



## Marine Electricals

### MARINE ELECTRICALS (INDIA) LIMITED

CIN: U31907MH2007PLC176443

Our Company was incorporated pursuant to a certificate of incorporation dated December 04, 2007 issued by the Registrar of Companies, Maharashtra Mumbai at Maharashtra bearing Registration No. 176443, following our conversion from the Erstwhile Partnership Firm to a Private Company. The Status of our Company was changed to public limited Company and the name of our Company was changed to Marine Electricals (India) Limited consequent to conversion of Private Limited Company into Public Limited Company by a special resolution passed on July 25, 2018. A fresh Certificate of Incorporation consequent to the change of name was granted to our Company on August 01, 2018 by the Registrar of Companies, Mumbai, Maharashtra, bearing CIN U31907MH2007PLC176443. For details of change in our name and Registered Office of our Company, see "History and Certain Corporate Matters" beginning on page no. 120 of this Prospectus.

**Registered Office:** B/1, Udyog Sadan No.3, MIDC, Andheri (E), Mumbai - 400 093; **Tel No.:** +91 22 4033 4300 / 2834 9132; **Fax No.:** +91 22 2836 4045  
**Contact Person:** Mr. Sudhir Gupta, Company Secretary and Compliance Officer; **Email:** info@marineelectricals.com ; **Website:** www.marineelectricals.com  
**Our Promoters:** Mr. Vinay Uchil, Mr. Venkatesh Uchil and KDU Enterprises Private Limited

#### THE ISSUE

**PUBLIC ISSUE OF 64,96,000 EQUITY SHARES\* OF ₹ 10 EACH ("EQUITY SHARES") OF MARINE ELECTRICALS (INDIA) LIMITED ("MEIL" OR THE "COMPANY") FOR CASH AT A PRICE OF ₹ 66 PER SHARE (THE "ISSUE PRICE"), AGGREGATING TO ₹ 4,287.36 LAKHS ("THE ISSUE"), OF WHICH 3,36,000 EQUITY SHARES OF ₹ 10 EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKERS TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 61,60,000 EQUITY SHARES OF ₹ 10 EACH IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.48% AND 25.11%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.**

*\*Subject to finalisation of basis of allotment*

**THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH AND THE ISSUEPRICE IS 6.6 TIMES OF THE FACE VALUE OF THE EQUITY SHARES.**

In terms of the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential investors shall participate in the Issue only through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to "Issue Procedure" beginning on page no. 258 of this Prospectus. A copy of the Prospectus will be delivered for registration to the Registrar of Companies as required under Section 32 of the Companies Act, 2013.

The Issue is being made in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time ("SEBI (ICDR) Regulations"), wherein 50% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 50% of the Net 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 investors shall participate in this Issue mandatorily through the Applications Supported by Blocked Amount ("ASBA") process by providing details of their respective bank accounts which will be blocked by SCSBs. Specific attention is invited to "Issue Procedure" beginning on page no. 258 of this Prospectus.

#### RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of the Company, there has been no formal market for the securities of the Company. The face value of the Equity Shares is ₹ 10 each and the Issue Price is 6.6 times of the face value. The Issue Price (as determined and justified by our Company in consultation with the Book Running Lead Manager) as stated under "Basis for Issue Price" beginning on page no. 80 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 or sustained trading in the equity shares of our Company or regarding the price at which the 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 securities have not been recommended or approved by Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Prospectus. **Specific attention of the Investors is invited to "Risk Factors" beginning on page no. 17 of this Prospectus.**

#### COMPANY'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.

#### LISTING

The Equity Shares of our Company issued through this Prospectus are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited ("NSE"). Our Company has received an In-principle approval letter dated September 05, 2018 from NSE for listing the Equity Shares of the Company on the EMERGE Platform of National Stock Exchange of India Limited. For the purposes of this Issue, National Stock Exchange of India Limited shall be the Designated Stock Exchange.

