 Sq. mtrs., of S. No. 37/1C total area adm. 5608.17 sq. mtrs., and the building under construction

thereon named as “ Hari Bhakti” the property situated at Mauje – Deolali, Tal. & Dist Nashik. (Owned by M/s. Karda Constructions Ltd., through director – Mr. Naresh Karda).

8. All that piece and parcel of properties being constructed/ to be constructed in the Complex known as “Hari Vasant” constructed on all that piece and parcel of Non- Agricultural plot of land area adm. 8300 sq. mts., (out of total area adm. 20350 sq. mts) out of area adm. 0H.51R of S. No. 4/2A, area adm 1H.04R of S No. 4/1B & Area admn. 0H.40R of S. No. 4/2B/2 (total area adm. 20350 sq. mts), + TDR area adm. 2350 sq. mts. out of D.P. Road + FSI area and the building under construction, there on named as “Hari Vasant”, the property situated at Mauje- Anandwalli, Tal. & Dist, within the limits of Nashik Municipal Corporation and within Sub- Registration District Nashik. (Owned by M/s. Karda Constructions Ltd., through director – Mr. Naresh Karda).
9. Hypothecation of the Company’s stocks and Receivables for the project “Hari Vasant” being constructed on all that piece and parcel of Non- Agricultural plot of land area admn. 8300 sq. mts., (out of total area adm. 20350 sq. mts) out of area adm. 0H.51R of S. No. 4/2A, area adm 1H.04R of S No. 4/1B & Area admn. 0H.40R of S. No. 4/2B/2 (total area adm. 20350 sq. mts), + TDR area adm. 2350 sq. mts. out of D.P. Road + FSI area situated at Mauje- Anandwalli, Tal. & Dist, within the limits of Nashik Municipal Corporation and within Sub- Registration District Nashik.
10. Hypothecation of the Company’s stocks and Receivables for the project “Hari Bhakti” being constructed on all that piece and parcel of Non- Agricultural plot of land area admn. 1332.15 sq. mtrs., of S. No. 37/1B & area adm. 4276.02 sq. mtrs., of S. No. 37/1C total area adm. 5608.17 sq. mtrs., situated at Mauje – Deolali, Tal. & Dist Nashik.

Guarantee:

- (a) Mr. Naresh Karda
- (b) Mr. Manohar Karda

Note 4: Prime Securities:

1. Registered plot at Survey no. 34/3B, Hectar 10R, Mouje Sansari, Deolali Camp, Taluka Nashik in the name of Mr. Naresh Karda. Agreement dated 04.07.2015, agreement value ₹ 45.00 lakhs.
2. Registered plot at Survey no. 146/1+2+3 Hectar 70R, Mouje Sansari, Deolali Camp, Taluka Nashik in the name of Mr. Naresh Karda. Agreement dated 11.02.2015, agreement value ₹ 124.50 lakhs.
3. Registered plot at survey no. 70/1+2+3, plot no. 3, 4128.53 sq. mts. at Panchak, Taluka & Dist. Nashik in the name of M/s. Karda Constructions Limited through its director Mr. Naresh Karda. Agreement dated 19.01.2017, agreement value ₹ 128.00 lakhs.

Guarantors: Joint and several guarantees of all the Directors of the company in their individual capacity.

Note 5: The facility, all interest thereon, and all other monies in respect thereof shall be secured by registered mortgage of:

1. Land admeasuring 4462 sqmt, situated at Survey no. 4/A C/1A+ 4/A C/1B+ 4/AC/1D + 4/A C/1E village Chehedi Dist. Nashik, land value: ₹ 830.40 lakhs; Ownership: M/s. Karda Constructions Ltd.
2. Land admeasuring Hectar 50R, situated at Survey no. 19/7/1, village Takdi, Dist Nashik. Land value: ₹ 400.00 lakhs; Ownership: M/s. Karda Constructions Ltd.

Note 6: The facility, all interest thereon, and all other monies in respect thereof shall be secured by registered mortgage of:

1. All that piece and parcel of N.A. Land area 1,320 sq. mtrs, out of S. No 110/2/2, area adm. H. 00-20 R, out of S. No. 110/2/3 & area adm. H.00-20 R, out if S. No 110/2/5 situated at wadala, Tal & Boundaries.

2. All that piece and parcel of respect of the NA plot of land area adm. 5200 sq mtrs. of S. No 43/3/1 property situated at Mauze - Vihitgaon, Deolali Cantonment Board, Nashik, Tal. & District Nashik, within the limit of Deolali Cantonment Board and within Sub Registration and Registration District.
3. Negative lien on the asset (Flats) created / constructed out of Bank finance ,situated at
 - (a) Hari Shrushti situated at S. No 110/5B/2/1(P), S. No 110/5B/2/3,S.No 110/5B/2/4 Opp IT Park, Indira Nagar off Mumbai Agra Highway, Nashik.
 - (b) Hari Sagar situated at S. No 99A/1, Plot No.3,4,5,7,8,9,10,11,&,13, Opp. Niki Sagar Hotel, Lam Road, Deolali Camp, Nashik and
 - (c) Hypothecation of Stocks and Receivables.

Guarantee:

- (a) Mr. Naresh Karda
- (b) Mr. Manohar Karda
- (c) Mrs Disha Karda
- (d) Mr. Prem Karda

(iii) Vehicle Loans

(₹ in lakhs)

| Name of Lender | Type of Loan | Date of Sanction | Amount Sanctioned | Amount outstanding as on September 30, 2017 | Interest (in % p.a.) | Repayment Schedule | Security |
|----------------|--------------|------------------|-------------------|---|----------------------|-------------------------------------|----------------------------|
| ICICI Bank Ltd | Vehicle Loan | 13/01/2016 | 8.70 | 5.54 | 10.50% | Repayable in 48 monthly instalments | Hypothecation of the Asset |

Unsecured Loans

(₹ in lakhs)

| Name of the Lender | Amount outstanding as on September 30, 2017 |
|---------------------|---|
| Loan from Directors | 1,106.00 |
| Total | 1,106.00 |

SECTION VII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no:

A. (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; or (iv) Material Litigation (as defined below); involving our Company, Directors, Promoter, or Group Companies. Our Board, in its meeting held on August 04, 2017, determined that outstanding legal proceedings involving the Company, Directors, Promoter and Group Companies: (a) where the aggregate amount involved, in such individual litigation exceeds 1% of the total Revenue of the Company as per the last audited financials or where the monetary liability is not quantifiable, each such case involving our Company, Promoter, Directors or Group Companies, whose outcome would have a bearing on the operations or performance of our Company, will be considered as material litigation (“Material Litigation”).

B. (i) litigation or legal actions, pending or taken, by any Ministry or department of the Government or a statutory authority against our Promoter during the last five years; (ii) pending proceedings initiated against our Company for economic offences; (iv) default and non-payment of statutory dues by our Company; (v) inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous companies law in the last five years against our Company; or (vi) material frauds committed against our Company in the last five years.

C. (i) outstanding Material Dues (as defined below) to creditors; or (ii) outstanding dues to small scale undertakings and other creditors.

Our Board, in its meeting held on August 04, 2017, determined that all outstanding dues owed by the Company to small scale undertaking and other creditors exceeding 1% of the total Revenue of the Company as per last audited financial are considered as material dues (“Material Dues”). Details of outstanding dues to creditors (including micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006) as required under the SEBI ICDR Regulations have been disclosed on our website at www.kardaconstruction.com.

Our Company, Directors, Promoter, and Group Companies are not Wilful Defaulters and there have been no violations of securities laws in the past or pending against them.

CONTINGENT LIABILITIES OF OUR COMPANY

(₹ in lakhs)

| Particulars | September 30, 2017 | As at March 31, | | | | |
|--|--------------------|-----------------|-----------------|-----------------|------|------|
| | | 2017 | 2016 | 2015 | 2014 | 2013 |
| Guarantee given for loan taken by Karda Infrastructure | 500.00 | 928.09 | 1,282.45 | 1,491.60 | - | - |
| Guarantee given/ Co-Borrower for loan taken by Shree Sainath Land & Development (India) Pvt Ltd* | 3,643.61 | 3,865.77 | 4,000.00 | - | - | - |
| Income Tax for AY 2010-11 | 200.00 | 200.00 | 200.00 | - | - | - |
| Income Tax for AY 2014-15 | 31.28 | 31.28 | - | - | - | - |
| Income Tax for AY 2015-16 | 203.91 | - | - | - | - | - |
| Sales tax for FY 2013-14 | - | 0.54 | - | - | - | - |
| Sales tax for FY 2012-13 | 58.46 | 58.46 | - | - | - | - |
| Total | 4,637.26 | 5,107.21 | 5,505.52 | 1,514.67 | - | - |

LITIGATION INVOLVING OUR COMPANY

A. LITIGATION AGAINST OUR COMPANY

1. Criminal matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

1. Enquiry under Section 7A of Employees Provident Fund & Miscellaneous Provisions Act, 1952 by the Assistant Provident Fund Commissioner, Regional Office, Nasik

Summons dated January 31, 2017 were issued to the Company by the Assistant Provident Fund Commissioner, Sub-Regional Office, Nasik inter-alia stating that an enquiry under Section 7A of Employees Provident Fund & Miscellaneous Provisions Act, 1952 was to be initiated against the Company for the period from September, 2014 onwards for determination of amount due from employer. Subsequently, a notice dated February 06, 2017 under Section 32 of Code of Civil Procedure, 1908 was issued to the Company inter-alia stating that the Company failed to appear for the hearing scheduled on February 06, 2017 and further gave another opportunity to the Company to attend the hearing on February 20, 2017 along with the required records. A reply to summons dated January 31, 2017 and the aforesaid Notice dated February 06, 2017 was issued by the Company. This matter is currently pending.

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

Direct tax Proceedings

NIL

(ii) Indirect Taxes Liabilities

Indirect tax Proceedings

NIL

4. Other Pending Litigations

1. Civil Suit bearing Special Case No. 43/17 dated March 07, 2017 filed by (1) Mr. Sanjay Shankar Badhan, (2) Rajendra Shankar Badhan, (3) Vijay Shankar Badhan, (4) Malti Ramdas Amrutkar, (5) Prabhavati Bhikaram Kothavade, and (6) Sangeeta Satishchandra Shirode (“the Petitioners”) against (1) Mhalsakant Ganpatrao Deshpande, (2) Shrikant Ganpatrao Deshpande, (3) Chandrakant Ganpatrao Deshpande, (4) Sheetal Ganpatrao Deshpande, (5) Alka Ganpatrao Deshpande, (6) Pushpa Ganpatrao Deshpande, (7) the Company and (8) Rahul Kanheyalal Kalani (“the Respondents”) before the Hon’ble Junior Division, Civil Court, Nashik (“the Court”).

Shankar Aatmaram Badhan, the father of Petitioners 1 to 3 had purchased a Plot bearing no. 19/1, Ganv Shivaratil admeasuring 10- Ares (“the Land”) from Respondents 1 to 6. However, upon reviewing the land record available in the concerned Taluka, the Petitioners realized that the Respondents 1 to 6 had sold an area admeasuring 40 Ares to the Company. However, the name of the Company was reflected in the land records as the owner of the said Land and the plans attached to sale deed made by Respondents 1 to 6 in favour of the Company. Thereafter, the Petitioners filed the said Civil Suit bearing Special Case No. 43/17 inter-alia praying the Court may pass an order directing that no modifications be made to the area of the Land sold to Petitioners under their sale deed or pass any other order may be deemed fit. Subsequently, vide Order dated November 18, 2017, the 2nd Joint Civil Judge, Nashik adjourned the aforesaid matter. This matter is currently pending.

2. Special Civil Suit bearing No. 158/2013 filed by the Alka Parsharam Sonawne (“Petitioner”) against (1) Anusaya Trambak Karjul; (2) Subhash Trambak Karjul; (3) Bhimrao Trambak Kharjul; (4) Chandrabag Vittal Kadam; (5) Yamunabai Ghama Karjul; (6) Sudhakar Ghama Karjul; (7) Ashwa Ghama Karjul and (8) the Company (collectively “Respondents”) before The Court of Civil Judge Senior Division, Nashik (the Court”).

Trambak Karjul, father of the Petitioner was the Original owner of the S.No – 20/1A, Deolali Village, Nashik (“the Property”). The other legal heirs of Trambak Kharjul did not inform the Petitioner or include her name in the Record of Rights, at the time of its update in consequence of the death of Trambak Kharjul. However, the Petitioner observed that her name was not included as a co-owner in the Village Form 7/12 upon checking the same. Thereafter, the Respondent Nos. 1 to 7 sold the said Property to the Company. Being aggrieved by the

aforesaid sale, the Petitioner filed the above suit inter-alia praying that the Court may (a) restrain Respondent Nos. 2 and 3 from selling or developing or creating third party rights over the Property in dispute, (b) restrain the Company from selling or developing or creating third party rights over the Property (c) grant right to the Petitioner over 1/5th share of the Property and (d) direct division of the Petitioner's share of Property. This matter is currently pending.

B. CASES FILED BY OUR COMPANY

1. Litigation Involving Criminal matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

| Sr. No. | Type of Direct Tax | No. of Cases | Amount in dispute/ demanded (in ₹) |
|--------------|---------------------------|--------------|------------------------------------|
| 1. | Income Tax (A.Y.2010-11) | 1 | 2,00,00,000/- ⁽¹⁾ |
| 2. | Income Tax (A.Y.2014-15) | 1 | 31,28, 240/- ⁽²⁾ |
| 3. | Income Tax (A.Y. 2015-16) | 1 | 2,03,90,530/- ⁽³⁾ |
| Total | | 3 | 4,35,18,770/- |

1. Appeal dated January 18, 2016 filed by the Company before the Income Tax Appellate Tribunal, Nashik for the A.Y. 2010-11.

An Assessment Order dated October 24, 2014 was issued by the Joint Commissioner of Income Tax, Central Range, Nashik ("JCIT") to the Company inter-alia directing the Company to pay the penalty of ₹ 2 Crores for the violation of the provisions under Section 269SS of the I.T. Act along with a notice of demand under Section 156 of the Income Tax Act, 1961 for a sum of ₹ 2,00,00,000/- (Rupees Two Crores Only) for the A.Y. 2010-11. Subsequently, an Appeal was filed by the Company before the Deputy Commissioner (Appeals) of Income Tax and Commissioner (Appeals) ("C.I.T. (A)") dated November 20, 2014 inter-alia refuting the allegations made by the JCIT vide order dated October 24, 2014. Consequently, an Order dated November 05, 2015 was issued by C.I.T. (A) inter-alia dismissing the above mentioned appeal and directing the Company to pay ₹ 2,00,00,000/-. Aggrieved by the Order dated November 05, 2015 issued by the C.I.T. (A), the Company filed an appeal dated January 18, 2016 before the Income Tax Appellate Tribunal ("I.T.A.T.") challenging the same. This matter is currently pending.

2. Appeal dated January 25, 2017 filed by the Company before the Commissioner of Income Tax (Appeals)-12, Pune ("CIT-A") for the A.Y. 2014-15.

An Assessment Order dated December 30, 2016 was issued by the Assistant Commissioner of Income Tax, Nashik ("AC") inter-alia adding an amount of ₹ 68,57,337/- to total income on account of Section 43CA of the I.T. Act and issued a demand notice under Section 156 of the I.T. Act inter-alia demanding that the Company pay a sum of ₹ 31,28, 240/- for the A.Y. 2014-15. Subsequently, a letter dated January 01, 2016 was sent to the AC by the Company inter-alia requesting the AC to grant stay on 85% of demand and to allow payment of 15% of the demand in 4 equal instalments since the Company was in the process of filing an appeal against the abovementioned order dated December 30, 2016. Thereafter, the Company filed an Appeal dated January 25, 2017, before the CIT-A inter-alia refuting all the allegations mentioned by the AC in the Assessment Order dated December 30, 2016. Subsequently, a Notice dated February 10, 2017 was issued to the Company by the AC for the recovery of the outstanding amount of ₹ 31,28,236/-. Consequently, a letter dated February 13, 2017 was issued by the Company to the AC inter-alia stating that the Company has paid a sum of ₹ 4,69,236/- towards the assessment dues on calculation of 15% of the total amount due and further requesting the AC to grant stay on 85% of the total demand. This matter is currently pending.

3. **Appeal dated January 25, 2018 filed by the Company before the Commissioner of Income Tax (Appeals)-12, Pune (“CIT-A”) for the A.Y. 2015-16.**

An Assessment Order dated December 31, 2017 was issued by the Assistant Commissioner of Income Tax, Nashik (“AC”) along with an demand notice under Section 156 of the I.T. Act inter-alia demanding that the Company pay a sum of ₹ 2,03,90,530/- for the A.Y. 2015-16. Subsequently, a notice under Section 274 of the Income Tax Act, 1961 was issued by the Assistant Commissioner of Income Tax, Nashik inter-alia requiring the Company to show cause as to why penalty under Section 271(1) (c) of the Income Tax Act, 1961 should not be levied upon the Company. Consequently, the Company vide letter dated January 17, 2018 inter-alia requested the AC to rectify mistake apparent from record under Section 154 of the Income Tax Act, 1961 and therefore delete the addition of ₹ 1,64,47,462/- made by the AC in the Assessment Order dated December 31, 2017. Further, vide letter dated January 25, 2018 the Company requested the AC to grant a stay on the demand raised by the AC vide Order dated December 31, 2017. Thereafter, the Company filed an Appeal dated January 25, 2018, before the CIT-A inter-alia refuting all the allegations mentioned by the AC in the Assessment Order dated December 31, 2017. This matter is currently pending.

(ii) **Indirect Taxes Liabilities**

| Sr. No. | Type of Direct Tax | No. of Cases | Amount in dispute/ demanded (in ₹) |
|--------------|----------------------------------|--------------|------------------------------------|
| 1. | Sales Tax (for the year 2012-13) | 1 | 58,46,320/- ⁽¹⁾ |
| Total | | 1 | 58,46,320/- |

1. **Appeal dated April 25, 2017 filed by the Company before the Deputy Commissioner of Sales Tax, (Appeals), Nasik (“DC”) for the year 2012-13.**

A notice for assessment dated July 21, 2016 was issued by the Assistant Commissioner of Sales Tax, Refund & Refund Audit branch, NAS-VAT-D-010, Nasik (“AC”) to the Company for the A.Y. 2012-13 to show cause as to why penalty under Sub Section (8) of Section 29 should not be imposed. Thereafter, the Company issued a letter dated August 16, 2016 to the AC inter-alia requesting the AC to drop the assessment proceedings. Subsequently, an Assessment Order dated March 08, 2017 was passed by the AC inter-alia demanding a sum of ₹ 58,46,320/- from the Company. Consequently, the Company filed an appeal dated April 25, 2017 before the DC inter-alia praying that (i) the claim of refund brought forward from the period 2011-12 Vat audit reports of ₹ 41,64,874/- be allowed and (ii) the interest of ₹ 24,12,358/- be remitted fully. The matter is currently pending.

4. **Other Pending Litigations**

1. **Special M. No.559 of 2014 dated December 17, 2015 filed by the Company and others (“Complainants”) against (1) Sandeep Tanaji Gawande and (2) Sanjay Kautikrav Mahajan (collectively “Respondents”) before the Court of Civil Judge, Senior Division, Nashik (“the Court”).**

Land bearing Survey No. 183+184+185+186, Girinare Village, Igatpuri (“the Property”) was sub-divided and various parcels thereof were sold to the Complainants by Respondent No. 2 vide various registered sale deeds. However, the sale of certain parcels out of the above Property to the Company was not taken on record in the Village Form 7/12 in respect of the subject land parcels despite applications for the same made by the Company and the name of Respondent No. 2 continued to be reflected as the owner of the Property including the subject land parcels. Thereafter, taking advantage of the lacunae in update of the Village Form 7/12 in respect of the subject land parcels, the Respondent No. 1 used a forged certain documents, misrepresented himself to be Respondent No. 2 and executed a Sale Deed dated May 19, 2015 (“the Sale Deed”) whereby the Property was reflected to be sold to Respondent No.1. The name of Respondent No.1 was also taken on record on the Village Form 7/12 in respect of the subject land parcels. Aggrieved by such fraudulent acts, the Complainants filed the aforesaid suit dated December 17, 2015 before the Court inter-alia praying that (i) the aforesaid Sale Deed be declared illegal; (ii) Respondent No. 1 shall be restrained from causing any hindrance in the possession of the Property by Complainants and (iii) Respondent No. 1 shall be restrained from creating any third party rights in the Property till the final order is passed by the Court. This matter is currently pending.

LITIGATION INVOLVING OUR DIRECTORS

A. LITIGATION AGAINST OUR DIRECTORS

1. Criminal matters

1. **Criminal Case No. 3090/25/16 against Mr. Sandeep Shah filed by E-City Projects Construction Pvt. Ltd. before the Metropolitan Magistrate 63rd Court, Andheri, Mumbai**

One of our Non-Executive Independent Director, Mr. Sandeep Shah is one of the parties to a criminal case bearing no. 3090/25/16 under Section 138 of the Negotiable Instruments Act, 1881 filed by E-City Projects Construction Pvt. Ltd. in a matter pertaining to BSN Hotels Ltd. (A Company in which Mr Sandeep Shah was a Non-Executive Director from October 01, 2012 till January 16, 2017)

The matter is being heard at the Metropolitan Magistrate 63rd Court, Andheri, Mumbai and is currently pending.

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

NIL

(ii) Indirect Taxes Liabilities

NIL

4. Other Pending Litigations

NIL

B. LITIGATION FILED BY OUR DIRECTORS

1. Litigation Involving Criminal matters

1. **Criminal Writ Petition bearing No. 5317 / 2017 dated December 19, 2017 filed by Mr. Naresh Karda (“the Appellant”) against State of Maharashtra and Others (“the Respondents”) before the High Court of Judicature at Bombay, Criminal Appellate Jurisdiction (“the Court”)**

Nilesh Balu Jadhav (“the Complainant”) had filed a Private Complaint dated September 04, 2017 bearing No. 188 of 2017 before the District and Sessions Court, Nashik against the Appellant inter-alia alleging that the Complainant had paid a booking amount of ₹ 10,00,000/- to purchase a flat in one of the projects constructed by the Appellant and further alleging that upon trying to complete the transaction, the Appellant had abused the Complainant on his caste and therefore, the Complainant prayed that the Assistant Sessions Judge-2, Nashik pass an Order under Section 156(3) of the Code of Criminal Procedure, 1973 (“Cr.P.C”). Subsequently, an Order dated October 26, 2017 was passed by the Assistant Sessions Judge-2, Nashik inter-alia referring the Complainant to the Senior Police Inspector, Upanagar Police Station, Nashik for investigation under Section 156(3) of the Cr. P.C. Thereafter, an FIR dated October 27, 2017, bearing No. I 463/ 2017, was filed by the Complainant before the Upanagar Police Station, Nashik for offences u/s 3(1)(10) of the Scheduled Castes & Scheduled Tribes (Prevention of Atrocities) Act, 1989 and also under Sections 406, 504 and 506 of the Indian Penal Code, 1860. Further, the Appellant filed a Criminal Miscellaneous Application bearing No. 1489 / 2017 before the District and Sessions Court, Nashik inter-alia praying for Anticipatory Bail. However, vide Order dated November 03, 2017 the Additional Sessions Judge-9, Nashik rejected the aforesaid Application bearing No. 1489/2017 filed by the Appellant. On being aggrieved by the aforesaid Order dated November 03, 2017, the Appellant filed the Criminal Appeal No. 904 of 2017 before the Court inter-alia praying that the Court squash and set aside the Order dated November 03, 2017. Consequently, the Court vide Order dated January 10, 2018

adjourned this matter and allowed ad interim relief, if any to the Appellant. Further, a Criminal Writ Petition bearing No. 5317 / 2017 was filed by the Appellant before the Court inter-alia praying that the court quash the FIR dated October 27, 2017 bearing No. I 463 / 2017. Thereafter, vide Order dated January 30, 2018, the Court adjourned this matter and allowed ad interim relief, if any to the Appellant. This matter is currently pending.

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

| Sr. No. | Type of Direct Tax | No. of Cases | Amount in dispute/ demanded (in ₹) |
|--------------|---------------------------|--------------|------------------------------------|
| 1. | Income Tax (A.Y. 2003-04) | 1 | 12,10,354/- ⁽¹⁾ |
| 2. | Income Tax (A.Y. 2005-06) | 1 | 88,312/- ⁽²⁾ |
| 3. | Income Tax (A.Y. 2011-12) | 1 | 1,20,31,107/- ⁽³⁾ |
| 4. | Income Tax (A.Y. 2012-13) | 1 | 23,06,970/- ⁽⁴⁾ |
| 5. | Income Tax (A.Y. 2013-14) | 1 | 2,13,32,410/- ⁽⁵⁾ |
| 6. | Income Tax (A.Y. 2014-15) | 1 | 78,26,360/- ⁽⁶⁾ |
| 7. | Income Tax (A.Y. 2015-16) | 1 | 4,45,32,240/- ⁽⁷⁾ |
| Total | | 7 | 8,93,27,753/- |

1. Appeal dated July 11, 2016 filed by Mr. Naresh Karda before the Income Tax Appellate Tribunal, Pune for the A.Y. 2003-2004.

An Assessment Order dated December 31, 2010 was passed by the Income Tax Officer (Central)-II, Nashik ("AO") inter-alia initiating penalty proceedings under Section 271(1)(c) of the Income Tax Act, 1961, adding (i) ₹ 1,72,960/- on account of expenditure as applicable in Section 40A(3) of the I.T. Act, (ii) ₹ 2,08,165/- on account of rate difference, (iii) ₹ 10,000/- on account of it being inadmissible expenses, (iv) ₹ 10,21,708/- on account of undisclosed cash received against the plots sold and (v) ₹ 25,100/- on account of unaccounted transactions to the total income of Mr. Naresh Karda and further issued a Notice of Demand dated December 31, 2010 inter-alia demanding Mr. Naresh Karda to pay a sum of ₹ 8,80,614/- for the A.Y. 2003-04. Thereafter, a penalty order dated January 03, 2014 was issued by the Assessing Officer inter-alia levying a penalty of ₹ 3,29,740/-. Subsequently, Mr. Naresh Karda filed an Appeal dated January 25, 2011 before the Deputy Commissioner (Appeals) of Income Tax and Commissioner (Appeals)-12, Pune ("CIT-A") inter-alia refuting all the allegations made by the AO vide Assessment Order dated December 31, 2010. Consequently, an Order dated March 17, 2016 was issued by the CIT-A inter-alia partly allowing the above mentioned appeal by levying the penalty of ₹ 3,29,740/- and allowing Mr. Naresh Karda to amend any ground of appeal. Aggrieved by the Order dated March 17, 2016, Mr. Naresh Karda filed an appeal dated July 11, 2016 before the Income Tax Appellate Tribunal, Pune inter-alia ("the Tribunal") praying that the Tribunal deletes the penalty under Section 271(1)(c) levied in respect of the addition of ₹ 10,21,708/- vide order dated January 03, 2014. This matter is currently pending.

2. Appeal dated April 18, 2014 filed by Mr. Naresh Karda before the Deputy Commissioner (Appeals) of Income Tax for the A.Y. 2005-06.

An Assessment Order dated December 31, 2010 was issued by the Income Tax Officer, Nasik inter-alia adding ₹ 48,000/- to the total income of Mr. Naresh Karda on account of expenditure as defined under Section 40A(3) of the Income Tax Act, 1961 and initiating penalty proceedings under Section 271 (1)(c) of the Income Tax Act, 1961 along with a demand notice under Section 156 of the I. T. Act inter-alia demanding a sum of ₹ 56,362/- to be payable by Mr. Naresh Karda for the A.Y. 2005-06. Thereafter, Mr. Naresh Karda filed an Appeal dated January 27, 2011 before the Deputy Commissioner (Appeals) and Commissioner (Appeals) of Income Tax, Pune inter-alia refuting the allegations made by the Income Tax Officer, Nasik vide order dated December 31, 2010. Subsequently, a Penalty Order dated March 25, 2014 was issued by the Income Tax Officer, Nasik to inter-alia levying a penalty of ₹ 31,950/-. Consequently, Mr. Naresh Karda filed an appeal dated April 18, 2014 before the Deputy Commissioner (Appeals) of Income Tax inter-alia refuting the penalty of ₹ 31,950/- levied by Income Tax Officer, Nasik vide Penalty Order dated March 25, 2014. This matter is currently pending.

3. Appeal dated January 18, 2016 filed by Mr. Naresh Karda before the Income Tax Appellate Tribunal (“ITAT”) for the A.Y. 2011-12.

An Assessment Order dated October 24, 2014 was issued by the Joint Commissioner of Income Tax, Central Range, Nasik inter-alia directing Mr. Naresh Karda to pay the penalty of ₹ 1,20,31,107/- for the violation of the provisions under Section 269SS of the I.T. Act along with a demand notice under Section 156 of The Income Tax Act, 1961 (“Act”) demanding a sum of ₹ 1,20,31,107/- payable by Mr. Naresh Karda for the A.Y. 2011-12. Subsequently, an appeal dated November 20, 2014 was filed by Mr. Naresh Karda before the Deputy Commissioner (Appeals) of Income Tax and Commissioner (Appeals) inter-alia refuting the allegations made by the JCIT vide Order dated October 24, 2014. Consequently, an Order dated November 05, 2015 was issued by the Commissioner of Income Tax (Appeals), Pune inter-alia dismissing the appeal filed by Mr. Naresh Karda. Aggrieved by the Order dated November 05, 2015, Mr. Naresh Karda filed an Appeal dated January 18, 2016 before the ITAT inter-alia praying that the ITAT dismiss the penalty levied by the Order dated November 05, 2015 issued by the Commissioner of Income Tax (Appeals), Pune. This matter is currently pending.

4. Appeal dated April 20, 2015 filed by Mr. Naresh Karda the Commissioner (Appeals) of Income Tax, Pune for the A.Y. 2012-13.

An Assessment Order dated March 29, 2015 was issued by the AC inter-alia adding ₹ 3,05,000/- on account of disallowed interest expense, ₹ 12,921/- on account of interest of TDS and ₹ 51,00,000/- on account of unaccounted expenditure incurred for arranging the loan entry along with a demand notice under Section 156 of the Income Tax Act, 1961 demanding a sum of ₹ 23,06,970/- payable by Mr. Naresh Karda for the A.Y. 2012-13. Thereafter, a Notice dated March 29, 2015 under Section 274 of the Act was issued to Mr. Naresh Karda by the AC requesting him to show cause as to why the AC should not initiate penalty proceedings under Section 271 (1) (C) of the Income Tax Act, 1961. Aggrieved by the Assessment Order dated March 29, 2015, Mr. Naresh Karda filed an Appeal dated April 20, 2015 before the Commissioner (Appeals) of Income Tax, Pune inter-alia refuting the allegations made in the Assessment Order dated March 29, 2015. This matter is currently pending.

5. Appeal dated June 08, 2016 filed by Mr. Naresh Karda before the Commissioner of Income-tax (Appeals), Pune-12 A.Y. 2013-14.

An Assessment Order dated March 01, 2016 was passed by the Assistant Commissioner of Income Tax, Central Circle- 2, Nasik, inter-alia adding ₹ 4,82,66,792/- as deemed dividend under Section 2(22)(e) of the Income Tax Act, 1961 and initiated penalty proceedings under Section 271(1)(C) of the Income Tax Act, 1961. Further, the Assistant Commissioner of Income Tax, Central Circle-2, Nasik also issued a demand notice dated March 01, 2016 inter-alia demanding a sum of ₹ 2,13,32,410/- payable by Mr. Naresh Karda for the A.Y. 2013-14. Aggrieved by the Assessment Order dated March 01, 2016, Mr. Naresh Karda filed an Appeal dated June 08, 2016 before the Commissioner of Income-tax (Appeals), Pune-12. This matter is currently pending.

6. Appeal dated January 25, 2017 filed by Mr. Naresh Karda before the Commissioner of Income Tax (Appeals)-12, Pune (“CIT-A”) for the A.Y. 2014-15.

An Assessment Order dated December 30, 2016 was passed by the AC inter-alia adding, to the total income, an amount of ₹ 10,76,008/- on account of disallowance of interest expenses, ₹ 2,17,153/- on account of excess payment under Section 40(A) of the I. T. Act, ₹ 7,51,068/- on account of disallowance of compensation claimed and ₹ 1,64,35,977/- on account of provisions under Section 43CA along with an demand notice under Section 156 of the I. T. Act inter-alia demanding Mr. Naresh Karda to pay a sum of ₹ 78,26,360/- for the A.Y. 2014-15. Subsequently, vide a letter dated January 24, 2016 was addressed by Mr. Naresh Karda to the AC inter-alia requested the AC to grant stay on 85% of demand and to allow the payment of 15% of the demand in 4 equal instalments since Mr. Naresh Karda was in the process of filing an appeal against the abovementioned order dated December 30, 2016. Thereafter, Mr. Naresh Karda filed an Appeal dated January 25, 2017, before the CIT-A inter-alia refuting all the allegations mentioned by the AC in the Assessment Order dated December 30, 2016. Subsequently, a letter dated February 13, 2017 was issued by Mr. Naresh Karda to the AC inter-alia stating that he has paid a sum of ₹ 11,73,954/- towards the assessment dues on calculation of 15% of the total amount due and further requesting the AC to grant stay on 85% of the total demand. This matter is currently pending.

7. Appeal dated January 25, 2018 filed by Mr. Naresh Karda before the Commissioner of Income Tax (Appeals)-12, Pune (“CIT-A”) for the A.Y. 2015-16.

An Assessment Order dated December 31, 2017 was issued by the Assistant Commissioner of Income Tax, Nashik (“AC”) along with an demand notice under Section 156 of the I.T. Act inter-alia demanding that Mr. Naresh Karda pay a sum of ₹ 4,45,32,240/- for the A.Y. 2015-16. Consequently, Mr Naresh Karda vide letter dated January 19, 2018 inter-alia stating that interest amounting to Rs. 3,86,230/- under Section 243C of the Income Tax Act, 1961 had been wrongly levied and that the AC had granted TDS credit at Rs. 84,456/- as against TDS credit at Rs. 43,95,594/- and thereforerequested the AC to rectify the aforesaid errors in the Assessment Order dated December 31, 2017. Further, vide letter dated January 25, 2018, Mr. Naresh Karda requested the AC to grant a stay on the demand raised by the AC vide Order dated December 31, 2017. Thereafter, Mr. Naresh Karda filed an Appeal dated January 25, 2018, before the CIT-A inter-alia refuting all the allegations mentioned by the AC in the Assessment Order dated December 31, 2017. This matter is currently pending.

(ii) Indirect Taxes Liabilities

NIL

4. Other Pending Litigations

NIL

LITIGATION INVOLVING OUR PROMOTER

A. LITIGATION AGAINST OUR PROMOTER

Except as stated in the section “Litigation involving our Directors”, there are no other litigations filed against the Promoter.

1. Litigation Involving Criminal matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

NIL

(ii) Indirect Taxes Liabilities

NIL

4. Other Pending Litigations

NIL

B. LITIGATION FILED BY OUR PROMOTER

Except as stated in the section “Litigation involving our Directors”, there are no other litigations filed by the Promoter.

1. Litigation Involving Criminal matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

NIL

(ii) Indirect Taxes Liabilities

NIL

4. Other Pending Litigations

NIL

LITIGATION INVOLVING OUR GROUP COMPANIES

A. LITIGATION AGAINST OUR GROUP COMPANIES

1. Litigation involving Criminal matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

NIL

(ii) Indirect Taxes Liabilities

NIL

4. Other Pending Litigations

NIL

B. LITIGATION FILED BY OUR GROUP COMPANIES

1. Criminal matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

NIL

(ii) Indirect Taxes Liabilities

NIL

4. Other Pending Litigations

NIL

There are no litigations or legal actions, pending or taken, by any Ministry or Department of the Government or a statutory authority against our Promoter during the last 5 (five) years.

There are no litigations or legal actions, pending or taken, by any Ministry or Department of the Government or a statutory authority against our Promoter during the last 5 (five) years.

Pending proceedings initiated against our Company for economic offences.

There are no pending proceedings initiated against our Company for economic offences.

Inquiries, investigations etc. instituted under the Companies Act, 2013 or any previous companies enactment in the last 5 (five) years against our Company.

There are no inquiries, investigations etc. instituted under the Companies Act or any previous companies enactment in the last 5 (five) years against our Company.

Material Fraud against our Company in the last 5 (five) years

There has been no material fraud committed against our Company in the last 5 (five) years.

Fines imposed or compounding of offences for default

There are no fines imposed or compounding of offences done in the last 5 (five) years immediately preceding the year of this Prospectus for the Company for default or outstanding defaults.

Non-Payment of Statutory Dues

There have been no defaults or outstanding defaults in the payment of statutory dues payable by the Company as of the date of the last audited financial statements of the Company.

Amounts owed to small scale undertakings and other creditors

As of September 30, 2017, our Company owes the following amounts to small scale undertakings, other creditors and material creditors:

| Particulars | Number of creditors | Amount Involved (in ₹ lakhs) |
|-------------------------------------|---------------------|------------------------------|
| Micro, Small and Medium Enterprises | - | - |
| Material Creditors | - | - |
| Other Creditors | 262 | 707.44 |
| Total | 262 | 707.44 |

Details in relation to the amount owed by our Company to material creditors, small scale undertakings and other creditors as on September 30, 2017 are also available www.kardaconstruction.com.

It is clarified that information provided on the website of our Company is not a part of this Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, would be doing so at its own risk.

Material developments occurring after last balance sheet date

Except as disclosed elsewhere in this Prospectus, there have been no material developments that have occurred after the Last Balance Sheet Date.

GOVERNMENT AND OTHER KEY APPROVALS

Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities. In view of the approvals listed below, we can undertake the Issue and our current/ proposed business activities and no further major approvals from any governmental/regulatory authority or any other entity are required to be undertaken, in respect of the Issue or to continue our business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf.

The main objects clause of the Memorandum of Association of the Company and the objects incidental, enable our Company to carry out its activities.

I. Approvals for the Issue

1. The Board of Directors have, pursuant to Sections 28 and 62(1)(c) and other applicable provisions of the Companies Act 2013, by a resolution passed at its meeting held on August 04, 2017 authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of our Company have, pursuant to Sections 28 and 62(1)(c) and other applicable provisions of the Companies Act, 2013, by a special resolution passed in the annual general meeting held on August 29, 2017.
3. In-principle approval dated October 18, 2017 from the BSE and dated October 25, 2017 from NSE for listing of the Equity Shares issued by our Company pursuant to the Issue.
4. Our Company's International Securities Identification Number (“ISIN”) is INE278R01018.

II. Approvals pertaining to Incorporation, name and constitution of our Company

1. Certificate of Incorporation dated September 17, 2007 issued by the Assistant Registrar of Companies, Mumbai (“RoC”) in the name of “Karda Constructions Private Limited”.
2. A fresh Certificate of Incorporation consequent upon change of name from “Karda Constructions Private Limited” to “Karda Constructions Limited” was issued on March 17, 2016 by the Registrar of Companies, Mumbai.
3. The Corporate Identity Number (CIN) of the Company is U45400MH2007PLC174194.

III. TAX RELATED APPROVALS

| Sr. No. | Description | Authority | Registration Number | Date of Issue | Date of Expiry |
|---------|--|--|---------------------|--|-----------------------|
| 1. | Permanent Account Number (PAN) | Income Tax Department, Government of India | AADCK1887B | September 17, 2007 | Valid until cancelled |
| 2. | Tax Deduction Account Number (TAN) | Income Tax Department, Government of India | MUMK23935C | Date of Issue: May 06, 2014 Date of Amendment: May 05, 2016 | Valid until cancelled |
| 3. | Certificate of Registration issued under Service Tax Code Registration | Central Excise Officer | AADCK1887BS D001 | Date of Issue: December 30, 2010 Amended on: September 09, 2014 | Valid until cancelled |

| Sr. No. | Description | Authority | Registration Number | Date of Issue | Date of Expiry |
|---------|---|--|---------------------|--------------------|-----------------------|
| 4. | Certificate of Registration issued under Section 18 of the Goa Value Added Tax Act, 2005 for its branch office situated at 6 th Floor, Hum Twin Tower, Opp. Union Bank of India, Kaziwada, Ponda, Goa. | Assessing Officer, Department of Commercial Taxes | 30290206543 | March 09, 2017 | March 31, 2018 |
| 5. | Certificate of Provisional Registration issued under the provisions of GST (Form-25) for its branch office situated at 6 th Floor, Hum Twin Tower, Opp. Union Bank of India, Kaziwada, Ponda, Goa. | Government of India and Government of Goa | 30AADCK1887B 1ZZ | June 26, 2017 | Valid until cancelled |
| 6. | Certificate of Provisional Registration issued under The Central Goods and Services Tax Act, 2017 | Government of India and Government of Maharashtra | 27AADCK1887B 1ZM | March 30, 2017 | Valid until cancelled |
| 7. | Certificate of Registration issued under the Maharashtra Value Added Tax Act, 2002 | Assistant Commissioner of Sales Tax, Refund & Refund Audit Br. NAS-VAT-D-010, Nashik | 27160880523V | April 01, 2008 | Valid until cancelled |
| 8. | Certificate of Registration issued under Central Sales Tax (Registration and Turnover) Rules, 1957 | Assistant Commissioner of Sales Tax, Refund & Refund Audit Br. NAS-VAT-D-010, Nashik | 27160880523C | February 01, 2012 | Valid until cancelled |
| 9. | Certificate of Enrollment under the 8. | Profession Tax Officer, NAS-PTO-001, Nashik Division, Nashik | 99951664164P | September 17, 2007 | Valid until cancelled |
| 10. | Certificate of Registration under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975. | Profession Tax Officer, NAS-PTO-001, Nashik Division, Nashik | 2765213852P | December 01, 2008 | Valid until cancelled |

IV. BUSINESS RELATED APPROVALS

The Company has obtained the following approvals for the purposes of conducting its business activities:

| Sr. No. | Property Description | Licenses and Approvals Obtained | Date of Expiry |
|---------|---|---|---|
| 1. | <u>HARI BHAKTI</u> Survey No- 31/1B and 37/C, C.T.S. No. 6858, Deolali, Nashik- 422101 | a) Sanction of Building Permit and Commencement Certificate for carrying out development work/ and building permits to erect building for Residential Purpose dated September 26, 2016 bearing no. LND/BP/C3/83531/87 issued by the Executive Engineer (Town Planning), Nashik Municipal Corporation. b) N.A. Order bearing No. NASR/75/2015 dated December 07, 2015 issued by Nashik Municipal Corporation. | September 25, 2017 Valid until cancelled |

| Sr. No. | Property Description | Licenses and Approvals Obtained | Date of Expiry |
|---------|--|---|------------------------|
| | | c) Provisional Fire NOC bearing No. NMC/FIRE/WS/II/Mixed-10/2016 dated July 05, 2016 issued by the Chief Fire Officer, Nashik Municipal Corporation | Valid until cancelled |
| | | d) Registration Certificate of Project dated July 18, 2017 bearing No. P5160000585 issued by the Authorized Officer, Maharashtra Real Estate Regulatory Authority. | December 31, 2020 |
| 2. | <u>HARI NAMAN</u> Plot No. 10 of Survey No. 238A/1/2+3+4/18, C.T.S. No. 3296B of Deolali Shiwar, Nashik | a) Sanction of Building Permit and Commencement Certificate for carrying out development work/ and building permits to erect building for Residential Purpose dated August 13, 2015 bearing no. C-3/80/1217 issued by the Executive Engineer (Town Planning), Nashik Municipal Corporation. | August 12, 2016 |
| | | b) N.A Order dated June 23, 2016 bearing No. Msh/Class/3/7-1/Na. H. D/SR/32/2016 issued by Nashik Municipal Corporation. | Valid until cancelled. |
| | | c) Development Right Certificate dated December 27, 2011 bearing No. 549 issued by Nashik Municipal Corporation. | Valid until cancelled |
| 3. | <u>HARI OM II</u> <u>Survey No. 97/4+5 of Wadala Shiwar, Nashik</u> | a) Sanction of Building Permit and Commencement Certificate for carrying out development work/ and building permits to erect building for Residential Purpose dated May 05, 2016 bearing no. LND/BP/A4/01/64 issued by the Executive Engineer (Town Planning), Nashik Municipal Corporation. | May 04, 2017 |
| | | b) N.A. Order dated November 02, 2010 bearing No. NASR/219/2010 issued by Nashik Municipal Corporation. | Valid until cancelled |
| | | c) Development Right Certificate dated April 12, 2013 bearing certificate No. 627 issued by Nashik Municipal Corporation. | Valid until Cancelled |
| | | d) Registration Certificate of Project July 15, 2017 bearing registration No. P5160000414 issued by the Authorized Officer, Maharashtra Real Estate Regulatory Authority. | June 30, 2020 |
| 4. | <u>HARI SANSKRUTI PHASE I</u> Survey No. 248/1 to 6/1+2+3+4 (part) of Seolali Shiwar, Nashik | a) Sanction of Building Permit and Commencement Certificate for carrying out development work/ and building permits to erect building for Residential Purpose dated June 27, 2017 bearing no. LND/BP/C3/1882/62 issued by the Executive Engineer (Town Planning), Nashik Municipal Corporation. | June 26, 2018 |
| | | b) NA Order dated December 13, 2012 bearing No. NASR/528/2012. | Valid until cancelled |
| | | c) Registration Certificate of Project July 27, 2017 bearing registration No. P51600001194 issued by the Authorized Officer, Maharashtra Real Estate Regulatory Authority. | March 31, 2019 |

| Sr. No. | Property Description | Licenses and Approvals Obtained | Date of Expiry |
|---------|---|---|-----------------------|
| | | d) Consent to Establish dated November 22, 2012 bearing No. BO/RO (HQ/Nashik/CE/CC-794 issued by the Maharashtra Pollution Control Board. | November 21, 2017 |
| | | e) Environment Clearance dated November 05, 2015 issued by the State Level Environment Impact Assessment Authority. | November 04, 2022 |
| 5. | <u>HARI VISHWA</u> Survey No. 290/1 + 2 + 3 + 4 / 7 + 290 / 1 + 2 + 3 + 4 / 6 / 2 of Pathardi Shiwar, Nashik | a) Sanction of Building Permit and Commencement Certificate for carrying out development work/ and building permits to erect building for Residential Purpose dated March 29, 2016 bearing no. LND/BP/85/163/2261 issued by the Executive Engineer (Town Planning), Nashik Municipal Corporation. | March 28, 2017 |
| | | b) NA Order dated May 26, 2012 bearing No. NASR/220/2012 issued by Nashik Municipal Corporation. | Valid until cancelled |
| | | c) Fire NOC dated July 27, 2017 bearing No. NMC/FIRE/WS/II/Resi-36/2017 issued by the Chief Fire Officer, Nashik Municipal Corporation. | Valid until cancelled |
| | | d) Registration Certificate of Project July 27, 2017 bearing Registration No. P51600001205 issued by the Authorized Officer, Maharashtra Real Estate Regulatory Authority | December 31, 2019 |
| | | e) Consent to Establish dated March 20, 2012 bearing No. BO/RO (HQ/Nashik/CE/CC-61 issued by the Maharashtra Pollution Control Board. | March 19, 2017 |
| | | f) Environment Clearance dated October 06, 2015 bearing No. SEAC-III-2015/C.R.55/TC-III issued by the State Level Environment Impact Assessment Authority. | October 05, 2022. |
| 6. | <u>HARI SPARSH II</u> Plot No. 11 & 12 of Survey No. 306/1A/5 of Bhagur | a) Sanction of Building Permit for carrying out development work / and building permits to erect building for Residential Purposes dated July 07, 2016 bearing No. 3292/BLD/E-8/2631 issued by Administrative Officer & PRO, Deolali | July 05, 2019 |
| | | b) NA Order dated March 30, 2013 bearing number K-3/4/BRP No./573/2012 issued by District Collector, Nashik | Valid until cancelled |
| | | c) Certificate of Registration under Real Estate (Regulation and Development) Act, 2016 dated July 05, 2017 bearing No. P51600000119 issued by the Authorized Officer, Maharashtra real Estate Regulatory Authority. | March 31, 2018 |

| Sr. No. | Property Description | Licenses and Approvals Obtained | Date of Expiry |
|---------|---|---|-----------------------|
| 7. | <u>HARI SANSKRUTI II</u> S.No 259/1 (Part) + 259/2 (Part) of Deolali Shiwar | a) Sanction of Building Permit and Commencement Certificate for carrying out development work/ and building permits to erect building for Residential Purpose dated February 1, 2017 bearing No. LND/BP/C3162261197 issued by Executive Engineer (Town Planning), Nashik Municipal Corporation | January 31, 2018 |
| | | b) NA order dated August 08, 2013 bearing number K-3/7/BRP No./202/2012 issued by the District Collector, Nashik | Valid until cancelled |
| | | c) Certificate of Registration under Real Estate (Regulation and Development) Act, 2016 dated July 18, 2017 bearing No. P5160000551 issued by the Authorized Officer, Maharashtra real Estate Regulatory Authority | August 30, 2021 |
| 8. | <u>HARI SAMARTH</u> Survey. No. 4A/1C/1A+1B+1D+1E of Chehadi | a) Sanction of Building Permit and Commencement Certificate for carrying out development work/ and building permits to erect building for Residential and Commercial Purpose dated February 01. 2017 bearing no. LND/BP/6222/193 issued by Executive Engineer (Town Planning), Nashik Municipal Corporation | January 31, 2018 |
| | | b) NA order dated August 07, 2014 bearing number K-3/7/BRP No./10/2013 issued by the District Collector, Nashik | Valid until cancelled |
| | | c) Certificate of Registration under Real Estate (Regulation and Development) Act, 2016 dated July 31, 2017 bearing No. P51600002003 issued by the Authorized Officer, Maharashtra real Estate Regulatory Authority. | December 31, 2020 |
| 9. | <u>HARI SPARSH III</u> Survey No.306/2, Bhagar, Deolali | a) Sanction of Building Permit for carrying out development work/ and building permits to erect building for residential cum commercial purposes dated May 20, 2015 bearing no. 3312/BLD/E-8/1950 issued by the Administrative Officer & PRO, Deolali | May 19, 2019 |
| | | b) NA order dated August 14, 2012 bearing number K-3/5/BRP No./280/2012 issued by the District Collector, Nashik | Valid until cancelled |
| | | c) Certificate of Registration under Real Estate (Regulation and Development) Act, 2016 dated July 10, 2017 bearing No. P5160000225 issued by the Authorized Officer, Maharashtra real Estate Regulatory Authority. | June 30, 2019 |
| 10. | <u>HARI VASANT</u> S. No 4/2-A + 4/1B + 4/B2 of Anandwali Shiwar | a) Sanction of Building Permit and Commencement Certificate for carrying out development work/ and building permits to erect building for Residential purpose dated October 06, 2010 bearing no. LND/BP/A1/300/3850 issued by the Planning), Nashik Municipal Corporation. | October 05, 2011 |

| Sr. No. | Property Description | Licenses and Approvals Obtained | Date of Expiry |
|---------|---|---|-----------------------|
| | | b) NA order dated January 09, 2013 bearing number K-3/5/BRP No./349/2012 issued by the District Collector, Nashik | Valid until cancelled |
| | | c) Certificate of Registration under Real Estate (Regulation and Development) Act, 2016 dated July 18, 2017 bearing No. P51600000534 issued by the Authorized Officer, Maharashtra real Estate Regulatory Authority. | December 31, 2020 |
| 11. | <u>HARI VATIKA</u> Plot No. 09 of S.No 14C/B/1 of Sansari, Deolali | a) Sanction of Building Permit for carrying out development work/ and building permits to erect building for Residential cum Commercial purposes dated August 11, 2016 bearing no. 3313/BLD/E-8 /3226 issued by Administrative Officer & PRO, Deolali | August 10, 2018 |
| | | b) NA order dated Decenbsr 26, 1995 bearing number SR No.-84/85 issued by the District Collector, Nashik | August 10, 2018 |
| | | c) Certificate of Registration under Real Estate (Regulation and Development) Act, 2016 dated July 10, 2017 bearing No. P51600000220 issued by the Authorized Officer, Maharashtra real Estate Regulatory Authority. | June 30, 2018 |

V. LABOUR RELATED APPROVALS



| Sr. No. | Description | Authority | Registration Number | Date of Certificate | Date of Expiry |
|---------|---|--|---------------------|---------------------|-----------------------|
| 1. | Registration under the Employees State Insurance Act, 1948 | Joint Director, Employees' State Insurance Corporation | 36000004840001009 | August 16, 2014. | Valid until cancelled |
| 2. | Certificate of Registration under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 | Employees' Provident Fund Organisation | KDNSK1001395 | July 16, 2014 | Valid until cancelled |
| 3. | Contractor's Registration Certificate (Class I – A) | Issuing Authority, Public Works Department | ZOKSMCO23B | April 11, 2016 | April 10, 2019 |
| 4. | Registration Certificate of Establishment under the Maharashtra Shops & Establishment Act, 1978 for the Company's registered office situated at 3 rd Floor, Gulmohar Estate, Flat No. 487/1+2, Survey No. 733/2+1, Samarth Nagar, Nashik- 422007.# | Office of Deputy Commissioner of Labour, Nashik | 1620600310411470 | July 08, 2016 | July 08, 2019 |
| 5. | Registration Certificate of Establishment under the Maharashtra Shops & Establishment Act, 1978 | Office of Deputy Commissioner of Labour, | 1720600311264122 | August 14, 2017 | August 14, 2020 |

| Sr. No. | Description | Authority | Registration Number | Date of Certificate | Date of Expiry |
|---------|--|-----------|---------------------|---------------------|----------------|
| | for the Company's corporate office situated at 2 nd Floor, Sai Kripa Complex, Tilak Road, Muktidham, Nashik Road, Nashik- 422101. | Nashik | | | |

The Company's registered office is situated at 2nd Floor, Gulmohar Status, Samarth Nagar, Nashik – 422 005. However, at the time of procuring the registration under the Maharashtra Shops & Establishment Act, 1978, the Company had inadvertently mentioned the address thereof as 3rd Floor, Gulmohar Estate. The company is in the process of taking steps to have the same rectified.

VI. INTELLECTUAL PROPERTY RELATED APPROVALS:

TRADEMARKS

| Sr. No. | Particulars of the mark | Applicant | Word/Label Mark | Trademark/ Application Number | Issuing Authority | Class | Status |
|---------|--|--------------------------------------|-----------------|-------------------------------|--------------------------|-------|------------|
| 1. |  | Karda Constructions Private Limited. | Device | 2329723 | Registrar of Trade Marks | 37 | Registered |
| 2. |  | Karda Constructions Private Limited. | Device | 2329722 | Registrar of Trade Marks | 37 | Registered |

VII. APPROVALS REQUIRED TO BE OBTAINED BY THE COMPANY, BUT NOT APPLIED FOR

1. Registration Certificate of Establishment under the Goa, Daman and Diu for the Company's office situated at House No R-6, Sai Residency, near Amrai Housing Society, Curti, Ponda, Goa; and
2. Renewal of Certificate of Registration under Real Estate (Regulation and Development) Act, 2016 dated July 10, 2017 bearing registration no. P 51600000228 issued by the Authorized Officer, Maharashtra Real Estate Regulatory Authority for the project: Hari Naman.

SECTION VIII – OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Our Board of Directors have vide resolution dated August 04, 2017 authorized the Issue, subject to the approval by the shareholders of our Company under Section 62(1)(C) of the Companies Act, 2013.

The shareholders have authorized the Issue, by passing a Special Resolution at the Annual General Meeting held on August 29, 2017 in accordance with the provisions of Section 62 (1) (C) of the Companies Act, 2013.

The Selling Shareholder i.e. Mr. Naresh Karda has authorized offer of 20,00,000 Equity Shares in the Offer for Sale by way of letter dated August 02, 2017. He has confirmed that the Equity Shares proposed to be offered and sold in the Issue are eligible to be offered for sale in accordance with the SEBI (ICDR) Regulations and has been held for a period of at least one year prior to the date of filing of the Draft Red Herring Prospectus with SEBI calculated in the manner as set out under Regulation 26(6) of SEBI ICDR Regulations.

Our Company received in-principle approvals from the BSE and NSE for the listing of the Equity Shares pursuant to letters dated October 18, 2017 and October 25, 2017, respectively.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoter, our Directors, the members of the Promoter Group, the Group Companies and the Selling Shareholder have not been prohibited from accessing or operating in capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authorities.

The companies, with which our Promoter, Directors or persons in control of our Company are or were associated as promoter, directors or persons in control have not been prohibited from accessing or operating in 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.

None of our Directors or the entities that our Directors are associated with is engaged in securities market related business and is registered with SEBI.

There has been no action taken by SEBI against our Directors or any of the entities in which our Directors are involved in as promoter or directors.

Prohibition with respect to wilful defaulters

Neither our Company, nor our Promoter, relatives (as defined under the Companies Act, 2013) of our Promoter, Directors, Group Companies, nor the Selling Shareholder have been identified as a wilful defaulter as defined under the SEBI Regulations.

There are no violations of securities laws committed by them in the past or are pending against them.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with the Regulation 26(1) of the SEBI Regulations as explained under the eligibility criteria calculated in accordance with the Restated Standalone Financial Statements, prepared in accordance with the Companies Act and restated in accordance with the SEBI Regulations:

- Our Company has had net tangible assets of at least ₹ 3 crore in each of the preceding three full years (of 12 months each), of which not more than 50 % are held in monetary assets;
- Our Company has a minimum average pre-tax operating profit of ₹ 15 crore calculated on a restated and consolidated basis, during the three most profitable years out of the immediately preceding five years;
- Our Company has a net worth of at least ₹ 1 crore in each of the three preceding full years (of 12 months each);

- The aggregate size of the proposed Issue and all previous issues made in the same financial year is not expected to exceed five times the pre-Issue net worth as per the audited balance sheet of the Company for the year ended March 31, 2017; and
- Our Company has not changed its name in the last one year.

Our Company's net worth, net tangible assets and pre-tax operating profit derived from the Restated Financial Information included in the Prospectus as at and for the period ended September 30, 2017 and as at and for the five years ended, March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 are set forth below:

(₹ in lakhs)

| Particulars | Sept 30, 2017 | FY 2017 | FY 2016 | FY 2015 | FY 2014 | FY 2013 |
|---|---------------|-----------|-----------|-----------|-----------|-----------|
| Pre-Tax Operating Profit ⁽¹⁾ | 1,233.96 | 2,601.62 | 2,127.30 | 1,418.88 | 1,251.34 | 694.31 |
| Net Worth ⁽²⁾ | 3,586.94 | 3,035.05 | 2,255.18 | 1,625.91 | 1,320.49 | 628.09 |
| Net Tangible assets ⁽³⁾ | 12,644.20 | 14,250.39 | 16,470.55 | 18,152.65 | 13,707.69 | 12,496.55 |
| Monetary assets ⁽⁴⁾ | 289.38 | 220.56 | 113.21 | 717.13 | 320.34 | 445.59 |
| Monetary assets as a percentage of the net tangible assets ^(4/3) | 2.29% | 1.55% | 0.69% | 3.95% | 2.34% | 3.57% |

(1) Pre-tax operating profit, is Profit Before Tax excluding Other income and finance costs, are considered post restatement adjustments on account of changes in other material adjustments.

(2) 'Net worth' has been defined as the aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of the miscellaneous expenditure (to the extent not adjusted or written-off) and the debit balance of the profit and loss account.

(3) 'Net tangible assets' is defined as the sum of fixed assets (including capital work-in-progress and excluding revaluation reserves) less net intangible assets, current assets (excluding deferred tax assets) less current liabilities (excluding deferred tax liabilities and long term liabilities).

(4) Monetary assets comprise of cash and bank balances.

Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000, failing which, the entire application monies shall be refunded forthwith. In case of delay, if any, in refund, our Company shall pay interest on the application monies at the rate of 15% per annum for the period of delay.

Our Company is in compliance with the conditions specified in Regulation 4(2) of the SEBI ICDR Regulations, to the extent applicable.

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THIS DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS 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 THIS DRAFT RED HERRING PROSPECTUS. THE BRLM, ARYAMAN FINANCIAL SERVICES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SECURITIES AND EXCHANGE BOARD OF INDIA (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 AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BRLM IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY HAS DISCHARGE ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLM HAS

FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 27, 2017 WHICH READS AS FOLLOWS:

WE, THE BOOK RUNNING LEAD MANGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM 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 DOCUMENTS IN CONNECTION WITH THE FINALISATION OF THIS DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**
 - (A) THIS DRAFT RED HERRING PROSPECTUS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA ("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 THE SECURITIES AND EXCHANGE BOARD OF INDIA, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
 - (C) THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
- 3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THIS DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID. - NOTED FOR COMPLIANCE**
- 4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. - NOTED FOR COMPLIANCE**
- 5. WE CERTIFY THAT A WRITTEN CONSENT FROM THE PROMOTER HAVE BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF THE PROMOTER CONTRIBUTION SUBJECT TO LOCK-IN, AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTER CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/ SOLD/ TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE SEBI TILL THE DATE OF COMMENCEMENT OF THE LOCKIN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.**
- 6. WE CERTIFY THAT REGULATION 33 OF THE SEBI REGULATIONS, WHICH RELATES TO EQUITY SHARES 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 RED HERRING PROSPECTUS. - NOTED FOR COMPLIANCE**
- 7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SEBI (ICDR) REGULATIONS 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 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 COMPANY ALONG WITH THE PROCEEDS OF THE 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 MONIES RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION. - NOTED FOR COMPLIANCE. ALL MONIES RECEIVED OUT OF THE ISSUE SHALL BE CREDITED/ TRANSFERRED TO A SEPARATE BANK ACCOUNT AS REFERRED TO IN SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013.
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE ISSUE HAVE TO BE ISSUED IN DEMATERIALISED FORM ONLY.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SEBI ICDR REGULATIONS HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS:
 - (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 SEBI FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI (ICDR) REGULATIONS 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 COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI (ICDR) REGULATIONS, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THIS DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY THE MERCHANT BANKER (WHO ARE RESPONSIBLE FOR PRICING THE ISSUE)', AS PER FORMAT SPECIFIED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA THROUGH CIRCULAR.

17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS- COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS OF THE COMPANY REPORTED AS PER THE ACCOUNTING STANDARD 18 IN THE RESTATED FINANCIAL STATEMENTS OF THE COMPANY AND INCLUDED IN THE DRHP, AS CERTIFIED BY M/S. JPL & ASSOCIATES, CHARTERED ACCOUNTANTS (FIRM REGISTRATION NUMBER: 132748W).

18. WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106 Y (1) (A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDERCHAPTER XC OF THE REGULATIONS (IF APPLICABLE) – NOTAPPLICABLE

The filing of this Prospectus does not, however, absolve any person who has authorised the issue of this Prospectus from any liabilities under Section 34 or Section 36 of the Companies Act, 2013 or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the Issue. SEBI further reserves the right to take up at any point of time, with the BRLM, any irregularities or lapses in the Draft Red Herring Prospectus, this Red Herring Prospectus and the Prospectus.

The filing of this Prospectus does not absolve the Selling Shareholder from any liability to the extent the statements made by them in respect of the Equity Shares being offered by them, respectively under the Offer for Sale, under Section 34 and Section 36 of the Companies Act, 2013.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26, 28, 30 and 32 of the Companies Act, 2013.

Caution - Disclaimer from our Company, the Selling Shareholder and the BRLM

Our Company, the Directors, the Selling Shareholder and the BRLM accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.kardaconstruction.com or the respective websites of our Promoter Group or Group Companies, would be doing so at his or her own risk.

The BRLM accept no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement to be entered into between the Underwriter, the Selling Shareholder and our Company and the Selling Shareholder.

All information shall be made available by our Company, the Selling Shareholder and the BRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding centres or elsewhere.

None among our Company, the Selling Shareholder or any member of the Syndicate is liable for any failure in downloading the Bids due to faults in any software/ hardware system or otherwise.

Investors who Bid in the Issue will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholder, Underwriter and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholder, Underwriter and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLM and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, the Selling Shareholder and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholder and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds, insurance funds set up and managed by the army and navy and insurance funds set up and managed by the Department of Posts, India) and Eligible NRIs and FPIs. This Prospectus does not, however, constitute an invitation to subscribe to or purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been, or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus had been filed with the SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and the Red Herring Prospectus and this Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Red Herring Prospectus and this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company, our Group Companies or the Selling Shareholder since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the U.S. Securities Act, 1933 or any other applicable law of the United States and, unless so registered, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Disclaimer Clause of BSE

“BSE Limited (“the Exchange”) has given vide its letter dated October 18, 2017 permission to this Company to use the Exchange’s name in this offer document as one of the stock exchanges on which this company’s securities are proposed to be listed. The Exchange has scrutinised this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- a. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- b. warrant that this Company’s securities will be listed or will continue to be listed on the Exchange; or
- c. take any responsibility for the financial or other soundness of this Company, its promoter, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause of NSE

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/23442 dated October 25, 2017 permission to the Issuer to use the Exchange's name in this Offer Document as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoter, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever."

Filing

A copy of this Draft Red Herring Prospectus has been filed with SEBI at Plot No. C 4-A, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra. A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration with RoC Everest, 100, Marine Drive, Mumbai – 400 002.

Listing

Applications have been made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. BSE Limited will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company and the Selling Shareholder will forthwith repay without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus as required by applicable law. If such money is not repaid within the prescribed time, then our Company, the Selling Shareholder and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at all the Stock Exchanges mentioned above are taken within six Working Days from the Bid/Issue Closing Date. Further, the Selling Shareholder confirm that it shall extend all reasonable co-operation required by our Company, the BRLM for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within six Working Days of the Bid/Issue Closing Date or such other timeline as prescribed by law.

The Selling Shareholder severally and not jointly undertake to provide such reasonable support and extend reasonable cooperation as may be requested by our Company, to the extent such support and cooperation is required from such party to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges.

Expenses for the Issue shall be shared amongst the Company and the Selling Shareholder in the manner specified in the section entitled "Objects of the Issue" on page no. 76 of this Prospectus.

Price information of past issues handled by the BRLM (during the current financial year and two financial years preceding the current financial year)

1. Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Aryaman Financial Services Limited

| Sr. No. | Issue Name | Issue size (₹ Cr.) | Issue Price (₹) | Listing date | Opening price on listing date | +/- % change in Price on closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing | | +/- % change in Price on closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing | | +/- % change in Price on closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing | |
|---------|-------------------------------------|--------------------|-----------------|--------------|-------------------------------|--|--------|--|--------|---|------|
| | | | | | | | | | | | |
| 1 | Shreeshay Engineers Ltd. | 5.40 | 15.00 | 21/03/2018 | 15.25 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| 2 | CKP Leisure Ltd. | 11.54 | 30.00 | 06/03/2018 | 27.00 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| 3 | Banka BioLoo Ltd. | 12.63 | 115.00 | 27/02/2018 | 114.00 | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| 4 | Medico Remedies Ltd. | 10.99 | 100.00 | 08/02/2018 | 100.00 | -3.00% | -3.21% | N.A. | N.A. | N.A. | N.A. |
| 5 | Ashoka Metcast Ltd. | 12.00 | 20.00 | 05/02/2018 | 16.00 | -61.10% | -4.96% | N.A. | N.A. | N.A. | N.A. |
| 6 | Apollo Micro Systems Ltd. | 156.00 | 275.00 | 22/01/2018 | 478.00 | 1.95% | -5.46% | N.A. | N.A. | N.A. | N.A. |
| 7 | S K S Textile Ltd. | 13.32 | 150.00 | 19/01/2018 | 149.90 | -44.03% | -4.06% | N.A. | N.A. | N.A. | N.A. |
| 8 | Silly Monks Entertainment Ltd. | 15.12 | 120.00 | 18/01/2018 | 144.00 | 28.71% | -3.37% | N.A. | N.A. | N.A. | N.A. |
| 9 | Shradha Infraprojects (Nagpur) Ltd. | 18.93 | 70.00 | 11/12/2017 | 69.80 | 0.14% | 3.00% | -18.57% | -0.92% | N.A. | N.A. |
| 10 | Shreeji Translogistics Ltd. | 12.40 | 130.00 | 13/10/2017 | 156.00 | 2.69% | 2.72% | 34.62% | 6.38% | N.A. | N.A. |

2. Summary statement of price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Aryaman Financial Services Limited

| Financial Year | Total no. of IPOs | Total Funds Raised (₹ in Cr.) | Nos. of IPOs trading at discount - 30 th calendar day from listing day | | | Nos. of IPOs trading at premium - 30 th calendar day from listing day | | | Nos. of IPOs trading at discount - 180 th calendar day from listing day | | | Nos. of IPOs trading at premium - 180 th calendar day from listing day | | |
|----------------|-------------------|-------------------------------|---|----------------|---------------|--|----------------|---------------|--|----------------|---------------|---|----------------|---------------|
| | | | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% |
| 2017-18 | 14 ⁽¹⁾ | 298.93 | 1 | 1 | 2 | - | 1 | 6 | - | - | - | - | - | 3 |
| 2016-17 | 10 | 147.26 | - | 1 | - | 1 | - | 8 | - | 1 | - | 2 | 3 | 4 |
| 2015-16 | 3 | 15.90 | - | - | - | - | - | 3 | - | - | - | 1 | 1 | 1 |

⁽¹⁾ Details indicated in 2017-18 are for the IPOs completed as on date.

Notes:

- a) Since the listing date of Shreeshay Engineers Limited, CKP Leisure Limited and Banka BioLoo Limited, was March 21, 2018, March 06, 2018 and February 27, 2018 information related to closing price and benchmark index as on the 30th Calendar day, 90th calendar day and 180th calendar day from the listing date is not available.
- b) Since the listing date of Medico Remedies Limited, Ashoka Metcast Limited, Apollo Microsystems Limited, S K S Textile Limited and Silly Monks Entertainment Limited was February 08, 2018, February 05, 2018, January 22, 2018, January 19, 2018 and January 18, 2018, information related to closing price and benchmark index as on the 90th calendar day and 180th calendar day from the listing date is not available.

- c) *Since the listing date of and Shradha Infraprojects (Nagpur) Limited and Shreeji Translogistics Limited was December 11, 2017 and October 13, 2017 respectively, information related to closing price and benchmark index as on 180th calendar day from the listing date is not available.*
- d) *The respective Designated Stock Exchange for each Issue has been considered as the Benchmark index for each of the above Issues.*
- e) *In the event any day falls on a holiday, the price/index of the immediate preceding working day has been considered. If the stock was not traded on the said calendar days from the date of listing, the share price is taken of the immediately preceding trading day.*
- f) *Source: www.bseindia.com and www.nseindia.com BSE Sensex and Nifty Fifty as the Benchmark Indices.*

Consents

Consents in writing of: (a) the Directors, the Selling Shareholder, the Company Secretary and Compliance Officer, the Chief Financial Officer, the Statutory Auditor, Banker(s) to the Company; and (b) the Book Running Lead Manager, Syndicate Members, Banker to the Issue, Share Escrow Agent, Registrar to the Issue, Registrar to the Company and the Legal Advisor to the Issue, to act in their respective capacities, have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Section 32 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

In accordance with the Companies Act, 2013 and the SEBI (ICDR) Regulations, M/s. JPL & Associates, Chartered Accountants, Statutory Auditor have provided their written consent to the inclusion of their reports dated September 20, 2017 on Restated Financial Statements and September 20, 2017 on Statement of Tax Benefits, respectively, which may be available to the Company and its shareholder, included in this Prospectus in the form and context in which they appear therein and such consents and reports have not been withdrawn up to the time of filing of this Prospectus.

Expert Opinion

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

Our Company has received written consent from the Auditors namely, M/s. JPL & Associates, Chartered Accountants, Statutory Auditor to include their name as expert under section 26 of the Companies Act, 2013 in this Prospectus in relation to the reports on the Restated Financial Statements dated February 03, 2018 and the Statement of Tax Benefits dated September 20, 2017 issued by them, included in this Prospectus and such consent has not been withdrawn as on the date of this Prospectus.

Our Company has received written consent from the Anita Prakash Mungase, Advocate, to include their name as expert under Section 26 of the Companies Act, 2013 in this Prospectus in relation to the reports on the Master Title Certificate dated February 01, 2018 issued by them, included in this Prospectus and such consent has not been withdrawn as on the date of this Prospectus.

As the Equity Shares in the Issue will not be registered under the Securities Act, any references to the term “expert” herein and the Auditors consent to be named as an “expert” to the Issue are not in the context of a registered offering of securities under the Securities Act.

Issue Expenses

The expenses of this Issue include, among others, underwriting and management fees, selling commissions, bidding charges, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees, filing fees, auditor’s fees and listing fees. For further details of Issue expenses, please see the section entitled “*Objects of the Issue*” on page no. 67 of this Prospectus.

Expenses for the Issue shall be shared amongst the Company and the Selling Shareholder in the manner specified in the section entitled “*Objects of the Issue – Issue Expenses*” on page no. 67 of this Prospectus.

Fees Payable to the Registrar to the Issue

The fees payable by our Company and the Selling Shareholder to the Registrar to the Issue for processing of applications, data entry, printing of Allotment Advice/CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the agreement dated September 02, 2017 entered into, between our Company, the Selling Shareholder and the Registrar to the Issue a copy of which is available for inspection at the Registered and Corporate Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, and stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or Allotment advice by registered post/ speed post/ under certificate of posting.

IPO grading

No credit agency registered with SEBI has been appointed in respect of obtaining grading for the Issue.

Particulars regarding public or rights issues by our Company during the last five years

Our Company has not made any public or rights issues during the five years preceding the date of this Prospectus.

Previous issues of Equity Shares otherwise than for cash

Except as disclosed in the section entitled “*Capital Structure*” on page no. 57 of this Prospectus, our Company have not issued any Equity Shares for consideration otherwise than for cash.

Underwriting Commission, Brokerage and Selling Commission paid on previous issues of the Equity Shares

Since this is the initial public issue of Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company’s inception.

Previous capital issue during the previous three years by listed Group Companies and Subsidiaries of our Company

None of our Group Companies of our Company are listed as on the date of this Prospectus.

Performance vis-à-vis objects – Public/ rights issue of our Company and/ or listed Group Companies and Subsidiaries of our Company

Except as disclosed in the section entitled “*Capital Structure*” on page no. 59 our Company has not undertaken any previous public or rights issue. None of our Group Companies of our Company have undertaken any public or rights issue in the last ten years preceding the date of the Draft Red Herring Prospectus.

Outstanding Debentures or Bonds

There are no outstanding debentures or bonds of our Company as of the date of filing this Prospectus.

Outstanding Preference Shares or convertible instruments issued by our Company

Our Company does not have any preference shares or convertible instruments as of the date of filing this Prospectus.

Partly Paid-up Equity Shares

Our Company does not have any partly paid-up Equity Shares as on the date of this Prospectus.

Stock Market Data of Equity Shares

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange.

Fees, Brokerage and Selling Commission Payable to the Syndicate Members

The total fees payable to the Syndicate Members (including underwriting commission, brokerage and selling commission and reimbursement of their out-of-pocket expense) will be as stated in the Syndicate Agreement, copies of which will be made available for inspection at the Registered Office from the date of the Red Herring Prospectus until the Issue Closing Date. For further details, see “*Objects of the Issue*” on page no. 67 of this Prospectus.

Commission payable to SCSBs, Registered Brokers, RTAs and CDPs

For details of the commission payable to SCBS, Registered Brokers, RTAs and CDPs please see the section entitled “*Objects of the Issue*” on page no. 67 of this Prospectus.

Redressal of Investor Grievances

The agreement between the Registrar to the Issue, our Company and the Selling Shareholder provides for retention of records with the Registrar to the Issue for a period of at least three years from the last date of dispatch of the letters of allotment and demat credit to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

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

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLM and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable ICDR Regulations. Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has also appointed Mrs. Mayura Marathe, Company Secretary of our Company as the Compliance Officer for the Issue. For details, please see the section entitled “*General Information*” on page no. 51 of this Prospectus. There are no listed companies under the same management as our Company.

Our Board by a resolution on August 30, 2017 constituted a Stakeholders Relationship Committee. The composition of the Stakeholders Relationship Committee is as follows:

| Name of the Member | Nature of Directorship | Designation in Committee |
|---------------------------|-------------------------------|------------------------------------|
| Mr. Rahul Dayama | Chairman | Non Executive Independent Director |
| Mrs. Shweta Tolani | Member | Non Executive Independent Director |
| Mrs. Disha Karda | Member | Executive Director |

For further details, please see the chapter titled “*Our Management*” beginning on page no. 121 of this Prospectus.

Changes in Auditors

The details of change in the auditors of our company are given below:

| Sr. No. | Date | From | To |
|---------|-------------------|---|--|
| 1. | August 29, 2017 | M/s. Natesh & Associates, Chartered Accountants | M/s. Shah & Modi, Chartered Accountants. |
| 2. | December 26, 2017 | M/s. Shah & Modi, Chartered Accountants | M/s. JPL & Associates, Chartered Accountants |

Capitalisation of Reserves or Profits

Our Company has not capitalised its reserves or profits at any time during the last five years, except as stated in the section entitled “*Capital Structure*” on page no. 57 of this Prospectus.

Revaluation of Assets

Our Company has not re-valued its assets at any time in the last five years.

SECTION IX – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued and transferred pursuant to the Issue shall be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, SCRA, SCRR, the Memorandum of Association and Articles of Association, the terms of the Draft Red Herring Prospectus, the Red Herring Prospectus, this Prospectus, the Abridged Prospectus, the Bid cum Application Form, the Revision Form, the Confirmation of Allocation Note, the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, Stock Exchanges, Registrar of Companies, RBI, the FIPB and/or other authorities, as in force on the date of the Issue and to the extent applicable, or such other conditions as may be prescribed by SEBI, the RBI, the Government of India, the Stock Exchanges, the Registrar of Companies and/or any other authorities while granting its approval for the Issue.

Authority for the Issue

This Issue has been authorized by the Board of Directors of our Company at their meeting held on August 04, 2017 and was approved by the Shareholders of the Company by passing a Special Resolution at the Annual General Meeting held on August 29, 2017 in accordance with the provisions of Section 62 (1) (C) of the Companies Act, 2013. The Selling Shareholder i.e. Mr. Naresh Karda has authorized offer of 20,00,000 Equity Shares in the Offer for Sale by way of letter dated August 02, 2017. He has confirmed that the Equity Shares proposed to be offered and sold in the Issue are eligible to be offered for sale in accordance with the SEBI (ICDR) Regulations and has been held for a period of at least one year prior to the date of filing of the Draft Red Herring Prospectus with SEBI calculated in the manner as set out under Regulation 26(6) of SEBI ICDR Regulations.

Offer for Sale

The Issue comprises of Fresh Issue of 23,00,000 Equity Shares* and an Offer for Sale of 20,00,000 Equity Shares* by the Selling Shareholder. All expenses in relation to the Issue other than listing fees (which will be borne by our Company) shall be paid by and shared between our Company and the Selling Shareholder in proportion to the Equity Shares contributed to the Issue in accordance with applicable law. Any payments by our Company in relation to the Issue on behalf of the Selling Shareholder shall be reimbursed by the Selling Shareholder to our Company in proportion to the Equity Shares being offered for sale by the Selling Shareholder in the Issue.

* Subject to finalisation of Basis of Allotment

Ranking of the Equity Shares

The Equity Shares being issued and transferred pursuant to the Issue shall be subject to the provisions of the Companies Act, the Memorandum and Articles of Association and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of the rights to receive dividend. The Allottees upon Allotment of Equity Shares under the Issue, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see “Main Provisions of Articles of Association” on page no. 276 of this Prospectus.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholder in accordance with the provisions of Companies Act, the Memorandum and Articles of Association and provisions of the SEBI Listing Regulations as applicable and other applicable law. For further details, in relation to dividends, see “Dividend Policy” and “Main Provisions of Articles of Association” on page nos. 145 and 276 of this Prospectus, respectively.

Face Value and Issue Price

The face value of each Equity Share is ₹ 10 each and the Issue Price is ₹ 180 per Equity Share. The Issue Price shall be determined by our Company and the Selling Shareholder in consultation with the BRLM.

At any given point of time there shall be only one denomination of Equity Shares.

Compliance with disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our equity Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations with the Stock Exchange(s) and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see “*Main Provisions of Articles of Association*” on page no. 276 of this Prospectus.

Option to receive Equity Shares in Dematerialised Form

Pursuant to Section 29 of the Companies Act, 2013 the Equity Shares shall be allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Company:

- Agreement dated January 20, 2017 amongst CDSL, our Company and the Registrar to the Company; and
- Agreement dated January 06, 2017 amongst NSDL, our Company and the Registrar to the Company.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of 80 Equity Shares.

Joint Holders

Subject to provisions contained in our Articles, Where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Mumbai.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013 the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority.

A nomination shall stand rescinded upon a sale/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or
- b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective depository participant.

Withdrawal of the Issue

Our Company and the Selling Shareholder, severally and not jointly, reserve the right not to proceed with the Fresh Issue and / or Offer for Sale, in whole or part thereof, after the Bid/Issue Opening Date but before the Allotment. In the event that the Company or the Selling Shareholder decide not to proceed with the Issue at all, our Company would issue a public notice in the newspapers in which the Pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. In such event, the BRLM through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determines that it will proceed with an issue/offer for sale of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with SEBI.

Minimum Subscription

If our Company does not receive (i) the minimum subscription of 90% of the Fresh Issue; and (ii) a subscription in the Issue equivalent to at least 25% post- Issue paid up Equity Share capital of our Company (the minimum number of securities as specified under Rule 19(2)(b)(i) of the SCRR), including devolvement of Underwriters, if any, within 60 days from the date of Bid/Issue Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law. The requirement for minimum subscription is not applicable to the Offer for Sale. In case of an under subscription in the Issue, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in Offer for Sale by the Selling Shareholder.

Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will be not less than 1,000 otherwise, the entire application money will be refunded forthwith. If there is a delay beyond 6 (six) working days after we become liable to pay the amount, we shall pay interest at the rate of 15% per annum for the delayed period.

Any expense incurred by our Company on behalf of the Selling Shareholder with regard to refunds, interest for delays, etc. for the Equity Shares being offered in the Issue will be reimbursed by the Selling Shareholder to our Company in proportion to the Equity Shares being offered for sale by the Selling Shareholder in the Issue.

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre- Issue capital of our Company and Promoter' minimum contribution as provided in "*Capital Structure*" on page no. 57 of this Prospectus and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares and on their consolidation/splitting, except as provided in the Articles of Association. For details see "*Main Provisions of the Articles of Association*" on page no. 276 of this Prospectus.

Option to Receive Securities in Dematerialized Form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Issue shall be allotted only in dematerialized form. Further, as per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges.

ISSUE STRUCTURE

Public Issue of 43,00,000 Equity Shares* for cash at price of ₹ 180 per Equity Share (including a share premium of ₹ 170 per Equity Share) aggregating to ₹ 7,740.00 lakhs comprising of a Fresh Issue of 23,00,000 Equity Shares* aggregating to ₹ 4,140.00 lakhs by our Company and an Offer of Sale of 20,00,000 Equity Shares* aggregating to ₹ 3,600.00 lakhs by the Selling shareholder. The Issue will constitute 34.96% of the post- Issue paid-up Equity Share capital of our Company.

* Subject to finalisation of basis of Allotment

The Issue is being made through the Book Building Process:

| Particulars | QIBs | Non-Institutional Bidders | Retail Individual Bidders |
|---|--|---|--|
| Number of Equity Shares available for Allotment/allocation ⁽¹⁾ | At least 4,30,000 Equity Shares or Issue less allocation to Non-Institutional Bidders and Retail Individual Bidders | Not less than 17,20,000 Equity Shares available for allocation or Issue less allocation to QIBs Bidders and Retail Individual Bidders | Not less than 21,50,000 Equity Shares available for allocation or Issue less allocation to QIBs Bidders and Non-Institutional Bidders |
| Percentage of Issue Size available for Allotment/allocation | At least 10% of the Issue Size shall be available for allocation to QIBs. However, 5% of the QIB Portion shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the 5% reservation in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund reservation will be available for allocation to QIBs. | Not less than 40% of the Issue or Issue less allocation to QIBs Bidders and Retail Individual Bidders | Not less than 50% of the Issue or Issue less allocation to QIBs Bidders and Non-Institutional Bidders |
| Basis of Allotment / allocation if respective category is oversubscribed | Proportionate as follows: a) 21,500 Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and b) 4,08,500 Equity Shares shall be allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. | Proportionate | Allotment to each Retail Individual Bidders shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion, and the remaining available Equity Shares, if any, shall be Allotted on a proportionate basis. For further details, see “Issue Procedure – Part B – Allotment Procedure and Basis of Allotment – Allotment to RIBs” on page no. 228. |
| Mode of Bidding | Only through the ASBA process. | | |
| Minimum Bid | Such number of Equity Shares in multiples of 80 Equity Shares so that the Bid Amount exceeds ₹ 200,000. | Such number of Equity Shares in multiples of 80 Equity Shares so that the Bid Amount exceeds ₹ 200,000. | 80 Equity Shares. |
| Maximum Bid | Such number of Equity Shares in multiples of 80 Equity Shares so that the Bid | Such number of Equity Shares in multiples of 80 Equity Shares so that the Bid | Such number of Equity Shares in multiples of 80 Equity Shares so that the Bid |

| Particulars | QIBs | Non-Institutional Bidders | Retail Individual Bidders |
|---------------------------------|---|--|--|
| | does not exceeds the size of the Issue, subject to applicable limits to the Bidder. | does not exceeds the size of the Issue, subject to applicable limits to the Bidder. | Amount does not exceed ₹ 200,000. |
| Mode of Allotment | Compulsorily in dematerialised form. | | |
| Bid Lot | 80 Equity Shares and in multiples of 80 Equity Shares thereafter. | | |
| Allotment Lot | 80 Equity Shares and in multiples of one Equity Share thereafter | | |
| Trading Lot | One Equity Share | | |
| Who can apply ⁽²⁾ | Mutual Funds, Venture Capital Funds, AIFs, FPIs (other than Category III FPIs) public financial institution as defined in Section 2(72) of the Companies Act, 2013, a scheduled commercial bank, NBFC-SI, state industrial development corporation, insurance company registered with the Insurance Regulatory and Development Authority, provident fund with minimum corpus of ₹ 2500 Lakhs, pension fund with minimum corpus of ₹ 2500 Lakhs, National Investment Fund, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India. | Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts, Category III FPI registered with SEBI, which is a foreign corporate or foreign individual for Equity Shares such that the Bid Amount exceeds ₹ 200,000 in value. | Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta) |
| Terms of Payment ⁽³⁾ | Full Bid Amount shall be payable at the time of submission of the Bid cum Application Form. ⁽³⁾ | | |

- 1) Applicants Subject to valid Bids being received at or above the Issue Price. In terms of Rule 19(2)(b)(i) of the SCRR, this is an Issue for atleast 25% of the post- Issue paid-up equity share capital of our Company. The Issue is being made through the Book Building Process, in compliance with the SEBI ICDR Regulations, wherein at least 10% of the Issue shall be available for allocation on a proportionate basis to QIBs, 5% of the QIB Category shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIB Bidders including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 40% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 50% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price.

Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company and the Selling Shareholder, in consultation with the BRLM and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.

- 2) In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.

- 3) *In case of ASBA Bidders, the SCSB shall be authorised to block such funds in the bank account of the ASBA Bidder that are specified in the Bid cum Application Form.*

Bid/Issue Programme

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

| Event | Indicative Date |
|---|-----------------------------|
| Bid / Issue Opening Date | March 16, 2018 |
| Bid / Issue Closing Date | March 21, 2018 |
| Finalisation of Basis of Allotment with the Designated Stock Exchange | On or before March 26, 2018 |
| Initiation of refunds / unblocking of funds from ASBA Account | On or before March 27, 2018 |
| Credit of Equity Shares to demat accounts of Allottees | On or before March 28, 2018 |
| Commencement of trading of the Equity Shares on the Stock Exchanges | On or before April 02, 2018 |

The above timetable is indicative other than the Bid/Issue Opening Date and the Bid Issue Closing Date and does not constitute any obligation on our Company or the Selling Shareholder or the BRLM. While our Company and selling shareholder shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/Issue Period by our Company and the Selling Shareholder, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Selling Shareholder confirms that they shall extend all reasonable support and extend reasonable cooperation as may be requested by our Company and the BRLM for completion of the necessary formalities for listing and commencement of trading of Equity Shares (offered by such Selling Shareholder in the Offer for Sale) at all Stock Exchanges within six Working Days from the Bid/Issue Closing Date.

Bids and revision of Bids, shall be accepted **only between 10.00 a.m. and 5.00 p.m. (IST)** during the Bid/Issue Period. On the Bid/Issue Closing Date, the Bids and any revision in the Bids shall be accepted only between **10.00 a.m. and 3.00 p.m. (IST)** and shall be uploaded until (i) **4.00 p.m. (IST)** in case of Bids by QIB Bidders and Non-Institutional Bidders, and (ii) until **5.00 p.m. (IST)** or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders after taking into account the total number of applications received up to the closure of timings and reported by the BRLM to the Stock Exchanges. It is clarified that Bids not uploaded on the electronic bidding system would be rejected. Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Bids on the Bid/ Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/ Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Bid/Issue Closing Date. All times mentioned in the Prospectus are Indian Standard Times. Bidders are cautioned that in the event a large number of Bids are received on the Bid/ Issue Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only on Business Days. None among our Company, the Selling Shareholder, Book Running Lead Manager or any member of the Syndicate are liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

QIBs and Non-Institutional Investors shall neither withdraw nor revise their Bids so as to lower the size of their Bid at any stage after they have Bid for the Issue. QIBs and Non-Institutional Investors may revise their Bids upwards (in terms of quantity of Equity Shares or the Bid Amount) during the Bid/Issue Period. Such upward revision must be made using the Revision Form.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid Cum Application Form, for a particular Bidder, the details as per the Bid file received from the Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid Cum Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask the relevant SCSBs / Syndicate Member / RTAs / DPs / Stock Brokers, as the case may be, for rectified data.

ISSUE PROCEDURE

All Bidders should review the General Information Document for Investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (“General Information Document”), and including SEBI circular bearing number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and SEBI circular bearing number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 included below under “**Part B – General Information Document**”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations. The General Information Document has been updated to reflect the enactments and regulations, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Our Company, the Selling Shareholder and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and shall not be liable for any amendment, modification or change in the applicable law which may occur after the date of this Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Prospectus.

Please note that all the Bidders can participate in the Issue only through the ASBA process. All Bidders shall ensure that the ASBA Account has sufficient credit balance such that the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid. Please note that all Bidders are required to make payment of the full Bid Amount along with the Bid cum Application Form.

Bidders are required to submit Bids to the Selected Branches / Offices of the RTAs, DPs, Designated Bank Branches of SCSBs or to the Syndicate Members. The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Bid cum Application Form, please refer the above mentioned SEBI link. The list of Stock Brokers, Depository Participants (“DP”), Registrar to an Issue and Share Transfer Agent (“RTA”) that have been notified by BSE Ltd. to act as intermediaries for submitting Bid cum Application Forms are provided on <http://www.bseindia.com>. For details on their designated branches for submitting Bid cum Application Forms, please see the above mentioned BSE website.

Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, the ASBA process become mandatory for all investors w. e. f. January 1, 2016 and it allows the registrar, share transfer agents, depository participants and stock brokers to accept Bid cum Application forms.

PART A

BOOK BUILDING PROCEDURE

The Issue is being made through the Book Building Process, in compliance with Regulation 26(1) of the SEBI ICDR Regulations, wherein where in 10% of the Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers (“QIBs”) (“QIB Portion”), 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 40% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 50% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. All potential investors are required to mandatorily use the Application Supported by Blocked. Amount (“ASBA”) process providing details of the irrespective bank accounts which will be blocked by the Self Certified Syndicate Banks (“SCSBs”)

Under-subscription, if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or combination of categories, at the discretion of our Company and the Selling Shareholder in consultation with the BRLM and the Designated Stock Exchange. The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Bidders will only be in the dematerialised form. The Bid cum Application Forms which do not have the details of the Bidder's depository account including DP ID, PAN and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Bid cum Application Form and entered into the electronic system of the stock exchanges, do not match with the DP ID, Client ID and PAN available in the depository database, the bid is liable to be rejected. Bidders will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Bid cum Application Form

Copies of the ASBA Form and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centers and Registered and Corporate Office of our Company. An electronic copy of the ASBA Form will also be available for download on the websites of SCSBs, NSE (www.nseindia.com) and BSE (www.bseindia.com) and the terminals of Non-Syndicate Registered Brokers at least one day prior to the Bid/Issue Opening Date.

All Bidders shall mandatorily participate in the Issue only through the ASBA process. ASBA Bidders must provide bank account details and authorisation to block funds in the relevant space provided in the Bid cum Application Form and the Bid cum Application Forms that do not contain such details are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on Bid cum Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Bid Cum Application Form for various categories is as follows:

| Category | Colour⁽¹⁾ |
|---|-----------------------------|
| Resident Indians and Eligible NRIs applying on a non-repatriation basis | White |
| Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis | Blue |

⁽¹⁾ excluding electronic Bid cum Application Form

Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms to the respective SCSB, where the Bidder has a bank account, details of which were provided by the Bidder in his respective ASBA form and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

Participation by Promoter, Promoter Group, the BRLM, the Syndicate Members and persons related to the Promoter/Promoter Group/BRLM

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither the BRLMs nor any persons related to the BRLMs (other than Mutual Funds sponsored by entities related to the BRLMs), Promoter and Promoter Group can apply in the Issue under the Anchor Investor Portion.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company and the Investor Selling Shareholder reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (White in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (Blue in colour).

Bids by FPI and FIIs

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Issue, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Bids made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

In terms of the SEBI FPI Regulations, the Issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10.00% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10.00% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10.00% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an

appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client' norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non-Residents (blue in colour).

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Our Company or the Selling Shareholder or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Bids by Limited Liability Partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserve the right to reject any Bid without assigning any reason thereof.

Bids by Insurance Companies

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholder reserves the right to reject any Bid by Insurance Companies without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- 1) equity shares of a company: the least of 10.00% of the investee company's subscribed capital (face value) or 10.00% of the respective fund in case of life insurer or 10.00% of investment assets in case of general insurer or reinsurer;
- 2) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- 3) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by Provident Funds / Pension Funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250.00 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, our Company reserve the right to reject any Bid, without assigning any reason thereof.

Bids by Banking Companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company and the Selling Shareholder reserve the right to reject any Bid by a banking company without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "**Banking Regulation Act**"), and the Master Circular dated July 1, 2015 – Para-banking Activities, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the investment in a non-financial services company by a banking company together with its subsidiaries, associates, joint ventures, entities directly or indirectly controlled by the bank and mutual funds managed by asset management companies controlled by the banking company cannot exceed 20% of the investee company's paid-up share capital. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

Bids by SCSBs

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.
- b) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form.
- c) With respect to Bids made by provident funds with a minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form.

- d) With respect to Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form.
- e) Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company and the BRLM may deem fit.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholder, the Book Running Lead Manager and the Syndicate Members are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Red Herring Prospectus.

General Instructions

Do's:

- 1) Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
- 2) Ensure that you have Bid within the Price Band;
- 3) Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
- 4) Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
- 5) Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
- 6) If the first applicant is not the account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
- 7) Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
- 8) Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
- 9) Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options;
- 10) Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
- 11) Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
- 12) Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic

Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

- 13) Ensure that the Demographic Details are updated, true and correct in all respects;
- 14) Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
- 15) Ensure that the category and the investor status is indicated;
- 16) Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
- 17) Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
- 18) Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;
- 19) Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
- 20) Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;
- 21) Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
- 22) Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

- 1) Do not Bid for lower than the minimum Bid size;
- 2) Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
- 3) Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
- 4) Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
- 5) Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;
- 6) Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
- 7) Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
- 8) Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
- 9) Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders);

- 10) Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
- 11) Do not submit the General Index Register number instead of the PAN;
- 12) Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
- 13) Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
- 14) Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
- 15) Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
- 16) Do not submit more than five Bid cum Application Forms per ASBA Account;

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Bids at Different Price Levels and Revision of Bids

- a) Our Company and the Selling Shareholder, in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- b) Our Company and the Selling Shareholder, in consultation with the BRLM, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.
- c) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- d) Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

Issuance of a Confirmation of Allocation Note (“CAN”) and Allotment in the Issue

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.

Payment instructions

The entire Issue Price of ₹ 180 per Equity Share is payable on Application. In case of allotment of lesser number of Equity Shares than the number applied, then the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Bidders.

All Bidders (other than Anchor Investors, if any) are required to use the ASBA facility to make payment.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a Pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one English language national daily newspaper, one Hindi language national daily newspaper and one regional language daily newspaper, each with wide circulation. In the Pre-Issue advertisement, we shall state the Bid Opening Date and the Bid Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

Signing of the Underwriting Agreement and the RoC Filing

- a) Our Company, the Selling Shareholder, the BRLM and the Underwriters intend to enter into an Underwriting Agreement after finalizing of the Issue Price.
- b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Issue Price, Issue size, and underwriting arrangements and will be complete in all material respects.

Advertisement regarding Issue Price and Prospectus

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue, quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the member of the Syndicate or the SCSB / Designated Intermediary, where the Bid was submitted and bank account number in which the amount equivalent to the Bid Amount was blocked.

Bidders can contact the Compliance Officer or the Registrar to the Issue, in case of any Pre-Issue or Post-Issue related problems such as non-receipt of letters of Allotment, credit of allotted shares in the respective beneficiary accounts, unblocking of funds, etc.

Impersonation

Attention of the Bidders 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”*

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

Undertaking by our Company

We undertake the following:

- 1) If our Company does not proceed with the Issue after the Bid/ Issue Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Bid/ Issue Closing Date. The public notice shall be issued in the same newspapers where the Pre- Issue advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 2) If our Company withdraw the Issue after the Bid/ Issue Closing Date, our Company shall be required to file a fresh Draft Red Herring Prospectus with the Stock Exchange/SEBI, in the event our Company subsequently decides to proceed with the Issue;
- 3) The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- 4) All steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of the Bid/ Issue Closing Date;
- 5) The funds required for making refunds to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
- 6) Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period;;
- 7) The certificates of the securities/refund orders to Eligible NRIs shall be dispatched within specified time;
- 8) No further Issue of Equity Shares shall be made till the Equity Shares issued through the Prospectus are listed or until the Bid monies are refunded / unblocked in ASBA Account on account of non-listing, under-subscription etc;
- 9) Adequate arrangements shall be made to collect all Bid cum Application Forms and

Undertaking by the Selling Shareholder

The Selling Shareholder undertakes that:

- 1) it shall deposit its Equity Shares offered in the Issue in an escrow account opened with the Registrar to the Issue at least one Working Day prior to the Bid/Issue Opening Date;
- 2) it shall not have any recourse to the proceeds of the Issue for Sale until final listing and trading approvals have been received from the Stock Exchanges;
- 3) it shall take all steps and provide all assistance to our Company and the BRLMs, as may be required for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed within six Working Days from the Bid/Issue Closing Date of the Issue, failing which it shall forthwith repay without interest all monies received from Bidders to the extent of the Issued Shares. In case of delay, interest as per applicable law shall be paid by the Selling Shareholder;
- 4) it shall not offer, lend, pledge, charge, transfer or otherwise encumber, sell, dispose off any of the Equity Shares held by it except the Equity Shares being offered in the Issue for Sale until such time that the lock-in remains effective save and except as may be permitted under the SEBI Regulations;

- 5) it shall ensure that the Equity Shares being offered by it in the Issue, shall be transferred to the successful Bidders within the time specified under applicable law; and
- 6) it shall give appropriate instructions for dispatch of the refund orders or Allotment Advice to successful Bidders within the time specified under applicable law.

Utilisation of Issue Proceeds

The Board of Directors certify that:

- all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;
- details of all monies utilised out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;
- details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested;
- the utilisation of monies received under the Promoters' contribution, if any, shall be disclosed under a separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.
- The details of all unutilised monies out of the funds received under the Promoters' contribution, if any, shall be disclosed under a separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.
- The Selling Shareholder along with our Company declares that all monies out of the Issue for Sale shall be credited / transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act, 2013.

PART B

General Information Document for Investing in Public Issues

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 1956, as amended or replaced by the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Issue. In case of inconsistency between this General Information Document and other sections of this Prospectus, the details mentioned in the other sections of this Prospectus shall prevail.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building process as well as to the Fixed Price Issues. The purpose of the "General Information Document for Investing in Public Issues" is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**SEBI ICDR Regulations, 2009**").

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue are set out in the Red Herring Prospectus ("**RHP**")/Prospectus filed by the Issuer with the Registrar of Companies ("**RoC**"). Bidders/Applicants should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issue is available on the websites of stock exchanges, on the website(s) of the BRLM to the Issue and on the website of Securities and Exchange Board of India ("**SEBI**") at www.sebi.gov.in.

For the definitions of capitalised terms and abbreviations used herein Bidders/Applicants may refer to the chapter "*Glossary and Abbreviations*".

SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter-alia* required to comply with the eligibility requirements in terms of Regulation 26/27 of SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process (“Book Built Issue”) or undertake a Fixed Price Issue (“Fixed Price Issue”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities. Bidders/Applicants should refer to the RHP/Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

2.5 ISSUE PERIOD

The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Issue Period. Details of Bid/Issue Period are also available on the website of Stock Exchange(s).

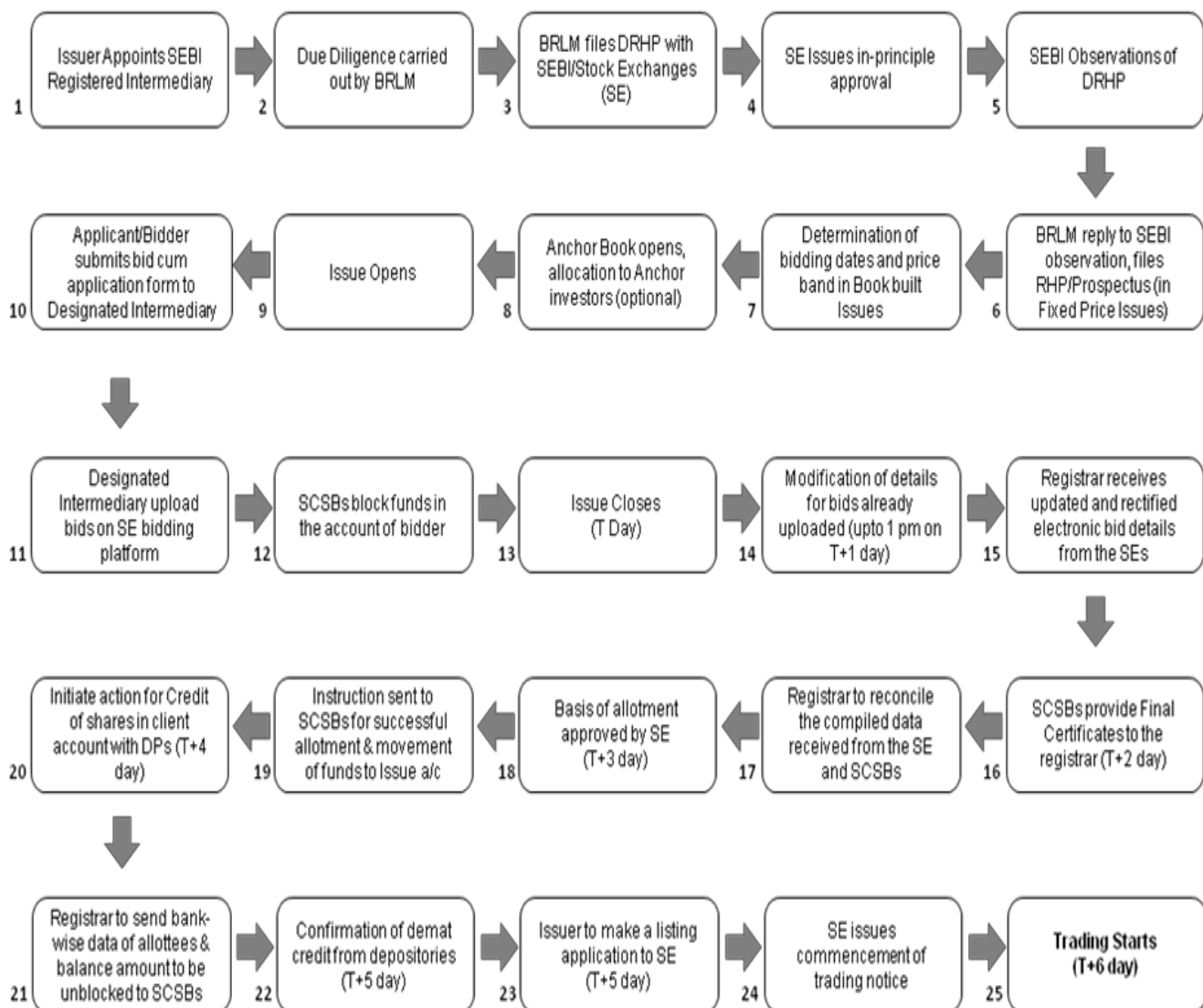
In case of a Book Built Issue, the Issuer may close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three Working Days, subject to the total Bid/Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the BRLM(s), and the advertisement in the newspaper(s) issued in this regard.

2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs.:

In case of Issue other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:

- i. Step 7 : Determination of Issue Date and Price
- ii. Step 10: Applicant submits ASBA Application Form with Designated Branch of SCSB and Non-ASBA forms directly to collection Bank and not to Broker.
- iii. Step 11: SCSB uploads ASBA Application details in Stock Exchange Platform
- iv. Step 12: Issue period closes
- v. Step 15: Not Applicable



SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder/Applicant should check whether it is eligible to apply under applicable law.

Furthermore, certain categories of Bidders/Applicants, such as NRIs, FII's, FPIs, QFIs and FVCIs may not be allowed to Bid/Apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or First Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;

- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- Qualified Foreign Investors subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non Institutional Investors (NIIs) category;
- FPIs other than Category III foreign portfolio investors bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, bidding under the NIIs category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008; and
- Any other person eligible to Bid/Apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.
- As per the existing regulations, OCBs are not allowed to participate in an Issue.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders should only use the specified Bid cum Application Form either bearing the stamp of a member of the Syndicate or bearing a stamp of the Registered Broker or stamp of SCSBs as available or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the members of the Syndicate, Registered Brokers, Designated Branches of the SCSBs and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date. For further details regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus.

Fixed Price Issue: Applicants should only use the specified cum Application Form either bearing the stamp of Collection Bank(s) or SCSBs as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Branches of Collection Banks or Designated Branches of the SCSBs and at the registered office of the Issuer. For further details regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed color of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

| Category | Color of the Bid cum Application Form |
|--|---------------------------------------|
| Resident Indian, Eligible NRIs applying on a non repatriation basis | White |
| NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporate(s) or foreign individuals bidding under the QIB), FPIs, QFIs, on a repatriation basis | Blue |
| Anchor Investors | [As specified by the Issuer] |

Securities Issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidders/Applicants will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to allotment.

4.1 INSTRUCTIONS FOR FILING THE BID CUM APPLICATION FORM/ APPLICATION FORM

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

TEAR HERE

COMMON BID CUM APPLICATION FORM FOR ASBA / NON-ASBA **XYZ LIMITED - PUBLIC ISSUE - R** **FOR RESIDENT INDIAN, QIB, ELIGIBLE NRI'S APPLYING ON A NON-REPATRIATION BASIS**

Logo To, **XYZ Limited** The Board of Directors BOOK BUILDING ISSUE Bid cum Application Form No.

| | | |
|--------------------------------------|--------------------------------------|--|
| SYNDICATE MEMBER'S STAMP & CODE | BROKER'S/AGENT'S STAMP & CODE | 1. NAME & CONTACT DETAILS of Sole / First Applicant Mr. / Ms. <input type="text"/> Address <input type="text"/> Email <input type="text"/> Tel. No (with STD code) / Mobile <input type="text"/> |
| ESCROW/BANK/SCSB BRANCH STAMP & CODE | SUB-BROKER'S/SUB-AGENTS STAMP & CODE | |
| BANK BRANCH SERIAL NO. | REGISTRAR'S / SCSB SERIAL NO. | |

2. PAN OF SOLE / FIRST APPLICANT

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS NSDL CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

| Bid Options | No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised) | Price per Equity Share (₹) *Cut-off* (Price in multiples of ₹ 1/- only) (In Figures) | | | | *Cut-off* (Please tick) | 5. Category <input type="checkbox"/> Retail Individual <input type="checkbox"/> Non-Institutional <input type="checkbox"/> QIB |
|---------------|---|---|----------------------|----------------------|----------------------|----------------------------|--|
| | | Bid Price | Discount, if any | Net Price | | | |
| Option 1 | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="checkbox"/> | 6. Investor Status <input type="checkbox"/> Individual(s) - I N D <input type="checkbox"/> Hindu Undivided Family* - H U F <input type="checkbox"/> Bodies Corporate - CO <input type="checkbox"/> Banks & Financial Institutions - F I <input type="checkbox"/> Mutual Funds - M F <input type="checkbox"/> Non-Resident Indians - NRI (Non-Repatriation basis) <input type="checkbox"/> National Investment Fund - NIF <input type="checkbox"/> Insurance Funds - IF <input type="checkbox"/> Insurance Companies - I C <input type="checkbox"/> Venture Capital Funds - V C <input type="checkbox"/> Others (Please specify) - OTH |
| (OR) Option 2 | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="checkbox"/> | |
| (OR) Option 3 | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="checkbox"/> | |

* HUF should apply only through Karta (Application by HUF would be treated on par with Individual)

7. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below) PAYMENT OPTIONS Full Payment Part Payment

Amount Paid (₹ in figures) (₹ in words)

(A) CHEQUE/ DEMAND DRAFT (DD) (B) ASBA

Cheque/DD No. Dated Bank A/c No.

Drawn on (Bank Name & Branch) Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED FORM 2A AND HEREBY AGREE AND CONFIRM THE BIDDERS UNDERTAKING AS GIVEN OVERLEAF. I/We (on behalf of joint applicants, if any) hereby confirm that I/We have read the Instructions for Filing up the Bid Cum Application Form given overleaf.

| | | |
|---|--|--|
| 8A. SIGNATURE OF SOLE/ FIRST APPLICANT Date: _____, 2011 | 8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) (For ASBA option ONLY) I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue 1) _____ 2) _____ 3) _____ | BROKER'S / SCSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system) |
|---|--|--|

XYZ LIMITED Acknowledgement Slip for Syndicate Member / SCSB Bid cum Application Form No.

DPID / CLID PAN

Amount Paid (₹ in figures) Bank & Branch Stamp & Signature of Banker

Cheque / DD/ASBA Bank A/c No.

Received from Mr./Ms.

Telephone / Mobile Email

| | | | | | |
|-------------------------------|----------------------|----------------------|----------------------|---|--|
| XYZ LIMITED | Option 1 | Option 2 | Option 3 | Stamp & Signature of Syndicate Member / SCSB | Name of Sole / First Applicant |
| | No. of Equity Shares | <input type="text"/> | <input type="text"/> | | |
| | Bid Price | <input type="text"/> | <input type="text"/> | <input type="text"/> | Acknowledgement Slip for Bidder |
| | Amount Paid (₹) | <input type="text"/> | <input type="text"/> | <input type="text"/> | |
| Cheque / DD/ASBA Bank A/c No. | <input type="text"/> | | | Bid cum Application Form No. <input type="text"/> | |
| Bank & Branch | <input type="text"/> | | | | |

| | | | | | |
|--|--|---|--|--|--|
| COMMON BID CUM APPLICATION FORM FOR ASBA / NON-ASBA | | XYZ LIMITED - PUBLIC ISSUE - NR | | FOR ELIGIBLE NRIs, FIIs, FVCI, ETC., APPLYING ON A REPATRIATION BASIS | |
| Logo | | To The Board of Directors XYZ Limited | | BOOK BUILDING ISSUE INE523L01018 | |
| SYNDICATE MEMBER'S STAMP & CODE | | BROKER'S/AGENT'S STAMP & CODE | | 1. NAME & CONTACT DETAILS of Sole / First Applicant | |
| ESCROW BANK / SCSB BRANCH STAMP & CODE | | SUB-BROKER'S/SUB-AGENT'S STAMP & CODE | | Mr. / Ms. _____ | |
| BANK BRANCH SERIAL NO. | | REGISTRAR'S / SCSB SERIAL NO. | | Address _____ | |
| | | | | Email _____ | |
| | | | | Tel. No (with STD code) / Mobile _____ | |
| | | | | 2. PAN OF SOLE / FIRST APPLICANT | |
| | | | | | |
| 3. BIDDER'S DEPOSITORY ACCOUNT DETAILS | | <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL | | 6. Investor Status | |
| For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID | | | | <input type="checkbox"/> NRI Non-Resident Indian (Repatriation basis) | |
| | | | | <input type="checkbox"/> FII Foreign Institutional Investor | |
| | | | | <input type="checkbox"/> FVCI Foreign Venture Capital Investor | |
| | | | | <input type="checkbox"/> FISA FII Sub Account Corporate / Individual | |
| | | | | <input type="checkbox"/> OTH Others (Please Specify) | |
| 4. BID OPTIONS (Only Retail Individual Bidders can Bid at "Cut-off") | | 5. Category | | | |
| Bid Options | | No. of Equity Shares Bid (in Figures) (Bids must be in multiples of Bid Lot as advertised) | | Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (in Figures) | |
| | | Bid Price | | Discount, if any | |
| | | Net Price | | "Cut-off" (Please tick) | |
| Option 1 | | | | <input type="checkbox"/> Retail Individual | |
| (OR) Option 2 | | | | <input type="checkbox"/> Non-Institutional | |
| (OR) Option 3 | | | | <input type="checkbox"/> QIB | |
| 7. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below) | | PAYMENT OPTIONS | | <input type="checkbox"/> Full Payment <input type="checkbox"/> Part Payment | |
| Amount Paid (₹ in figures) _____ (₹ in words) _____ | | | | | |
| <input type="checkbox"/> (A) CHEQUE/DEMAND DRAFT (DD) | | <input type="checkbox"/> (B) ASBA | | | |
| Cheque/DD No. _____ Dated _____ | | Bank A/c No. _____ | | | |
| Drawn on (Bank Name & Branch) _____ | | Bank Name & Branch _____ | | | |
| I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED FORM 2A AND HERESY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/We (on behalf of joint applicants, if any) hereby confirm that I/We have read the instructions for filling up the Bid Cum Application Form given overleaf. | | | | | |
| 8A. SIGNATURE OF SOLE / FIRST APPLICANT | | 8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) (For ASBA option ONLY) | | BROKER'S / SCSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system) | |
| Date: _____ 2011 | | I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue | | | |
| | | 1) _____ | | | |
| | | 2) _____ | | | |
| | | 3) _____ | | | |
| TEAR HERE | | | | | |
| XYZ LIMITED | | Acknowledgement Slip for Syndicate Member / SCSB | | Bid cum Application Form No. _____ | |
| DPID / CLID _____ | | PAN _____ | | | |
| Amount Paid (₹ in figures) _____ | | Bank & Branch _____ | | Stamp & Signature of Banker | |
| Cheque / DD/ASBA Bank A/c No. _____ | | | | | |
| Received from Mr./Ms. _____ | | | | | |
| Telephone / Mobile _____ | | Email _____ | | | |
| TEAR HERE | | | | | |
| XYZ LIMITED | | Option 1 Option 2 Option 3 | | Name of Sole / First Applicant _____ | |
| No. of Equity Shares | | | | Acknowledgement Slip for Bidder | |
| Bid Price | | | | | |
| Amount Paid (₹) | | | | Bid cum Application Form No. _____ | |
| Cheque / DD/ASBA Bank A/c No. _____ | | | | | |
| Bank & Branch _____ | | | | | |

4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT

- a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

- b) **Mandatory Fields:** Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid-cum Application Form/Application Form may be used to dispatch communications (including refund orders and letters notifying the unblocking of the bank accounts of ASBA Bidders/Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the members of the Syndicate, the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- c) **Joint Bids/Applications:** In the case of Joint Bids/Applications, the Bids /Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such First Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such First Bidder/Applicant would be deemed to have signed on behalf of the joint holders. All payments may be made out in favor of the Bidder/Applicant whose name appears in the Bid cum Application Form/Application Form or the Revision Form and all communications may be addressed to such Bidder/Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- d) **Impersonation:** Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who:

- *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- *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*
- *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.”

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

- e) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

4.1.2 FIELD NUMBER 2: PAN NUMBER OF SOLE/FIRST BIDDER/APPLICANT

- a) PAN (of the Sole/ First Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.
- b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. A Bid cum Application Form/Application Form without PAN, except in case of Exempted Bidders/Applicants, is liable to be rejected. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.
- c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable

description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

- d) Bid cum Application Forms/Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- e) Bids/Applications by Bidders whose demat accounts have been ‘suspended for credit’ are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as “Inactive demat accounts” and demographic details are not provided by depositories.

4.1.3 FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS

- a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form/Application Form is liable to be rejected.**
- b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.
- c) Bidders/Applicants should note that on the basis of DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving refunds and allocation advice (including through physical refund warrants, direct credit, NECS, NEFT and RTGS), or unblocking of ASBA Account or for other correspondence(s) related to an Issue. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.
- d) Bidders/Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants’ sole risk.

4.1.4 FIELD NUMBER 4: BID OPTIONS

- a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Issue Opening Date in case of an IPO, and at least one Working Day before Bid/Issue Opening Date in case of an FPO.
- b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs /FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details bidders may refer to (Section 5.6 (e))
- c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.
- d) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the BRLM may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.
- e) **Allotment:** The allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be allotted on a proportionate basis. For details of the Bid Lot, bidders may refer to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 Maximum and Minimum Bid Size

- a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹ 200,000.

In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category, with it not being eligible for Discount then such Bid may be rejected if it is at the Cut-off Price.

- b) For NRIs, a Bid Amount of up to ₹ 200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹ 200,000 may be considered under the Non-Institutional Category for the purposes of allocation.
- c) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off Price'.
- d) RII may revise their bids till closure of the bidding period or withdraw their bids until finalization of allotment. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after bidding and are required to pay the Bid Amount upon submission of the Bid.
- e) In case the Bid Amount reduces to ₹ 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Bidders who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- f) For Anchor Investors, if applicable, the Bid Amount shall be least ₹ 10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Portion under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/ Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.
- g) A Bid cannot be submitted for more than the Issue size.
- h) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.
- i) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Issue Price, the number of Equity Shares Bid for by a Bidder at or above the Issue Price may be considered for allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of bidders may refer to (Section 5.6 (e))

4.1.4.2 Multiple Bids

- a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSSB or Registered Broker and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

- b) Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:
 - I. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.
 - II. For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.
- c) The following Bids may not be treated as multiple Bids:
 - i. Bids by Reserved Categories bidding in their respective Reservation Portion as well as bids made by them in the Net Issue portion in public category.
 - ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.
 - iii. Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.
 - iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

4.1.5 FIELD NUMBER 5 : CATEGORY OF BIDDERS

- a) The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and allotment in the Issue are RIIs, NIIs and QIBs.
- b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of anchor investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, 2009, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Issue Price. For details regarding allocation to Anchor Investors, bidders may refer to the RHP/Prospectus.
- c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, Bidders/Applicants may refer to the RHP/Prospectus.
- d) The SEBI ICDR Regulations, 2009, specify the allocation or allotment that may be made to various categories of Bidders in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Bidder/Applicant may refer to the RHP/Prospectus.

4.1.6 FIELD NUMBER 6: INVESTOR STATUS

- a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.
- b) Certain categories of Bidders/Applicants, such as NRIs, FIIs, FPIs, QFIs and FVCIs may not be allowed to Bid/Apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.
- c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.
- d) Bidders/Applicants should ensure that their investor status is updated in the Depository records.

4.1.7 FIELD NUMBER 7: PAYMENT DETAILS

- a) All Bidders are required to make payment of the full Bid Amount (net of any Discount, as applicable) along with the Bid cum Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the payment shall be made for Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.
- b) Bidders who Bid at Cut-off price shall deposit the Bid Amount based on the Cap Price.
- c) QIBs and NIIs can participate in the Issue only through the ASBA mechanism.
- d) RIIs and/or Reserved Categories bidding in their respective reservation portion can Bid, either through the ASBA mechanism or by paying the Bid Amount through a cheque or a demand draft (“Non-ASBA Mechanism”).
- e) Bid Amount cannot be paid in cash, through money order or through postal order.

4.1.7.1 Instructions for non-ASBA Bidders:

- a) Non-ASBA Bidders may submit their Bids with a member of the Syndicate or any of the Registered Brokers of the Stock Exchange. The details of Broker Centres along with names and contact details of the Registered Brokers are provided on the websites of the Stock Exchanges.
- b) For Bids made through a member of the Syndicate: The Bidder may, with the submission of the Bid cum Application Form, draw a cheque or demand draft for the Bid Amount in favour of the Escrow Account as specified under the RHP/Prospectus and the Bid cum Application Form and submit the same to the members of the Syndicate at Specified Locations.
- c) For Bids made through a Registered Broker: The Bidder may, with the submission of the Bid cum Application Form, draw a cheque or demand draft for the Bid Amount in favour of the Escrow Account as specified under the RHP/Prospectus and the Bid cum Application Form and submit the same to the Registered Broker.
- d) If the cheque or demand draft accompanying the Bid cum Application Form is not made favoring the Escrow Account, the Bid is liable to be rejected.
- e) Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers’ clearing house located at the centre where the Bid cum Application Form is submitted. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.
- f) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Bidders until the Designated Date.
- g) Bidders are advised to provide the number of the Bid cum Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

4.1.7.2 Payment instructions for ASBA Bidders

- a) ASBA Bidders may submit the Bid cum Application Form either
 - I. in physical mode to the Designated Branch of an SCSB where the Bidders/Applicants have ASBA Account, or
 - II. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or

- III. in physical mode to a member of the Syndicate at the Specified Locations, or
- IV. Registered Brokers of the Stock Exchange
- b) ASBA Bidders may specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by an ASBA Bidder and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;
- d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- f) **ASBA Bidders bidding through a member of the Syndicate** should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only at the Specified locations. ASBA Bidders should also note that Bid cum Application Forms submitted to a member of the Syndicate at the Specified locations may not be accepted by the Member of the Syndicate if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).
- g) **ASBA Bidders bidding through a Registered Broker** should note that Bid cum Application Forms submitted to the Registered Brokers may not be accepted by the Registered Broker, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the Registered Brokers to deposit Bid cum Application Forms.
- h) **ASBA Bidders bidding directly through the SCSBs** should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- i) Upon receipt of the Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.
- j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
- k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Bids on the Stock Exchange platform and such bids are liable to be rejected.
- l) Upon submission of a completed Bid cum Application Form each ASBA Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs.
- m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.
- n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.7.2.1. Unblocking of ASBA Account

- a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.
- b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within 6 Working Days of the Bid/Issue Closing Date.

4.1.7.3 Additional Payment Instructions for NRIs

The Non-Resident Indians who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

4.1.7.4 Discount (if applicable)

- a) The Discount is stated in absolute rupee terms.
- b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the RHP/Prospectus.
- c) The Bidders entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Bid Amount less Discount (if applicable).

Bidder may note that in case the net payment (post Discount) is more than two lakh Rupees, the bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

4.1.8 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS

- a) Only the First Bidder/Applicant is required to sign the Bid cum Application Form/Application Form. Bidders/Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- b) If the ASBA Account is held by a person or persons other than the ASBA Bidder/Applicant., then the Signature of the ASBA Account holder(s) is also required.
- c) In relation to the ASBA Bids/Applications, signature has to be correctly affixed in the authorization/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.
- d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder/Applicant and /or ASBA Account holder is liable to be rejected.

4.1.9 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

- a) Bidders should ensure that they receive the acknowledgment duly signed and stamped by a member of the Syndicate, Registered Broker or SCSB, as applicable, for submission of the Bid cum Application Form.

- b) Applicants should ensure that they receive the acknowledgment duly signed and stamped by an Escrow Collection Bank or SCSB, as applicable, for submission of the Application Form.
- c) All communications in connection with Bids/Applications made in the Issue should be addressed as under:
 - i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, refund orders, the Bidders/Applicants should contact the Registrar to the Issue.
 - ii. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders/Applicants should contact the relevant Designated Branch of the SCSB.
 - iii. In case of queries relating to uploading of Syndicate ASBA Bids, the Bidders/Applicants should contact the relevant Syndicate Member.
 - iv. In case of queries relating to uploading of Bids by a Registered Broker, the Bidders/Applicants should contact the relevant Registered Broker.
 - v. Bidder/Applicant may contact the Company Secretary and Compliance Officer or BRLM(s) in case of any other complaints in relation to the Issue.
- d) The following details (as applicable) should be quoted while making any queries –
 - i. full name of the sole or First Bidder/Applicant, Bid cum Application Form number, Applicants'/Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application.
 - ii. name and address of the member of the Syndicate, Registered Broker or the Designated Branch, as the case may be, where the Bid was submitted or
 - iii. In case of Non-ASBA bids cheque or draft number and the name of the issuing bank thereof
 - iv. In case of ASBA Bids, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

For further details, Bidder/Applicant may refer to the RHP/Prospectus and the Bid cum Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

- a) During the Bid/Issue Period, any Bidder/Applicant (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.
- b) RII may revise their bids till closure of the bidding period or withdraw their bids until finalization of allotment.
- c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.
- d) The Bidder/Applicant can make this revision any number of times during the Bid/ Issue Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same member of the Syndicate, the Registered Broker or the SCSB through which such Bidder/Applicant had placed the original Bid. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.
- e) A sample Revision form is reproduced below:

4.2.2 FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'

- a) Apart from mentioning the revised options in the Revision Form, the Bidder/Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder/Applicant has Bid for three options in the Bid cum Application Form and such Bidder/Applicant is changing only one of the options in the Revision Form, the Bidder/Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Forms.
- b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.
- c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹ 200,000. In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.
- d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the RHP/Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.
- e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding may be unblocked in case of ASBA Bidders or refunded from the Escrow Account in case of non-ASBA Bidder.

4.2.3 FIELD 6: PAYMENT DETAILS

- a) With respect to the Bids, other than Bids submitted by ASBA Bidders/Applicants, any revision of the Bid should be accompanied by payment in the form of cheque or demand draft for the amount, if any, to be paid on account of the upward revision of the Bid.
- b) All Bidders/Applicants are required to make payment of the full Bid Amount (less Discount (if applicable) along with the Bid Revision Form. In case of Bidders/Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.
- c) In case of Bids submitted by ASBA Bidder/Applicant, Bidder/Applicant may Issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same member of the Syndicate/Registered Broker or the same Designated Branch (as the case may be) through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.
- d) In case of Bids, other than ASBA Bids, Bidder/Applicant, may make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ₹ 200,000 if the Bidder/Applicant wants to continue to Bid at the Cut-off Price), with the members of the Syndicate / Registered Broker to whom the original Bid was submitted.
- e) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹ 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder/Applicant does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of allotment, such that no additional payment is

required from the Bidder/Applicant and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.

- f) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of bidding may be unblocked in case of ASBA Bidders/Applicants or refunded from the Escrow Account in case of non-ASBA Bidder/Applicant.

4.2.4 FIELDS 7 : SIGNATURES AND ACKNOWLEDGEMENTS

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

4.3.1 FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.3.2 FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT

- a) The Issuer may mention Price or Price band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).
- b) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the Lead Manager to the Issue (LM) may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.
- c) Applications by RIIs, Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹ 200,000.
- d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.
- e) An application cannot be submitted for more than the Issue size.
- f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.
- g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to Collection Bank(s) or SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.
- h) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:
- i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple applications by a Bidder/Applicant and may be rejected.
 - ii. For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.

- i) The following applications may not be treated as multiple Bids:
- i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Net Issue portion in public category.
 - ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.
 - iii. Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.3.3 FIELD NUMBER 5 : CATEGORY OF APPLICANTS

- a) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and allotment in the Issue are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, applicants may refer to the Prospectus.
- c) The SEBI ICDR Regulations, 2009 specify the allocation or allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation applicant may refer to the Prospectus.

4.3.4 FIELD NUMBER 6: INVESTOR STATUS

Applicants should refer to instructions contained in paragraphs 4.1.6.

4.3.5 FIELD 7: PAYMENT DETAILS

- a) All Applicants are required to make payment of the full Amount (net of any Discount, as applicable) along with the Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Amount in the Application Form and the payment shall be made for an Amount net of Discount. Only in cases where the Prospectus indicates that part payment may be made, such an option can be exercised by the Applicant.
- b) RIIs and/or Reserved Categories bidding in their respective reservation portion can Bid, either through the ASBA mechanism or by paying the Bid Amount through a cheque or a demand draft ("Non-ASBA Mechanism").
- c) Application Amount cannot be paid in cash, through money order or through postal order or through stock invest.

4.3.5.1 Instructions for non-ASBA Applicants:

- a) Non-ASBA Applicants may submit their Application Form with the Collection Bank(s).
- b) For Applications made through a Collection Bank(s): The Applicant may, with the submission of the Application Form, draw a cheque or demand draft for the Bid Amount in favor of the Escrow Account as specified under the Prospectus and the Application Form and submit the same to the escrow Collection Bank(s).
- c) If the cheque or demand draft accompanying the Application Form is not made favoring the Escrow Account, the form is liable to be rejected.
- d) Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Application Form is submitted. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.

- e) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Applicants until the Designated Date.
- f) Applicants are advised to provide the number of the Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

4.3.5.2 Payment instructions for ASBA Applicants

- a) ASBA Applicants may submit the Application Form in physical mode to the Designated Branch of an SCSB where the Applicants have ASBA Account.
- b) ASBA Applicants may specify the Bank Account number in the Application Form. The Application Form submitted by an ASBA Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- c) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;
- d) Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- f) ASBA Applicants bidding directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- g) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- h) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.
- i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.
- j) Upon submission of a completed Application Form each ASBA Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.
- k) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.
- l) SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

4.3.5.3 Unblocking of ASBA Account

- a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected ASBA Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to unblock the respective bank accounts.

- b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful ASBA Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Issue may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within 12 Working Days of the Issue Closing Date.

4.3.5.4 Discount (if applicable)

- a) The Discount is stated in absolute rupee terms.
- b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, applicants may refer to the Prospectus.
- c) The Applicants entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Application Amount less Discount (if applicable).

4.3.6 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

4.4 SUBMISSION OF BID CUM APPLICATION FORM/ REVISION FORM/APPLICATION FORM

4.4.1 Bidders/Applicants may submit completed Bid-cum-application form / Revision Form in the following manner:-

| Mode of Application | Submission of Bid cum Application Form |
|----------------------|--|
| Non-ASBA Application | 1) To members of the Syndicate at the Specified Locations mentioned in the Bid cum Application Form 2) To Registered Brokers |
| ASBA Application | 1) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centre. 2) To the Designated branches of the SCSBs where the ASBA Account is maintained |

- a) Bidders/Applicants should not submit the bid cum application forms/ Revision Form directly to the escrow collection banks. Bid cum Application Form/ Revision Form submitted to the escrow collection banks are liable for rejection.
- b) Bidders/Applicants should submit the Revision Form to the same member of the Syndicate, the Registered Broker or the SCSB through which such Bidder/Applicant had placed the original Bid.
- c) Upon submission of the Bid-cum-Application Form, the Bidder/Applicant will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the Registrar of Companies (RoC) and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.
- d) Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid-cum-Application Form will be considered as the application form.

SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Issue Price is finalised after the Bid/Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS

- a) During the Bid/Issue Period, ASBA Bidders/Applicants may approach the members of the Syndicate at the Specified Cities or any of the Registered Brokers or the Designated Branches to register their Bids. Non-ASBA Bidders/Applicants who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or any of the Registered Brokers, to register their Bid.
- b) Non-ASBA Bidders/Applicants (RIIs, Employees and Retail Individual Shareholders) bidding at Cut-off Price may submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount less discount (if applicable) based on the Cap Price with the members of the Syndicate/ any of the Registered Brokers to register their Bid.
- c) In case of ASBA Bidders/Applicants (excluding NIIs and QIBs) bidding at Cut-off Price, the ASBA Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable). ASBA Bidders/Applicants may approach the members of the Syndicate or any of the Registered Brokers or the Designated Branches to register their Bids.
- d) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

5.2 ELECTRONIC REGISTRATION OF BIDS

- a) The Syndicate, the Registered Brokers and the SCSBs may register the Bids using the on-line facilities of the Stock Exchanges. The Syndicate, the Registered Brokers and the Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.
- b) On the Bid/Issue Closing Date, the Syndicate, the Registered Broker and the Designated Branches of the SCSBs may upload the Bids till such time as may be permitted by the Stock Exchanges.
- c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/ Allotment. The members of the Syndicate, the Registered Brokers and the SCSBs are given up to one day after the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar for validation of the electronic bid details with the Depository's records.

5.3 BUILD UP OF THE BOOK

- a) Bids received from various Bidders/Applicants through the Syndicate, Registered Brokers and the SCSBs may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/Issue Period.
- b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the bidding centres during the Bid/Issue Period.

5.4 WITHDRAWAL OF BIDS

- a) RIIs can withdraw their Bids until finalization of Basis of Allotment. In case a RII applying through the ASBA process wishes to withdraw the Bid during the Bid/Issue Period, the same can be done by submitting a request for the same to the concerned SCSB or the Syndicate Member or the Registered Broker, as applicable, who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b) In case a RII wishes to withdraw the Bid after the Bid/Issue Period, the same can be done by submitting a withdrawal request to the Registrar to the Issue until finalization of Basis of Allotment. The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

- a) The members of the Syndicate, the Registered Broker and/or SCSBs are individually responsible for the acts, mistakes or errors or omission in relation to
 - i. the Bids accepted by the members of the Syndicate, the Registered Broker and the SCSBs,
 - ii. the Bids uploaded by the members of the Syndicate, the Registered Broker and the SCSBs,
 - iii. the Bid cum application forms accepted but not uploaded by the members of the Syndicate, the Registered Broker and the SCSBs, or
 - iv. With respect to Bids by ASBA Bidders/Applicants, Bids accepted and uploaded by SCSBs without blocking funds in the ASBA Accounts. It may be presumed that for Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant Account.
- b) The BRLM and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.
- c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.
- d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLM and their affiliate Syndicate Members (only in the specified locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
- e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

5.5.1 GROUNDS FOR TECHNICAL REJECTIONS

Bid cum Application Forms/Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to the (i) authorised agents of the BRLM, (ii) Registered Brokers, or (iii) SCSBs, or (iv) Collection Bank(s), or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various places in this GID:-

- a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- b) Bids/Applications by OCBs; and
- c) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- d) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum application form/Application Form;
- e) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- f) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- g) DP ID and Client ID not mentioned in the Bid cum Application Form/Application Form;
- h) PAN not mentioned in the Bid cum Application Form/Application Form except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;

- i) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- j) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- k) Bids/Applications at a price less than the Floor Price & Bids/Applications at a price more than the Cap Price;
- l) Bids/Applications at Cut-off Price by NIIs and QIBs;
- m) Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to Bids/Applications by ASBA Bidders, the amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- n) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- o) In relation to ASBA Bids/Applications, submission of more than five Bid cum Application Forms/Application Form as per ASBA Account;
- p) Bids/Applications for a Bid/Application Amount of more than ₹ 200,000 by RIIs by applying through non-ASBA process;
- q) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;
- r) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;
- s) Bid cum Application Forms/Application Forms are not delivered by the Bidders/Applicants within the time prescribed as per the Bid cum Application Forms/Application Form, Bid/Issue Opening Date advertisement and as per the instructions in the RHP and the Bid cum Application Forms;
- t) With respect to ASBA Bids/Applications, inadequate funds in the bank account to block the Bid/Application Amount specified in the Bid cum Application Form/ Application Form at the time of blocking such Bid/Application Amount in the bank account;
- u) Bids/Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- v) With respect to ASBA Bids/Applications, where no confirmation is received from SCSB for blocking of funds;
- w) Bids/Applications by QIBs (other than Anchor Investors) and Non Institutional Bidders not submitted through ASBA process or Bids/Applications by QIBs (other than Anchor Investors) and Non Institutional Bidders accompanied with cheque(s) or demand draft(s);
- x) ASBA Bids/Applications submitted to a BRLM at locations other than the Specified Cities and Bid cum Application Forms/Application Forms, under the ASBA process, submitted to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Issue;
- y) Bids/Applications not uploaded on the terminals of the Stock Exchanges;
- z) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form.

5.6 BASIS OF ALLOCATION

- a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the

Bid cum Application Form and in the RHP / Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP / Prospectus.

- b) Under-subscription in Retail category is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB category is not available for subscription to other categories.
- c) In case of under subscription in the Net Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Net Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.

d) Illustration of the Book Building and Price Discovery Process

Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes bidding by Anchor Investors.

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹ 20 to ₹ 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

| Bid Quantity | Bid Amount (₹) | Cumulative Quantity | Subscription |
|--------------|----------------|---------------------|--------------|
| 500 | 24 | 500 | 16.67% |
| 1000 | 23 | 1,500 | 50.00% |
| 1500 | 22 | 3000 | 100.00% |
| 2000 | 21 | 5000 | 166.67% |
| 2500 | 20 | 7500 | 250.00% |

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer, in consultation with the BRLM, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

e) Alternate Method of Book Building

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of bidding (“Alternate Book Building Process”).

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Issue Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue. As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through Syndicate Members/SCSB and/or Bankers to the Issue or Registered Broker.

ASBA Applicants may submit an Application Form either in physical form to the Syndicate Members or Registered Brokers or the Designated Branches of the SCSBs or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only (“ASBA Account”). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section of the GID.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The allotment of Equity Shares to Bidders/Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Investor will be allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue (excluding any Offer for Sale of specified securities). However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

7.1 ALLOTMENT TO RIIs

Bids received from the RIIs at or above the Issue Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Issue Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Issue Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot (“Maximum RII Allottees”). The Allotment to the RIIs will then be made in the following manner:

- a) In the event the number of RIIs who have submitted valid Bids in the Issue is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).
- b) In the event the number of RIIs who have submitted valid Bids in the Issue is more than Maximum RII Allottees, the RIIs (in that category) who will then be allotted minimum Bid Lot shall be determined on the basis of draw of lots.

7.2 ALLOTMENT TO NIIs

Bids received from NIIs at or above the Issue Price may be grouped together to determine the total demand under this category. The allotment to all successful NIIs may be made at or above the Issue Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Issue Price, full allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Issue Price, allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations, 2009 or RHP / Prospectus. Bids received from QIBs bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB

Category may be available for allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

- a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full allotment to the extent of valid Bids received above the Issue Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for allotment to all QIBs as set out at paragraph 7.4(b) below;
- b) In the second instance, allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Issue Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

- a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the issuer subject to compliance with the following requirements:
 - i. not more than 60% of the QIB Portion will be allocated to Anchor Investors;
 - ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
 - iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:
 - a maximum number of two Anchor Investors for allocation up to ₹ 10 crores;
 - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 10 crores and up to ₹ 250 crores subject to minimum allotment of ₹ 5 crores per such Anchor Investor; and
 - a minimum number of five Anchor Investors and maximum number of 25 Anchor Investors for allocation of more than ₹ 250 crores subject to minimum allotment of ₹ 5 crores per such Anchor Investor.
- b) A physical book is prepared by the Registrar on the basis of the Bid cum Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the issuer in consultation with the BRLM, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
- c) In the event that the Issue Price is higher than the Anchor Investor Issue Price: Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.
- d) In the event the Issue Price is lower than the Anchor Investor Issue Price: Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

7.5. BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Issue being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

- a) Bidders may be categorized according to the number of Equity Shares applied for;
- b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;
- c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;
- d) In all Bids where the proportionate allotment is less than the minimum bid lot decided per Bidder, the allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;
- e) If the proportionate allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all bidders in such categories may be arrived at after such rounding off; and
- f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

7.6. DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- a) **Designated Date:** On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the RHP.
- b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Issue.

- c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within 12 Working Days of the Bid/ Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is

completed within two Working Days from the date of Allotment, after the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 12 Working Days of the Bid/Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 12 Working Days of the Bid/Issue Closing Date.

8.2 GROUNDS FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) and obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer may be punishable with a fine which shall not be less than ₹ 5 lakhs but which may extend to ₹ 50 lakhs and every officer of the Issuer 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 ₹ 50,000 but which may extend to ₹ 3 lakhs, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all moneys received from the Bidders/Applicants in pursuance of the RHP/Prospectus.

If such money is not repaid within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

If the Issuer does not receive a minimum subscription of 90% of the Net Issue (excluding any offer for sale of specified securities), including devolvement to the Underwriters, within 60 days from the Bid/Issue Closing Date, the Issuer may forthwith, without interest refund the entire subscription amount received. In case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

If there is a delay beyond the prescribed time, then the Issuer and every director of the Issuer who is an officer in default may be liable to repay the money, with interest at the rate of 15% per annum.

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Issue under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to allot at least 75% of the Net Issue to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

- a) In case of ASBA Bids/Applications: Within 6 Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid/Application and also for any excess amount blocked on Bidding/Application.
- b) In case of Non-ASBA Bid/Applications: Within 6 Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Bidders/Applicants and also for any excess amount paid on Bidding/Application, after adjusting for allocation/ allotment to Bidders/Applicants.
- c) In case of non-ASBA Bidders/Applicants, the Registrar to the Issue may obtain from the depositories the Bidders/Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Bidders/Applicants in their Bid cum Application Forms for refunds. Accordingly, Bidders/Applicants are advised to immediately update their details as appearing on the records of their DPs. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Bidders/Applicants' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Bidders/Applicants for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.
- d) In the case of Bids from Eligible NRIs, FIIs and FPIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Issuer may not be responsible for loss, if any, incurred by the Bidder/Applicant on account of conversion of foreign currency.

8.3.1 Mode of making refunds for Bidders/Applicants other than ASBA Bidders/Applicants

The payment of refund, if any, may be done through various modes as mentioned below:

- a) **NECS**—Payment of refund may be done through NECS for Bidders/Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder/Applicant as obtained from the Depository;
- b) **NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Bidders/Applicants' bank is NEFT enabled and has been assigned the Indian Financial System Code (“**IFSC**”), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Bidders/Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Bidders/Applicants through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;
- c) **Direct Credit**—Bidders/Applicants having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;
- d) **RTGS**—Bidders/Applicants having a bank account at any of the centers notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS; and
- e) For all the other Bidders/Applicants, including Bidders/Applicants who have not updated their bank particulars along with the nine-digit MICR code, the refund orders may be dispatched through speed post or registered post for refund orders. Such refunds may be made by cheques, pay orders or demand drafts drawn on the Refund Bank and payable at par at places where Bids are received.

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers etc Bidders/Applicants may refer to RHP/Prospectus.

8.3.2 Mode of making refunds for ASBA Bidders/Applicants

In case of ASBA Bidders/Applicants, the Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA Bids or in the event of withdrawal or failure of the Issue.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum if refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to Bidders/Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 12 Working days of the Bid/Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/ Issue Closing Date, if Allotment is not made.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

| Term | Description |
|--|---|
| Allotment/ Allot/ Allotted | The allotment of Equity Shares pursuant to the Issue to successful Bidders/Applicants |
| Allottee | An Bidder/Applicant to whom the Equity Shares are Allotted |
| Allotment Advice | Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges |
| Anchor Investor | A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009. |
| Anchor Investor Portion | Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLM, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors |
| Application Form | The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue |
| Application Supported by Blocked Amount/ (ASBA)/ASBA | An application, whether physical or electronic, used by Bidders/Applicants to make a Bid authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB |
| ASBA Account | Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder/Applicant |
| ASBA Bid | A Bid made by an ASBA Bidder |
| ASBA Bidder/Applicant | Prospective Bidders/Applicants in the Issue who Bid/apply through ASBA |
| Banker(s) to the Issue/ Escrow Collection Bank(s)/ Collecting Banker | The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account(s) may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer |
| Basis of Allotment | The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Issue |

| Term | Description |
|---|--|
| Bid | An indication to make an offer during the Bid/Issue Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application |
| Bid /Issue Closing Date | The date after which the Syndicate, Registered Brokers and the SCSBs may not accept any Bids for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Closing Date |
| Bid/Issue Opening Date | The date on which the Syndicate and the SCSBs may start accepting Bids for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Opening Date |
| Bid/Issue Period | Except in the case of Anchor Investors (if applicable), the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders/Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/ Issue Period for QIBs one working day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Period |
| Bid Amount | The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/Applicant upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount |
| Bid cum Application Form | The form in terms of which the Bidder/Applicant should make an offer to subscribe for or purchase the Equity Shares and which may be considered as the application for Allotment for the purposes of the Prospectus, whether applying through the ASBA or otherwise. In case of issues undertaken through the fixed price process, all references to the Bid cum Application Form should be construed to mean the Application Form |
| Bidder/Applicant | Any prospective investor (including an ASBA Bidder/Applicant) who makes a Bid pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicant should be construed to mean an Bidder/Applicant |
| Book Built Process/ Book Building Process/ Book Building Method | The book building process as provided under the SEBI ICDR Regulations, 2009, in terms of which the Issue is being made |
| Broker Centres | Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the Bid cum Application Forms/Application Form to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges. |
| BRLM/ Book Running Lead Manager/Lead Manager/ LM | The Book Running Lead Manager to the Issue as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM |
| Business Day | Monday to Friday (except public holidays) |
| CAN/Confirmation of Allotment Note | The note or advice or intimation sent to each successful Bidder/Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange |
| Cap Price | The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price may not be finalised and above which no Bids may be accepted |
| Client ID | Client Identification Number maintained with one of the Depositories in relation to demat account |

| Term | Description |
|--|---|
| Cut-off Price | Issue Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price |
| DP | Depository Participant |
| DP ID | Depository Participant's Identification Number |
| Depositories | National Securities Depository Limited and Central Depository Services (India) Limited |
| Demographic Details | Details of the Bidders/Applicants including the Bidder/Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details |
| Designated Branches | Such branches of the SCSBs which may collect the Bid cum Application Forms used by the ASBA Bidders/Applicants applying through the ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html |
| Designated Date | The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account or the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale |
| Designated Stock Exchange | The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer |
| Discount | Discount to the Issue Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations, 2009. |
| Draft Prospectus | The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band |
| Employees | Employees of an Issuer as defined under the SEBI Regulations and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoter and immediate relatives of the promoter. For further details Bidder may refer to the RHP/Prospectus |
| Equity Shares | Equity shares of the Issuer |
| Escrow Account | Account opened with the Escrow Collection Bank(s) and in whose favour the Bidders/Applicants (excluding the ASBA Bidders/Applicants) may Issue cheques or drafts in respect of the Bid Amount when submitting a Bid |
| Escrow Agreement | Agreement to be entered into among the Issuer, the Registrar to the Issue, the Book Running Lead Manager(s), the Syndicate Member(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts and where applicable, remitting refunds of the amounts collected to the Bidders/Applicants (excluding the ASBA Bidders/Applicants) on the terms and conditions thereof |
| Escrow Collection Bank(s) | Refer to definition of Banker(s) to the Issue |
| FCNR Account | Foreign Currency Non-Resident Account |
| First Bidder/Applicant | The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form |
| FII(s) | Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India |
| Fixed Price Issue/Fixed Price Process/Fixed Price Method | The Fixed Price process as provided under the SEBI ICDR Regulations, 2009, in terms of which the Issue is being made |
| Floor Price | The lower end of the Price Band, at or above which the Issue Price and the Anchor Investor Issue Price may be finalised and below which no Bids may be accepted, subject to any revision thereto |
| FPIs | Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 |
| FPO | Further public offering |
| Foreign Venture Capital Investors or FVCIs | Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000 |
| IPO | Initial public offering |
| Issue | Public Issue of Equity Shares of the Issuer including the Offer for Sale if applicable |

| Term | Description |
|-------------------------------------|--|
| Issuer/ Company | The Issuer proposing the initial public offering/further public offering as applicable |
| Issue Price | The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Issue Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s) |
| Maximum RII Allottees | The maximum number of RIIs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot. |
| MICR | Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf |
| Mutual Fund | A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996 |
| Mutual Funds Portion | 5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form |
| NECS | National Electronic Clearing Service |
| NEFT | National Electronic Fund Transfer |
| NRE Account | Non-Resident External Account |
| NRI | NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares |
| NRO Account | Non-Resident Ordinary Account |
| Net Issue | The Issue less reservation portion |
| Non-Institutional Investors or NIIs | All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs) |
| Non-Institutional Category | The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form |
| Non-Resident | A person resident outside India, as defined under FEMA and includes Eligible NRIs, FIIs, FPIs, QFIs and FVCIs |
| OCB/Overseas Corporate Body | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA |
| Other Investors | Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for. |
| PAN | Permanent Account Number allotted under the Income Tax Act, 1961 |
| Price Band | Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Issue may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/ Issue Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation |
| Pricing Date | The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalise the Issue Price |
| Prospectus | The prospectus to be filed with the RoC in accordance with Section 60 of the Companies Act, 1956 after the Pricing Date, containing the Issue Price, the size of the Issue and certain other information |
| Public Issue Account | An account opened with the Banker to the Issue to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date |

| Term | Description |
|--|---|
| Qualified Foreign Investors or QFIs | Non-Resident investors, other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs, who meet 'know your client' requirements prescribed by SEBI and are resident in a country which is (i) a member of Financial Action Task Force or a member of a group which is a member of Financial Action Task Force; and (ii) a signatory to the International Organisation of Securities Commission's Multilateral Memorandum of Understanding or a signatory of a bilateral memorandum of understanding with SEBI. Provided that such non-resident investor shall not be resident in country which is listed in the public statements issued by Financial Action Task Force from time to time on: (i) jurisdictions having a strategic anti-money laundering/combating the financing of terrorism deficiencies to which counter measures apply; (ii) jurisdictions that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the Financial Action Task Force to address the deficiencies |
| QIB Category | The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis |
| Qualified Institutional Buyers or QIBs | As defined under the SEBI ICDR Regulations, 2009 |
| RTGS | Real Time Gross Settlement |
| Red Herring Prospectus/RHP | The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The RHP may be filed with the RoC at least three days before the Bid/Issue Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus |
| Refund Account(s) | The account opened with Refund Bank(s), from which refunds (excluding refunds to ASBA Bidders/Applicants), if any, of the whole or part of the Bid Amount may be made |
| Refund Bank(s) | Refund bank(s) as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer |
| Refunds through electronic transfer of funds | Refunds through NECS, Direct Credit, NEFT, RTGS or ASBA, as applicable |
| Registered Broker | Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate |
| Registrar to the Issue/RTI | The Registrar to the Issue as disclosed in the RHP/Prospectus and Bid cum Application Form |
| Reserved Category/ Categories | Categories of persons eligible for making application/bidding under reservation portion |
| Reservation Portion | The portion of the Issue reserved for category of eligible Bidders/Applicants as provided under the SEBI ICDR Regulations, 2009 |
| Retail Individual Investors / RIIs | Investors who applies or bids for a value of not more than ₹200,000. |
| Retail Individual Shareholders | Shareholders of a listed Issuer who applies or bids for a value of not more than ₹200,000. |
| Retail Category | The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum bid lot, subject to availability in RII category and the remaining shares to be allotted on proportionate basis. |
| Revision Form | The form used by the Bidders in an issue through Book Building process to modify the quantity of Equity Shares and/or bid price indicates therein in any of their Bid cum Application Forms or any previous Revision Form(s) |
| RoC | The Registrar of Companies |
| SEBI | The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 |
| SEBI ICDR Regulations, 2009 | The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 |
| Self Certified Syndicate Bank(s) or SCSB(s) | A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html |

| Term | Description |
|------------------------|--|
| Specified Locations | Refer to definition of Broker Centers |
| Stock Exchanges/ SE | The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed |
| Syndicate | The Book Running Lead Manager(s) and the Syndicate Member |
| Syndicate Agreement | The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of the Bids in this Issue (excluding Bids from ASBA Bidders/Applicants) |
| Syndicate Member(s)/SM | The Syndicate Member(s) as disclosed in the RHP/Prospectus |
| Underwriters | The Book Running Lead Manager(s) and the Syndicate Member(s) |
| Underwriting Agreement | The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date |
| Working Day | Working Day” means all days, other than the second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to the time period between (a) announcement of Price Band; and (b) Bid/Issue Period, “Working Day” shall mean all days, excluding all Saturdays, Sundays or a public holiday, on which commercial banks in Mumbai are open for business; and with reference to the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 |

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Accordingly, the process for foreign direct investment (“FDI”) and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017 has notified the specific ministries handling relevant sectors.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. DIPP, issued the Consolidated FDI Policy Circular of 2016 (“FDI Circular 2016”), which, with effect from June 7, 2016, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on June 7, 2016. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2016 will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

The Equity Shares offered in the Issue have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States to persons reasonably believed to be “qualified institutional investors” (as defined in Rule 144A under the Securities Act) pursuant to Rule 144A under the Securities Act or other applicable exemption under the Securities Act and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdictions where such offers and sales occur.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are not in violation of laws or regulations applicable to them.

SECTION X - MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Pursuant to the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association are detailed below. Capitalised terms used in this section have the meaning given to them in the Articles of Association.

Each provision below is numbered as per the corresponding article number in the Articles of Association and defined terms herein have the meaning given to them in the Articles of Association.

1. Table “F” not to apply but company to be governed by these Articles

The regulations contained in Table “F” in the First Schedule of the Companies Act, 2013 shall not apply to this Company, but these Articles for the management of the Company and for the observance of the Members thereof and their representatives shall subject to any exercise of the statutory powers of the Company with reference to the repeal of, alteration of, or addition to, its regulations/Articles by Special Resolution, as prescribed by the Companies Act, 2013 (to the extent applicable) or Companies Act, 1956 (to the extent applicable) be such as are contained in these Articles.

INTERPRETATION CLAUSE

2. In the interpretation of these Articles the following expressions shall have the following meanings unless repugnant to the subject or context:

- a) **“The Act”** shall mean Companies Act, 1956 and/ or the Companies Act, 2013, and includes where the context so admits, any re-enactment or statutory modification thereof, for the time being in force, and the term shall refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law as may be applicable.
- b) **“Annual General Meeting”** means a general meeting of Members held in accordance with the provisions of section 96 of the Act or such other relevant provisions of the Act related to incorporated companies for the time being in force in India.
- c) **“Articles or These Articles”** means Articles of Association for the time being in force or as may be altered from time to time vide Special Resolution.
- d) **“Auditors”** mean the statutory auditors of the Company appointed by the Company in accordance with the provisions of the Act.
- e) **“Board”** or **“Board of Directors”** shall mean the Board of Directors of the Company, as constituted from time to time, in accordance with Law and the provisions of these Articles.
- f) **“Beneficial Owner”** means a person as defined in Section 2 of the Depositories Act and whose name is recorded as such with a Depository.
- g) **“Business Day”** means a day, not being a Saturday or a Sunday or a public holiday, on which banks are open for business in Mumbai, India and, in the context of a payment being made to or from a scheduled commercial bank in a place other than India, in such other place.
- h) **“Book and Paper”** and **“Book or Paper”** include books of account, deeds, vouchers, writings, documents, minutes and registers maintained on paper or in electronic form.
- i) **“Capital”** or **“Share Capital”** means the share capital for the time being raised or authorized to be raised for the purpose of the Company.
- j) **“Chairman”** means the Chairman of the Board for the time being of the Company.
- k) **“The Company”** shall mean "KARDA CONSTRUCTIONS LIMITED."
- l) **“Companies Act, 1956”** shall mean the Companies Act, 1956 (Act I of 1956), as may be in force for the time being.

- m) **“Companies Act, 2013”** shall mean the Companies Act, 2013, as may be in force for the time being.
- n) **“Chief Executive Officer”** means an officer of a Company, who has been designated as such by it.
- o) **“Chief Financial Officer”** means a person appointed as the Chief Financial Officer of a Company.
- p) **“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 a Company to perform the functions of a Company Secretary under this Act.
- q) **“Directors”** means the Directors of the Company and includes any person appointed by the Board occupying the position of director by whatever name called. 329
- r) **“Debenture”** includes debenture stocks.
- s) **“Depositories Act”** shall mean the Depositories Act, 1996 and include where the context so admits, any re-enactment or statutory modification thereof for the time being in force.
- t) **“Depository”** means a Depository as defined in Section 2(1)(e) of the Depositories Act, 1996.
- u) **“Dividend”** includes interim dividend.
- v) **“Document”** means a document as defined in Section 2 (36) of the Companies Act, 2013.
- w) **“Equity Share Capital”** with reference to any Company limited by shares, means all share capital which is not preference share capital.
- x) **“Executor”** or **“Administrator”** shall mean a person who has obtained a probate or letter of administration, as the case may be from Court of competent jurisdiction and shall include a holder a succession certificate authorizing the holder thereof to negotiate or transfer the Share or Shares of the deceased Member and shall also include the holder of a Certificate granted by the Administrator General under Section 31 of the Administrator General Act, 1963.
- y) **“Extra-Ordinary General Meeting”** means an Extraordinary General Meeting of the Members duly held and called held in accordance with the provisions of the Act and the Articles and includes any adjourned holding thereof.
- z) **“Key Managerial Personnel”** means the: i. Chief Executive Officer or the managing director or the manager; ii. The Company Secretary; iii. The Whole-time director; iv. Such other officer as may be prescribed by the Board.
- aa) **“Legal Representative”** means a person who in law represents the estate of a deceased Member.
- bb) **“Managing Director”** means the Managing Director for the time being of the Company.
- cc) **“Member”** or **“Shareholder”** means member in pursuance of Section 2(55) of the Act.
- dd) **“Meeting”** or **“General Meeting”** means a meeting of Members.
- ee) **“Memorandum”** means the Memorandum of Association of the Company.
- ff) **“Month”** means a calendar month.
- gg) **“National Holiday”** means and includes a day declared as National Holiday by the Central Government.
- hh) **“Non-retiring Directors”** means a director not subject to retirement by rotation.
- ii) **“Office”** means the registered Office for the time being of the Company.

- jj) **“Officer”** includes any director, manager or key managerial personnel or any person in accordance with whose directions or instructions the Board of Directors or any one or more of the directors is or are accustomed to act.
- kk) **“Ordinary Resolution”** and **“Special Resolution”** shall have the meanings assigned thereto by Section 114 of the Act.
- ll) **“Paid-up share capital”** or **“share capital paid-up”** means such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid up in respect of shares issued and also includes any amount credited as paid-up in respect of shares of the Company, but does not include any other amount received in respect of such shares, by whatever name called.
- mm) **“Postal Ballot”** means voting by post or through any electronic mode.
- nn) **“Public Holiday”** means a Public Holiday within the meaning of the Negotiable Instruments Act, 1881 (XXVI of 1881); provided that no day declared by the Central Government to be such a holiday in relation to any meeting unless the declaration was notified before the issue of the notice convening such meeting.
- oo) **“Person”** shall be deemed to include corporations, firms, association of firms, individuals and society registered under the Societies Registration Act.
- pp) **“Proxy”** means an instrument whereby any person is authorized to vote for a member at General Meeting or Poll and includes attorney duly constituted under the power of attorney.
- qq) **“Registrar”** means the Registrar of Companies of the state in which the registered office of the Company is for the time being situated.
- rr) **“Register of Companies”** means the Register of Companies maintained by the Registrar on paper or in any electronic mode under this Act.
- ss) **“The Register of Members”** means the Register of Members to be kept pursuant to Section 88(1)(a) of the Act.
- tt) **“Rules”** means the applicable rules as prescribed under the relevant sections of the Act for the time being in force.
- uu) **“SEBI”** means Securities Exchange Board of India established under Securities Exchange Board of India Act, 1992.
- vv) **“Securities”** means the securities as defined in clause (h) of Section 2 of Securities Contracts (Regulations) Act, 1956.
- ww) **“Share”** means share in the Share Capital of the Company and includes stock except where a distinction between stock and shares is expressed or implied.
- xx) **“Sweat Equity Shares”** means such equity shares as are issued by a Company to its directors or employees at a discount or for consideration, other than Cash, for providing their know-how or making available rights in the nature of intellectual property rights or value additions, by whatever name called.
- yy) **“Seal”** means the common seal for the time being of the Company.
- zz) **“Securities”** shall mean any Equity Shares or any other securities, debentures warrants or options whether or not, directly or indirectly convertible into, or exercisable or exchangeable into or for Equity Shares. 330
- aaa) **“Share”** means a share in the share capital of the Company and includes stock, except where a distinction between stock and shares is expressed or implied.
- bbb) **“Special Resolution”** shall have the meanings assigned to it by Section 114 of the Act.

- ccc) **“Singular number”** Words importing the Singular number include where the context admits or requires the plural number and vice versa.
- ddd) **“The Statutes”** means the Companies Act, 2013 and every other Act for the time being in force affecting the Company.
- eee) **“These presents”** means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time.
- fff) **“Preference Share Capital”** with reference to any Company limited by shares, means that Part A of the issued share capital of the Company which carries or would carry preferential right with respect to-
- (a) payment of dividend, either as a fixed amount or an amount calculated at a fixed rate, which may either be free of or subject to income-tax; and
- (b) repayment, in case of a winding up or repayment of capital, of the amount of the share capital paid-up or deemed to have been paid-up, whether or not, there is a preferential right to the payment of any fixed premium or premium on any fixed scale, specified in the memorandum or articles of the Company.
- ggg) **“Variation”** shall include abrogation; and “vary” shall include abrogate.
- hhh) **“Year”** means the calendar year and “Financial Year” shall have the meaning assigned thereto by Section 2(41) of the Act.

Expressions in the Act to bear the same meaning in Articles.

Save as aforesaid any words and expressions contained in these Articles shall bear the same meanings as in the Act or any statutory modifications thereof for the time being in force. Words importing the singular number include the plural number and vice-versa.

- a. Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereto.
- b. “In writing” and “written” includes printing, lithography and any other modes of representing or reproducing words in a visible form.
- c. Words importing the singular number shall include the plural number and vice versa.
- d. References made to any provision of the Act shall be construed as meaning and including the references to the rules and regulations made in relation to the same by the Ministry of Corporate Affairs. The applicable provisions of the Companies Act, 1956 shall cease to have effect from the date on which the corresponding provisions under the Act have been notified.
- e. References to a party shall, where the context permits, include such party’s respective successors, legal heirs and permitted assigns.
- f. The descriptive headings of Articles are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of content thereof and shall not be used to interpret the provisions of these Articles and shall not affect the construction of these Articles.
- g. References to articles and sub-articles are references to Articles and Sub-articles of and to these Articles unless otherwise stated and references to these Articles include references to the articles and Sub-articles herein.
- h. Words importing the singular include the plural and vice versa, pronouns importing a gender include each of the masculine, feminine and neuter genders, and where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.

- i. Wherever the words “include,” “includes,” or “including” is used in these Articles, such words shall be deemed to be followed by the words “without limitation”.
- j. The terms “hereof”, “herein”, “hereto”, “hereunder” or similar expressions used in these Articles mean and refer to these Articles and not to any particular Article of these Articles, unless expressly stated otherwise. 331
- k. Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of such period is not a Business Day; and whenever any payment is to be made or action to be taken under these Articles is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next Business Day following.
- l. A reference to a Party being liable to another Party, or to liability, includes, but is not limited to, any liability in equity, contract or tort (including negligence).
- m. Reference to statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions.
- n. In the event any of the provisions of the Articles are contrary to the provisions of the Act and the Rules, the provisions of the Act and Rules will prevail.

CAPITAL

3. Authorized Capital

- a) The Authorized Share Capital of the Company shall be such amount as may be mentioned in Clause V (a) of Memorandum of Association of the Company from time to time.
- b) The minimum paid up Share capital of the Company shall be Rs. 5,00,000/- or such other higher sum as may be prescribed in the Act from time to time.

4. Increase of Capital by the Company how carried into effect

The Company may in General Meeting from time to time by Ordinary Resolution increase its Capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Act. Whenever the Capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Act.

5. New Capital same as existing capital

Except so far as otherwise provided by the conditions of issue or by these Presents, any Capital raised by the creation of new Shares shall be considered as part of the existing Capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

6. Non Voting Shares

The Board shall have the power to issue a part of authorized Capital by way of non-voting Shares at price(s) premium, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.

7. Redeemable Preference Shares

Subject to the provisions of the Act and these Articles, the Board of Directors may issue redeemable preference shares to such persons, on such terms and conditions and at such times as Directors think fit either at premium or at par, and with full power to give any person the option to call for or be allotted shares of the company either at premium or at par, such option being exercisable at such times and for such consideration as the Board thinks fit.

8. Voting rights of preference shares

The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares.

9. Provisions to apply on issue of Redeemable Preference Shares

On the issue of redeemable preference shares under the provisions of Article 7 hereof, the following provisions shall take effect: No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption; No such Shares shall be redeemed unless they are fully paid; Subject to section 55(2)(d)(i) 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 security premium account, before the Shares are redeemed; Where any such Shares are redeemed otherwise then out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "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 the Company shall, except as provided in Section 55 of the Companies Act, 2013 apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company; and Subject to the provisions of Section 55 of the Companies Act, 2013 the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit. The reduction of Preference Shares under the provisions by the Company shall not be taken as reducing the amount of its Authorized Share Capital.

10. Reduction of capital

The Company may (subject to the provisions of sections 52, 55, 56, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce

(g) the Share Capital;

(h) any capital redemption reserve account;

(i) any security premium account.

in any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.

11. Debentures

Any debentures, debenture-stock or other securities may be issued at a discount (subject to the compliance with the provision of Section 53 of the Companies Act, 2013), premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination.

12. Issue of Sweat Equity Shares

The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in that sections and rules framed thereunder.

13. ESOP

The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow, under Employee Stock Option Scheme (ESOP) or any other

scheme, if authorized by a Special Resolution of the Company in general meeting subject to the provisions of the Act, the Rules and applicable guidelines made there under, by whatever name called.

14. Buy Back of shares

Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

15. Consolidation, Sub-Division And Cancellation

Subject to the provisions of Section 61 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate all or any of the share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; subject nevertheless, to the provisions of clause (d) of sub-section (1) of Section 61; Subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

16. Issue of Depository Receipts

Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue depository receipts in any foreign country.

17. Issue of Securities

Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed thereunder.

MODIFICATION OF CLASS RIGHTS

18. Modification of rights

- (a) If at any time the Share Capital, by reason of the issue of Preference Shares or otherwise is divided into different classes of shares, all or any of the rights privileges attached to any class (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 48 of the Companies Act, 2013 and whether or not the Company is being wound-up, be varied, modified or dealt, with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate class of meeting.

Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this section shall apply to such variation.

19. New Issue of Shares not to affect rights attached to existing shares of that class

- (b) The rights conferred upon the holders of the Shares including Preference Share, (if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking *pari passu* therewith.

20. Shares at the disposal of the Directors

Subject to the provisions of Section 62 of the Act, 2013 and these Articles, the shares in the capital of the company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue

and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.

21. Power to issue shares on preferential basis

The Company may issue shares or other securities in any manner whatsoever including by way of a preferential offer, to any persons whether or not those persons include the persons referred to in clause (a) or clause (b) of sub-section (1) of section 62 subject to compliance with section 42 and 62 of the Act, 2013 and rules framed thereunder.

22. Shares should be Numbered progressively and no share to be subdivided

The shares in the Capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.

23. Acceptance of Shares

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 an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purposes of these Articles, be a Member.

24. Directors may allot shares as full paid-up

Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property (including goodwill of any business) sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares as aforesaid.

25. Deposit and call etc. to be a debt payable immediately

The money (if any) which the Board shall on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them shall become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him, accordingly.

26. Liability of Members

Every Member, or his heirs, executors, administrators, or legal representatives, shall pay to the Company the portion of the Capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require on date fixed for the payment thereof.

27. Registration of Shares

The Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind.

28. Return of Allotments to be made or restrictions on Allotment

The Board shall observe the restrictions as regards allotment of shares to the public, and as regards return on allotments contained in Sections 39 of the Act, 2013.

CERTIFICATES

29. Share Certificates

- a) Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as provided in the relevant laws) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application for registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holder. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the Secretary or other person shall sign the share certificate, 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 or whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue.
- b) Any two or more joint allottees of shares shall, for the purpose of this Article, be treated as a single member, and the certificate of any shares which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupees Fifty. The Company shall comply with the provisions of Section 39 of the Act.
- c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

30. Issue of new certificates in place of those defaced, lost or destroyed

If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.50/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer. Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, or any other Act, or rules applicable in this behalf. The provisions of this Article shall mutatis mutandis apply to debentures of the Company.

31. The first named joint holder deemed Sole holder

- (a) If any share stands in the names of two or more persons, the person first named in the Register shall as regard receipts of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings, and the transfer of the shares, be deemed sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of

all calls and other payments due in respect of such share and for all incidentals thereof according to the Company's regulations.

Maximum number of joint holders

(b) The Company shall not be bound to register more than three persons as the joint holders of any share.

32. Company not bound to recognize any interest in share other than that of registered holders

Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof but the Board shall be at liberty at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.

33. Instalment on shares to be duly paid

If by the conditions of allotment of any share the whole or 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 share or his legal representative.

UNDERWRITING AND BROKERAGE

34. Commission

Subject to the provisions of Section 40 (6) of the Act, 2013 the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing, to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares or debentures in the Company but so that the commission shall not exceed the maximum rates laid down by the Act, 2013 and the rules made in that regard. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.

35. Brokerage

The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful.

36. Directors may make calls

1. The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board and not by a circular resolution, make such calls as it thinks fit, upon the Members in respect of all the moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board.
2. A call may be revoked or postponed at the discretion of the Board.
3. A call may be made payable by instalments.

37. Notice of Calls

Fifteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.

38. Calls to date from resolution

A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorizing such call was passed and may be made payable by the members whose names appear on the

Register of Members on such date or at the discretion of the Directors on such subsequent date as may be fixed by Directors.

39. Calls on uniform basis

Whenever any calls for further share capital are made on shares, such calls shall be made on uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.

40. Directors may extend time

The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the Members who on account of the residence at a distance or other cause, which the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.

41. Calls to carry interest

If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 21% per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.

42. Sums deemed to be calls

If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by instalments at fixed time (whether on account of the 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 of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or instalment accordingly.

43. Proof on trial of suit for money due on shares

On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, if shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered is alleged to have become due on the share in respect of which such money is sought to be recovered in the Minute Books: and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles: and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

44. Judgment, decree, partial payment suo motto proceed for forfeiture

Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from there after proceeding to enforce forfeiture of such shares as hereinafter provided.

45. Payments in Anticipation of calls may carry interest

- a. The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such

advances are made the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing; provided that moneys paid in advance of calls on shares may carry interest but shall not confer a right to dividend or to participate in profits.

- b. No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable. The provisions of this Article shall mutatis mutandis apply to calls on debentures issued by the Company.

LIEN

46. Company to have Lien on shares / debentures

The Company shall have a first and paramount lien upon all the Shares/Debentures (other than fully paid-up Shares/Debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares/Debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of Shares/ Debentures shall operate as a waiver of the Company's lien if any, on such Shares/Debentures. The Directors may at any time declare any Shares/Debentures wholly or in part to be exempt from the provisions of this clause.

Fully paid-up share shall be free from all lien and in the case of partly paid-up shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.

47. As to enforcing lien by sale

For the purpose of enforcing such lien the Directors may sell the Shares subject thereto in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or the person (if any) entitled by transmission to the Shares and default shall have been made by him in payment, fulfillment of discharge of such debts, liabilities or engagements for seven days after such notice. To give effect to any such sale the Board may authorize some person to transfer the shares sold to the purchaser thereof and purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as the Certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new Certificate or Certificates in lieu thereof to the purchaser or purchasers concerned.

48. Application of proceeds of sale

The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the Shares at the date of the sale.

FORFEITURE AND SURRENDER OF SHARES

49. If call or instalment not paid, notice may be given

If any Member fails to pay the whole or any part of any call or instalment or any moneys due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or instalment or any part thereof or other moneys as aforesaid remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or instalment of such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been accrued by the Company by reason of such non-payment. Provided that no such shares shall be forfeited if any moneys shall remain unpaid in respect of any call or instalment or any part thereof as aforesaid by reason of the delay occasioned in payment due to the necessity of complying with the provisions contained in the relevant exchange control laws or other applicable laws of India, for the time being in force.

50. Terms of notice

The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or instalment and such interest thereon as the Directors shall determine from the day on which such call or instalment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place or places appointed, the shares in respect of which the call was made or instalment is payable will be liable to be forfeited.

51. On default of payment, shares to be forfeited

If the requirements of any such notice as aforesaid shall not be complied with, every or any Share in respect of which such notice has been given, may at any time thereafter but before payment of all calls or instalments, interest and expenses, due in respect thereof, be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.

52. Notice of forfeiture to a Member

When any shares have been forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof shall forthwith be made in the Register of Members.

53. Forfeited Shares to be property of the Company and may be sold etc

Any Shares so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board in their absolute discretion shall think fit.

54. Members still liable to pay money owing at time of forfeiture and interest

Any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture, but shall not be under any obligation to do so.

55. Effect of forfeiture

The forfeiture Shares shall involve extinction at the time of the forfeiture, of all interest in all claims and demand against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.

56. Evidence of Forfeiture

A declaration in writing that the declarant is a Director or Secretary of the Company and that Share in the Company have been duly forfeited in accordance with these articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.

57. Title of purchaser and allottee of Forfeited Shares

The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration: if any, nor shall his title to the share be affected by any irregularly or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the Shares.

58. Cancellation of share certificate in respect of forfeited Shares

Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.

59. Forfeiture may be remitted

In the meantime and until any share so forfeited shall be sold, re-allotted, or otherwise dealt with as aforesaid, the forfeiture thereof may, at the discretion and by a resolution of the Directors, be remitted as a matter of grace and favour, and not as was owing thereon to the Company at the time of forfeiture being declared with interest for the same unto the time of the actual payment thereof if the Directors shall think fit to receive the same, or on any other terms which the Director may deem reasonable.

60. Validity of sale

Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers 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 of Members 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.

61. Surrender of Shares

The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit.

TRANSFER AND TRANSMISSION OF SHARES

62. Execution of the instrument of Shares

- (a) The instrument of transfer of any share in or debenture of the Company shall be executed by or on behalf of both the transferor and transferee.
- (b) The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect thereof.

63. Transfer Form

The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 and statutory modification thereof including other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debenture and registration thereof. A common form of transfer shall be used.

64. Transfer not to be registered except on production of instrument of transfer

The Company shall not register a transfer in the Company other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository, unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares or if no such share certificate is in existence along with the letter of allotment of the shares: Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp, required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit, provided further that nothing in this Article shall prejudice any power of

the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.

65. Directors may refuse to register transfer

Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, decline to register —

(a) Any transfer of shares on which the company has a lien.

Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares.

66. Notice of refusal to be given to transferor and transferee

If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and there upon the provisions of Section 56 of the Companies Act, 2013 or any statutory modification thereof for the time being in force shall apply.

67. No fee on transfer

No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and letter of administration, Certificate of Death or Marriage, Power of Attorney or similar other document with the Company.

68. Closure of Register of Members or debenture holder or other security holders

The Board of Directors shall have power on giving not less than seven days previous notice in accordance with section 91 and rules made thereunder close the Register of Members and/or the Register of debentures holders and/or other security holders at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.

69. Custody of transfer Deeds

The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine.

70. Application for transfer of partly paid Shares

Where an application of transfer relates to partly paid Shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.

71. Notice to transferee

For this purpose the notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post/speed post/ courier to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

72. Recognition of legal representative

On the death of a Member, the survivor or survivors, where the Member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only person recognized by the Company as having any title to his interest in the Shares. Before recognizing any executor or administrator or

legal representative, the Board may require him to obtain a Grant of Probate or Letters Administration or other legal representation as the case may be, from some competent court in India. Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of Probate or letter of Administration or such other legal representation upon such terms as to indemnity or otherwise, as the Board in its absolute discretion, may consider adequate.

Nothing in clause (a) above shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

73. Titles of Shares of deceased Member

The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 72 of the Companies Act, 2013.

74. Notice of application when to be given

Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act, 2013.

75. Registration of persons entitled to share otherwise than by transfer. (transmission clause)

Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy, insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of this title as the Director shall require either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as Member in respect of such shares; provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance so he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the 'Transmission Clause'.

76. Refusal to register nominee

Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse or suspend register a person entitled by the transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.

77. Board may require evidence of transmission

Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.

78. Company not liable for disregard of a notice prohibiting registration of transfer

The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made, or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register or Members) to the prejudice of persons having or claiming any equitable right,

title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or require to regard or attend or give effect to any notice which may be given to them of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.

79. Form of transfer Outside India

In the case of any share registered in any register maintained outside India the Instrument of transfer shall be in a form recognized by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed in form SH4 hereof as circumstances permit.

80. No transfer to insolvent etc

No transfer shall be made to any minor, insolvent or person of unsound mind.

NOMINATION

81. Nomination

- i. Notwithstanding anything contained in the articles, every holder of securities of the Company may, at any time, nominate a person in whom his/her securities shall vest in the event of his/her death and the provisions of Section 72 of the Companies Act, 2013 shall apply in respect of such nomination.
- ii. No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the securities of the Company in the manner specified under Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014.
- iii. The Company shall not be in any way responsible for transferring the securities consequent upon such nomination.
- iv. If the holder(s) of the securities survive(s) nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.

82. Transmission of Securities by nominee

A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either

- (a) to be registered himself as holder of the security, as the case may be; or
- (b) to make such transfer of the security, as the case may be, as the deceased security holder, could have made;
- (c) if the nominee elects to be registered as holder of the security, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased security holder as the case may be;
- (d) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the security except that he shall not, before being registered as a member in respect of his security, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company. Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with.

DEMATERIALIZATION OF SHARES

83. Dematerialisation of Securities

Subject to the provisions of the Act, 2013 and Rules made thereunder the Company may offer its Members facility to hold securities issued by it in dematerialized form.

i. Option to dematerialise Securities

Notwithstanding anything contained in the Articles, the Company may in accordance with the provisions of the Depositories Act, 1996, be entitled to dematerialise its securities and to offer the same for the Shareholders of the Company present and future (subscription in a dematerialised form) and on the same being done, the Company shall maintain a Register of Members holding various securities both in material and dematerialised form in any media as permitted by law including any form of electronic media, either in respect of existing shares or any shares either by itself or agency appointed for the purpose.

ii. Option for Investors

Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a Depository. The Beneficial Owner of the securities may at any time opt out of holding the securities with a Depository, 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.

iii. Securities in Depositories to be held in Fungible form

All securities held by a Depository shall be dematerialised and be in fungible form. Nothing contained in Sections 89 and 186 of the Companies Act, 2013 shall apply to a Depository in respect of the securities held by it on behalf of the Beneficial Owners.

iv. Rights of Depositories and Beneficial Owners

- (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the Beneficial Owner.
- (b) Save as otherwise provided in (a) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- (c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The Beneficial Owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his / her securities which are held by a Depository.

v. Service of documents

Notwithstanding anything contained in the Act or the Articles to the contrary, where securities are held in 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.

vi. Transfer of Securities

Nothing contained in Section 56 of the Companies Act, 2013 or the 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.

vii. Allotment of Securities dealt with in a Depository

Notwithstanding anything contained in the Act or the Articles, where securities are dealt with by a Depository, the Company shall immediately intimate the details of allotment of such securities to the Depository.

viii. Distinctive numbers of securities held in a Depository

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.

ix. Register and index of beneficial owners

The Register and Index of Beneficial Owners maintained by a Depository under section 11 of the Depositories Act, 1996 shall be deemed to be the corresponding Register and Index of Members and Security holders for the purpose of the Articles.

Subject to the provisions of Section 88 of the Companies Act, 2013 and rules made thereunder, a Company may keep in any country outside India, a part of the Register of Members as referred to in sub-section (1), called "foreign register" containing the names and particulars of the Members, debenture holders, other security holders or Beneficial Owners residing outside India.

JOINT HOLDER

84. Joint Holders

Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint Shareholders with benefits of survivorship subject to the following and other provisions contained in these Articles.

85. Joint and several liabilities for all payments in respect of shares

- (a) The Joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments, which ought to be made in respect of such share;

Title of survivors

- (b) on the death of any such joint holders the survivor or survivors shall be the only person recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability of shares held by them jointly with any other person;

Receipts of one sufficient

- (c) Any one of two or more joint holders of a share may give effectual receipts of any dividends or other moneys payable in respect of share; and

Delivery of certificate and giving of notices to first named holders

- (d) only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive documents from the Company and any such document served on or sent to such person shall be deemed to be service on all the holders.

SHARE WARRANTS

86. Power to issue share warrants

The Company may issue warrants subject to and in accordance with provisions of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the

certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.

87. Deposit of share warrants

- (a) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant.
- (b) Not more than one person shall be recognized as depositor of the Share warrant.
- (c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor.

88. Privileges and disabilities of the holders of share warrant

- (a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company.
- (b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant, and he shall be a Member of the Company.

89. Issue of new share warrant coupons

The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

CONVERSION OF SHARES INTO STOCK

90. Conversion of shares into stock or reconversion

The Company may, by ordinary resolution in General Meeting

- (a) convert any fully paid-up shares into stock; and
- (b) re-convert any stock into fully paid-up shares of any denomination.

91. Transfer of stock

The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulation under which the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit, provided that, the Board may, from time to time, fix the minimum amount of stock transferable so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

92. Rights of stock holders

The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company, and other matters, as if they hold the shares for which the stock arose but no such privilege or advantage shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

93. Regulations

Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid up share shall apply to stock and the words “share” and “shareholders” in those regulations shall include “stock” and “stockholders” respectively.

BORROWING POWERS

94. Power to borrow

Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits, loans, overdrafts, cash creditor by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, any body corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specified purpose.

95. Issue of discount etc. or with special privileges

Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount (subject to the compliance with the provision of Section 53 of the Companies Act, 2013), premium or otherwise and with any special privileges and conditions as to redemption, surrender, allotment of shares, appointment of Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.

96. Securing payment or repayment of Moneys borrowed

The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage, charge, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or company of any obligation undertaken by the Company or any person or Company as the case may be.

97. Bonds, Debentures etc. to be under the control of the Directors

Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

98. Mortgage of uncalled Capital

If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.

99. Indemnity may be given

Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surety for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over

or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.

RELATED PARTY TRANSACTIONS

100. A. Subject to the provisions of the Act, 2013 the Company may enter into contracts with the Related Party which are at arm's length and are in ordinary course of business of the company with approval of the Audit Committee and subsequently Board.

A. Subject to the provisions of the Act, 2013, the Company may enter into contracts with the related parties which are of such nature wherein it requires consent of shareholders in terms of Act or Listing Agreement or any other law for the time being in force, with approval of the shareholders in the general meeting.

MEETINGS OF MEMBERS

101. Distinction between AGM & EGM

All the General Meetings of the Company other than Annual General Meetings shall be called Extra-ordinary General Meetings.

102. Notice of General meeting

A general meeting of a company may be called by giving not less than clear twenty-one days' notice either in writing or through electronic mode in such manner as may be prescribed under Section 101 of the Companies Act, 2013 and the respective rules made thereunder.

Provided that a general meeting may be called after giving a 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.

103. Extra-Ordinary General Meeting by Board and by requisition

(a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of Members made in compliance with Section 100 of the Act, 2013 forthwith proceed to convene Extra-Ordinary General Meeting of When a Director or any two Members may call an Extra- Ordinary General Meeting.

(b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up Share Capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.

104. Meeting not to transact business not mentioned in notice

No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transfer any business which has not been mentioned in the notice or notices upon which it was convened.

105. Chairman of General Meeting

The Chairman (if any) of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board of Directors, or if at any meeting he is not present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the chair, then the Members present shall elect another Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair then the Members present shall elect one of the members to be the Chairman of the meeting.

106. Business confined to election of Chairman whilst chair is vacant

No business, except the election of a Chairman, shall be discussed at any General Meeting whilst the Chair is vacant.

107. Chairman with consent may adjourn meeting

- (a) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
- (b) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (c) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (d) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

108. Chairman's casting vote

In the case of an equality of votes the Chairman shall both on a show of hands on a poll (if any) and e-voting, have casting vote in addition to the vote or votes to which he may be entitled as a Member.

109. In what case poll taken without adjournment

Any poll duly demanded on the election of Chairman of the meeting or any question of adjournment shall be taken at the meeting forthwith.

110. Demand for poll not to prevent transaction of other business

The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

VOTES OF MEMBERS

111. Members in arrears not to vote

No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands, upon a poll or electronically, or be reckoned in a quorum 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 or lien.

112. Number of votes each member entitled

Subject to the provision of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the company, every Member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and to vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company, Provided, however, if any preference shareholder is present at any meeting of the Company, save as provided in sub-section (2) of Section 47 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.

113. Casting of votes by a member entitled to more than one vote

On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.

114. Vote of member of unsound mind and of minor

A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, or a minor may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

115. Postal Ballot

Notwithstanding anything contained in the provisions of the Companies Act, 2013, and the Rules made there under, the Company may, and in the case of resolutions relating to such business as may be prescribed by such authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business/ resolutions passed by means of postal ballot, instead of transacting the business in the General Meeting of the Company.

116. E-Voting

A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

117. Votes of joint members

- a. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. If more than one of the said persons remain present than the senior shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name share stands shall for the purpose of these Articles be deemed joints holders thereof.
- b. For this purpose, seniority shall be determined by the order in which the names stand in the Register of Members.

118. Votes may be given by proxy or by representative

Votes may be given either personally or by attorney or by proxy or in case of a company, by a representative duly Authorized as mentioned in Articles.

119. Representation of a body corporate

A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditor of the Company (including being a holder of debentures) authorize such person by resolution of its Board of Directors, as it thinks fit, in accordance with the provisions of Section 113 of the Act to act as its representative at any Meeting of the Members or creditors of the Company or debentures holders of the Company. A person authorized by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual member, creditor or holder of debentures of the Company.

120. Members paying money in advance

- (a) A member paying the whole or a part of the amount remaining unpaid on any share 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 paid until the same would, but for this payment, become presently payable.

Members not prohibited if share not held for any specified period

- (b) A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote was taken.

121. Votes in respect of shares of deceased or insolvent members

Any person entitled under Article 73 (transmission clause) to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnify (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof.

122. No votes by proxy on show of hands

No Member shall be entitled to vote on a show of hands unless such member is present personally or by attorney or is a body Corporate present by a representative duly Authorized under the provisions of the Act in which case such members, attorney or representative may vote on a show of hands as if he were a Member of the Company. In the case of a Body Corporate the production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such Body Corporate and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment.

123. Appointment of a Proxy

The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

124. Form of proxy

An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

125. Validity of votes given by proxy notwithstanding death of a member

A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation of the proxy or of any power of attorney which such proxy signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting or adjourned meeting at which the proxy is used.

126. Time for objections to votes

No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

127. Chairperson of the Meeting to be the judge of validity of any vote

Any such objection raised to the qualification of any voter in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

DIRECTORS

128. Number of Directors

Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, 2013 the number of Directors (including Debenture and Alternate Directors) shall not be less than

three and not more than fifteen. Provided that a company may appoint more than fifteen directors after passing a special resolution.

129. First Directors

The following shall be the First Directors of the Company:

1. Shri Hiralal Kimtram Kalani
2. Shri Naresh Jagumal Karda

130. Qualification shares

A Director of the Company shall not be bound to hold any Qualification Shares in the Company.

131. Nominee Directors

- a. Subject to the provisions of the Companies Act, 2013 and notwithstanding anything to the contrary contained in these Articles, the Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement.
- b. The Nominee Director/s so appointed shall not be required to hold any qualification shares in the Company nor shall be liable to retire by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s so appointed. The said Nominee Director/s shall be entitled to the same rights and privileges including receiving of notices, copies of the minutes, sitting fees, etc. as any other Director of the Company is entitled.
- c. If the Nominee Director/s is an officer of any of the financial institution the sitting fees in relation to such nominee Directors shall accrue to such financial institution and the same accordingly be paid by the Company to them. The Financial Institution shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board.
- d. The Nominee Director/s shall, notwithstanding anything to the Contrary contained in these Articles, be at liberty to disclose any information obtained by him/them to the Financial Institution appointing him/them as such Director/s.

132. Appointment of alternate Director

The Board may appoint an Alternate Director to act for a Director (hereinafter called “The Original Director”) during his absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of Office of the Original Director is determined before he so returns to India, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.

133. Additional Director

Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint any other person to be an Additional Director. Any such Additional Director shall hold office only up to the date of the next Annual General Meeting.

134. Directors’ power to fill casual vacancies

Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint a Director, if the office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course, who shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated by him

135. Sitting Fees

Until otherwise determined by the Company in General Meeting, each Director other than the Managing/Whole-time Director (unless otherwise specifically provided for) shall be entitled to sitting fees not exceeding a sum prescribed in the Act (as may be amended from time to time) for attending meetings of the Board or Committees thereof.

136. Travelling expenses Incurred by Director on Company's business

The Board of Directors may subject to the limitations provided in the Act allow and pay to any Director who attends a meeting at a place other than his usual place of residence for the purpose of attending a meeting, such sum as the Board may consider fair, compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.

PROCEEDING OF THE BOARD OF DIRECTORS

137. Meetings of Directors' Board Meeting through video/audio

- a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit.
- b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
- c) In terms of the Companies Act or other applicable laws, to permit the participation of Directors in meetings of the Board otherwise through physical presence, the Board or its Members, may from time to time decide to conduct discussions through audio conferencing, video conferencing or net conferencing and directors shall be allowed to participate from multiple locations through modern communication equipments for ascertaining the views of such Directors as have indicated their willingness to participate by audio conferencing, video conferencing or net conferencing, as the case may be.

138. Chairperson

- (a) The Directors may from time to time elect from among their Members a Chairperson of the Board and determine the period for which he is to hold office. If at any meeting of the Board, the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of the Directors then present to preside at the meeting.
- (b) Subject to Section 203 of the Act, 2013 and rules made there under, one person can act as the Chairman as well as the Managing Director or Chief Executive Officer at the same time.

139. Questions at Board meeting how decided

Questions arising at any meeting of the Board of Directors shall be decided by a majority of votes and in the case of an equality of votes, the Chairman will have a second or casting vote.

140. Continuing directors may act notwithstanding any vacancy in the Board

The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.

141. Directors may appoint committee

Subject to the provisions of the Act, the Board may delegate any of their powers to a Committee consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such committee either wholly or in part and either as to person, or purposes, but every Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be

imposed on it by the Board. All acts done by any such Committee in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

142. Committee Meetings how to be governed

The Meetings and proceedings of any such Committee of the Board consisting of two or more Members shall be governed by the provisions herein contained for regulating the meetings 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 the last preceding Article.

143. Chairperson of Committee Meetings

- a. A committee may elect a Chairperson of its meetings.
- b. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the Members present may choose one of their Members to be Chairperson of the meeting.

144. Meetings of the Committee

- (a) A committee may meet and adjourn as it thinks fit.
- (b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the Members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

145. Acts of Board or Committee shall be valid notwithstanding defect in appointment

Subject to the provisions of the Act, all acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director.

RETIREMENT AND ROTATION OF DIRECTORS

146. Power to fill casual vacancy

Subject to the provisions of Section 161 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.

POWERS OF THE BOARD

147. Powers of the Board

The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as may be necessary, unless otherwise restricted by the Act, or by any other law or by the Memorandum or by the Articles required to be exercised by the Company in General Meeting. However no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

148. Certain powers of the Board

Without prejudice to the general powers conferred by the Articles and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the

restrictions contained in the Articles, it is hereby, declared that the Directors shall have the following powers, that is to say

(1) To acquire any property, rights etc

Subject to the provisions of the Act, to purchase or otherwise acquire any lands, buildings, machinery, premises, property, effects, assets, rights, creditors, royalties, business and goodwill of any person firm or company carrying on the business which this Company is authorized to carry on, in any part of India.

(2) To take on Lease.

Subject to the provisions of the Act to purchase, take on lease for any term or terms of years, or otherwise acquire any land or lands, with or without buildings and out-houses thereon, situate in any part of India, at such conditions as the Directors may think fit, and in any such purchase, lease or acquisition to accept such title as the Directors may believe, or may be advised to be reasonably satisfy.

(3) To erect & construct.

To erect and construct, on the said land or lands, buildings, houses, warehouses and sheds and to alter, extend and improve the same, to let or lease the property of the company, in part or in whole for such rent and subject to such conditions, as may be thought advisable; to sell such portions of the land or buildings of the Company as may not be required for the company; to mortgage the whole or any portion of the property of the company for the purposes of the Company; to sell all or any portion of the machinery or stores belonging to the Company.

(4) To pay for property

At their discretion and subject to the provisions of the Act, the Directors may pay property rights or privileges acquired by, or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such share 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 and its uncalled capital or not so charged.

(5) To insure properties of the Company

To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they 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 portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.

(6) To open Bank accounts

To open accounts with any Bank or Bankers and to pay money into and draw money from any such account from time to time as the Directors may think fit.

(7) To secure contracts by way of mortgage

To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge on all or any of the property of the Company including its whole or part of its undertaking as a going concern and its uncalled capital for the time being or in such manner as they think fit.

(8) To accept surrender of shares

To accept from any member, so far as may be permissible by law, a surrender of the shares or any part thereof, on such terms and conditions as shall be agreed upon.

(9) To appoint trustees for the Company

To appoint any person to accept and hold in trust, for the Company property belonging to the Company, or in which it is interested or for any other purposes and to execute and to do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.

(10) To conduct legal proceedings

To institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its Officer, or otherwise concerning the affairs and also to compound and allow time for payment or satisfaction of any debts, due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian or Foreign law and either in India or abroad and observe and perform or challenge any award thereon.

(11) Bankruptcy & Insolvency

To act on behalf of the Company in all matters relating to bankruptcy insolvency.

(12) To issue receipts & give discharge

To make and give receipts, release and give discharge for moneys payable to the Company and for the claims and demands of the Company.

(13) To invest and deal with money of the Company

Subject to the provisions of the Act, and these Articles to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such authority (not being the shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realize such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name.

(14) To give Security by way of indemnity

To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or as surety, for the benefit of the Company, such mortgage of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon;

(15) To determine signing powers

To determine from time to time persons who shall be entitled to sign on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose, whether by way of a resolution of the Board or by way of a power of attorney or otherwise.

(16) Commission or share in profits

To give to any Director, Officer, or other persons employed by the Company, a commission on the profits of any particular business or transaction, or a share in the general profits of the company; and such commission or share of profits shall be treated as part of the working expenses of the Company.

(17) Bonus etc. to employees

To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company, or his widow, children, dependents that may appear just or proper, whether such employee, his widow, children or dependents have or have not a legal claim on the Company.

(18) Transfer to Reserve Funds

To set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation funds or to insurance fund or to an export fund, or to a Reserve Fund, or Sinking Fund or any special fund to meet contingencies or repay debentures or debenture-stock or for equalizing dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including the purpose referred to in the preceding clause) as the Board may, in the absolute discretion think conducive to the interests of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as may be required to be invested, upon such investments (other than shares of this Company) as they may think fit and from time to time deal with and vary such investments and dispose of and apply and extend all or any part thereof for the benefit of the Company notwithstanding the matters to which the Board apply or upon which the capital moneys of the Company might rightly be applied or expended and divide the reserve fund into such special funds as the Board may think fit; with full powers to transfer the whole or any portion of a reserve fund or division of a reserve fund to another fund and with the full power to employ the assets constituting all or any of the above funds, including the deprecation fund, in the business of the company or in the purchase or repayment of debentures or debenture-stocks and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with the power to the Board at their discretion to pay or allow to the credit of such funds, interest at such rate as the Board may think proper.

(19) To appoint and remove officers and other employees

To appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, labourers, 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 to fix their salaries or emoluments or remuneration and to require security in such instances and for such amounts they may think fit and also from time to time to 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 next following clauses shall be without prejudice to the general powers conferred by this clause.

(20) To appoint Attorneys

At any time and from time to time by power of attorney under the seal of the Company, to appoint any person or persons to be the Attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorized by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and such appointments may (if the Board think fit) be made in favour of the Members or any of the Members of any local Board established as aforesaid or in favour of any Company, or the shareholders, directors, nominees or manager of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of attorney may contain such powers for the protection or convenience for dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegated Attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.

(21) To enter into contracts

Subject to Sections 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose 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.

(22) To make rules

From time to time to make, vary and repeal rules for the regulations of the business of the Company its Officers and employees.

(23) To effect contracts etc.

To effect, make and enter into on behalf of the Company all transactions, agreements and other contracts within the scope of the business of the Company.

(24) To apply & obtain concessions licenses etc

To apply for, promote and obtain any act, charter, privilege, concession, license, authorization, if any, Government, State or municipality, provisional order or license of any authority for enabling the Company to carry any of this objects into effect, or for extending and any of the powers of the Company or for effecting any modification of the Company's constitution, or for any other purpose, which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests.

(25) To pay commissions or interest

To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of Sections 40 of the Act and of the provisions contained in these presents.

(26) To redeem preference shares

To redeem preference shares.

(27) To assist charitable or benevolent institutions

To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or subjects which shall have any moral or other claim to support or aid by the Company, either by reason of locality or operation or of public and general utility or otherwise.

(28) To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.

(29) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 40 of the Act.

(30) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 181 of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise.

(31) To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how.

(32) To sell from time to time any Articles, materials, machinery, plants, stores and other Articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products.

(33) From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient.

- (34) To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate.
- (35) To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.
- (36) To let, sell or otherwise dispose of subject to the provisions of Section 180 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.
- (37) Generally subject to the provisions of the Act and these Articles, to delegate the powers/ authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid.
- (38) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.

MANAGING AND WHOLE-TIME DIRECTORS

149. Powers to appoint Managing / Whole-time Directors

- (a) Subject to the provisions of the Act and of these Articles, the Directors may from time to time in Board Meetings appoint one or more of their body to be a Managing Director or Managing Directors or whole-time Director or whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company, and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.

150. The Managing Director or Managing Directors or whole-time Director or whole-time Directors so appointed shall be liable to retire by rotation. A Managing Director or Whole-time Director who is appointed as Director immediately on the retirement by rotation shall continue to hold his office as Managing Director or Whole-time Director and such re-appointment as such Director shall not be deemed to constitute a break in his appointment as Managing Director or Whole-time Director.

151. Remuneration of Managing or Whole-time Director

The remuneration of a Managing Director or a Whole-time Director (subject to the provisions of the Act and of these Articles and of any contract between him and the Company) shall from time to time be fixed by the Directors, and may be, by way of fixed salary, or commission on profits of the Company, or by participation in any such profits, or by any, or all of these modes.

152. Powers and duties of Managing Director or Whole-time Director

- (1) Subject to control, direction and supervision of the Board of Directors, the day-to-day management of the company will be in the hands of the Managing Director or Whole-time Director appointed in accordance with regulations of these Articles of Association with powers to the Directors to distribute such day-to-day management functions among such Directors and in any manner as may be directed by the Board.
- (2) The Directors may from time to time entrust to and confer upon the Managing Director or Whole time Director for the time being save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; and they may

subject to the provisions of the Act and these Articles confer such powers, either collaterally with or to the exclusion of, and 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.

- (3) The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Whole-time Director or Whole-time Directors of the Company and may exercise all the powers referred to in these Articles.
- (4) The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time 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.
- (5) Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.

CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER

153. Board to appoint Chief Executive Officer/ Manager/ Company Secretary/ Chief Financial Officer

- a. Subject to the provisions of the Act, —
 - i. A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
 - ii. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
- b. A provision of the Act or these regulations requiring or authorizing a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

STATUTORY REGISTERS

- 154.** The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.

THE SEAL

155. The seal, its custody and use

- (a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.

- (b) The Company shall also be at liberty to have an Official Seal in accordance with of the Act, for use in any territory, district or place outside India.

156. Deeds how executed

The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

DIVIDEND AND RESERVES

157. Division of profits

Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.

- i. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
- ii. 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.

158. The company in General Meeting may declare Dividends

The Company in General Meeting may declare dividends, to be paid to members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Companies Act, 2013 but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in general meeting.

159. Transfer to reserves

- a) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit.
- b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

160. Interim Dividend

Subject to the provisions of section 123, the Board may from time to time pay to the Members such interim dividends as appear to it to be justified by the profits of the company.

161. Debts may be deducted

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 engagements in respect of which the lien exists.

162. Capital paid up in advance not to earn dividend

No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this articles as paid on the share.

163. Dividends in proportion to amount paid-up

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 dividends as from a particular date such share shall rank for dividend accordingly.

164. Retention of dividends until completion of transfer under Articles

The Board of Directors may retain the dividend payable upon shares in respect of which any person under Articles has become entitled to be a member, or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same.

165. No Member to receive dividend whilst indebted to the company and the Company's right of reimbursement thereof

No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however, either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend payable to any member all such sums of money so due from him to the Company.

166. Effect of transfer of shares

A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.

167. Dividend to joint holders

Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such share

Dividends how remitted

- a. Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the Register of Members or to such person and to such address as the holder or joint holders may in writing direct.
- b. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

168. Notice of dividend

Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

169. No interest on Dividends

No unclaimed dividend shall be forfeited by the Board of Directors until the claim becomes barred by law. and no unpaid dividend shall bear interest as against the Company.

CAPITALIZATION

170. Capitalization

- 1) The Company in General Meeting may, upon the recommendation of the Board resolve:
 - a. that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the Profit and Loss account, or otherwise available for distribution; and

- b. That such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- 2) The sums aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards:
- i. paying up any amounts for the time being unpaid on any shares held by such members respectively;
 - ii. paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or
 - iii. partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).
- 3) A Securities Premium Account and Capital Redemption Reserve Account may, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to Members of the Company and fully paid bonus shares.
- 4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

171. Fractional Certificates

1. Whenever such a resolution as aforesaid shall have been passed, the Board shall —
 - a. make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and
 - b. generally to do all acts and things required to give effect thereto.
2. The Board shall have full power –
 - a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in case of shares becoming distributable in fractions; and also
 - 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 paid up, 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 the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares.
3. Any agreement made under such authority shall be effective and binding on all such Members.
4. That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.

172. Inspection of Minutes Books of General Meetings

- (1) The books containing the minutes of the proceedings of any General Meetings of the Company shall be open to inspection of Members without charge on such days and during such business hours as may consistently with the provisions of Section 119 of the Act be determined by the Company in General Meeting and the Members will also be entitled to be furnished with copies thereof on payment of regulated charges.

- (2) Any member of the Company shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to in sub-clause (1) hereof on payment of Rs. 10 per page or any part thereof.

173. Inspection of Accounts

- a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of Members not being directors.
- b) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorized by the Board or by the company in general meeting.

FOREIGN REGISTER

174. Foreign Register

The Company may exercise the powers conferred on it by the provisions of the Act with regard to the keeping of Foreign Register of its Members or Debenture holders, and the Board may, subject to the provisions of the Act, make and vary such regulations as it may think fit in regard to the keeping of any such Registers.

REGISTER OF CHARGES

175.

- i. The Company shall keep at its registered office a Register of charges and enter therein all charges and floating charges specifically affecting any property or assets of the Company or any of its undertakings giving in each case the details as prescribed under the provisions of the Act.
- ii. The register of charges and instrument of charges, as per clause (i) above, shall be open for inspection during business hours—

a. by any member or creditor without any payment of fees; or

b. by any other person on payment of such fees as may be prescribed,

Provided however, that any person willing to inspect the register of charges shall intimate to the Company at least 15 days in advance, expressing his willingness to inspect the register of charges, on the desired date.

DOCUMENTS AND SERVICE OF NOTICES

176. Signing of documents & notices to be served or given

Any document or notice to be served or given by the Company be signed by a Director or such person duly authorized by the Board for such purpose and the signature may be written or printed or lithographed.

177. Authentication of documents and proceedings

Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the company may be signed by a Director, the Manager, or Secretary or other Authorized Officer of the Company and need not be under the Common Seal of the Company.

WINDING UP

178. Subject to the provisions of Chapter XX of the Act and rules made thereunder —

- i. If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
- ii. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members.

- iii. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY

179. Directors' and others right to indemnity

Subject to provisions of the Act, every Director, or Officer or Servant of the Company or any person (whether an Officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors to pay, out of the funds of the Company, all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Officer or Auditor or other officer of the Company in defending any proceedings whether civil or criminal 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 on which relief is granted to him by the Court.

180. Not responsible for acts of others

Subject to the provisions of the Act, no Director, Managing Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Directors or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or 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 tortuous act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.

SECRECY

181. Secrecy

- (a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
- (b) **Access to property information etc**

No member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or to communicate.

SECTION XI - OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Corporate Office between 10 a.m. and 5 p.m. on all Working Days (Monday to Friday) from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

A. Material Contracts

- 1) Memorandum of Understanding dated September 01, 2017 between our Company, the Selling Shareholder and the Book Running Lead Manager.
- 2) Memorandum of Understanding dated September 02, 2017 between our Company, the Selling Shareholder and the Registrar to the Issue.
- 3) Escrow Agreement dated December 15, 2017 between our Company, the Selling Shareholder, the Book Running Lead Manager, Escrow Collection Bank(s) and the Registrar to the Issue.
- 4) Syndicate Agreement dated February 23, 2018 between our Company, the Selling Shareholder, the Book Running Lead Manager and the Syndicate Members.
- 5) Underwriting Agreement dated March 22, 2018 between our Company, the Selling Shareholder, the Book Running Lead Manager and the Syndicate Members.
- 6) Share Escrow Agreement dated December 06, 2017 between the Selling Shareholder, our Company, the Book Running Lead Manager and the Share Escrow Agent.
- 7) Tripartite agreement between the CDSL, our Company and the Registrar to the Company dated January 20, 2017.
- 8) Tripartite agreement between the NSDL, our Company and the Registrar to the Company dated January 06, 2017.

B. Material Documents

- 1) Certified true copies of the updated Memorandum and Articles of Association of our Company, as amended from time to time.
- 2) Copy of Certification of Incorporation dated September 17, 2007 and fresh certificate of incorporation dated March 17, 2016 pursuant to the conversion of our Company into a Public Limited Company.
- 3) Resolution of the Board of Directors dated August 04, 2017 in relation to the Issue.
- 4) Resolution of the Shareholders of our Company, passed at the Annual General Meeting held on August 29, 2017 in relation to the Issue.
- 5) Resoulution of the Board of Directors of our Company dated September 27, 2017, approving the Draft Red Herring Prospectus and Resoulution of the Board of Directors of our Company dated March 05, 2018, approving this Red Herring Prospectus.
- 6) Consent from Mr. Naresh Karda, the Selling Shareholder in relation to the Offer for Sale dated August 02, 2017.
- 7) Statutory Auditor's report for Restated Financials dated February 03, 2018 included in this Prospectus.
- 8) The Statement of Tax Benefits dated September 20, 2017 from our Statutory Auditors.

-
- 9) Consents of our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, Bankers to the Company, Registrar to the Company, Book Running Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Banker to the Issue, Share Escrow Agent, Syndicate Members, Underwriters to act in their respective capacities.
 - 10) Certificate on details of utilization of loans dated February 03, 2018.
 - 11) Copies of the annual reports of our Company for the fiscal ended March 31, 2013, 2014, 2015, 2016 and 2017 and audited financials for the six months period ended September 30, 2017.
 - 12) Master Title certificate dated February 01, 2018 issued by Anita Prakash Mungase (Advocate)
 - 13) Due Diligence Certificate(s) dated September 27, 2017 to SEBI by the Book Running Lead Manager.
 - 14) In-principle listing approvals dated October 18, 2017 and October 25, 2017 issued by BSE and NSE, respectively.
 - 15) SEBI observation letter no. SEBI/HO/CFD/DIL-1/OW/P/29029/2017 dated November 22, 2017.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities Contract (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Prospectus are true and correct.

Signed by the Directors of our Company

Naresh Karda
(Chairman & Managing Director)

Manohar Karda
(Whole-Time Director)

Disha Karda
(Executive Director)

Sandeep Shah
(Non – Executive Independent Director)

Rahul Dayama
(Non – Executive Independent Director)

Shweta Tolani
(Non – Executive Independent Director)

Signed by the Chief Financial Officer of our Company

Anil Nahata
(Chief Financial Officer)

Signed by the Company Secretary and Compliance Officer of our Company

Mayura Marathe
(Company Secretary and Compliance Officer)

Date: March 22, 2018

Place: Nashik

DECLARATION

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made in this Prospectus about or in relation to himself and the Equity Shares being offered by him in the Issue are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements or undertakings made by the Company or any expert or any other person(s) in this Prospectus.

SIGNED BY THE SELLING SHAREHOLDER

NARESH KARDA

Date: March 22, 2018
Place: Nashik