#### BOOK RUNNING LEAD MANAGER

#### REGISTRAR TO THE ISSUE



**ARYAMAN**  
FINANCIAL SERVICES LTD



#### 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

**Website:** www.afsl.co.in

**Investor Grievance Email:** feedback@afsl.co.in

**Contact Person:** Mr. Swapnil Ukirde / Ms. Bansri Gosalia

**SEBI Registration No.:** INM000011344

#### BIGSHARE SERVICES PRIVATE LIMITED

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

**Tel No.:** +91 – 22 – 6263 8200;

**Fax No.:** +91 – 22 – 6263 8299

**Email:** ipo@bigshareonline.com;

**Website:** www.bigshareonline.com

**Investor Grievance Email:** investor@bigshareonline.com

**Contact Person:** Mr. Babu Rapheal

**SEBI Registration No.:** INR000001385

#### BID / ISSUE PROGRAMME

**BID / ISSUE OPENING DATE : SEPTEMBER 28, 2018**

**BID / ISSUE CLOSING DATE : OCTOBER 03, 2018**

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## SECTION I – GENERAL

### DEFINITION AND ABBREVIATIONS

#### General Terms

Term	Description
Marine Electricals (India) Limited / MEIL / The Company / Company / We / Us / Our Company	Unless the context otherwise indicates or implies refers to Marine Electricals (India) Limited, a public limited Company incorporated under the provisions of the Companies Act, 1956 with its registered office in the Mumbai
Associate	Automatic Electronic Controls Mfg. Co. ('AECM')
Holding Company	KDU Enterprises Private Limited ('KEPL')
KDU Group	<p>KDU Group consist of:</p> <ol style="list-style-type: none"> <li>1. Switch N Control Gears Private Limited</li> <li>2. McGeoch Marine Electricals Private Limited</li> <li>3. KDU Worldwide Technical Services FZC</li> <li>4. KDU Worldwide Technical Services Ghana Private Limited</li> <li>5. KDU Worldwide Technical Services Private Limited (Sri Lanka)</li> <li>6. KDU Marine Equipments Trading and Maintenance LLC</li> <li>7. KDU Worldwide Middle East Marine Services L.L.C</li> <li>8. Switch N Controlgears</li> <li>9. Win Marine Engineering Services</li> <li>10. MEL Power Systems FZC</li> <li>11. Eltech Engineers Madras Pvt Ltd.</li> <li>12. KDU Worldwide Technical Services Nigeria Private Limited</li> <li>13. STI S.R.L.</li> <li>14. Philins Industrial Corporation</li> <li>15. Narhari Engineering Works</li> <li>16. Oma Hospital</li> <li>17. Win Marine Consultancy Services</li> <li>18. Automatic Electronic Controls Mfg. Co.</li> <li>19. DKM Precision Engineers</li> <li>20. KDU Enterprises Private Limited</li> <li>21. Voks Ship Management Private Limited</li> <li>22. Technology Ventures Middle East (FZC)</li> </ol>
Promoter(s) / Core Promoter	<ul style="list-style-type: none"> <li>• Mr. Vinay Uchil</li> <li>• Mr. Venkatesh Uchil</li> <li>• KDU Enterprises Pvt. Ltd.</li> </ul>
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 and Promoter Group</i> " on page no. 146 of this Prospectus.
Subsidiaries	<ol style="list-style-type: none"> <li>1. MEL Power Systems FZC ('MPSF')</li> <li>2. Eltech Engineers Madras Pvt Ltd. ('EEMPL')</li> <li>3. Narhari Engineering Works ('NEW')</li> <li>4. STI S.R.L.</li> <li>5. Technology Ventures Middle East (FZC)</li> </ol>

#### Company Related Terms

Term	Description
Articles / Articles of Association	Unless the context otherwise requires, refers to the Articles of Association of Marine Electricals (India) Limited.
Auditor of the Company (Statutory)	M/s. S G J & Co., Chartered Accountants, having their office D-207, Times Square,



<b>Term</b>	<b>Description</b>
Auditor)	Near Marol Metro Station, Andheri Kurla Road, Andheri East, Mumbai - 400059
Audit Committee	The committee of the Board of Directors constituted on August 06, 2018 as our Company's Audit Committee in accordance with Section 177 of the Companies Act, 2013
Board of Directors / Board	The Board of Directors of Marine Electricals (India) Limited, including all duly constituted Committees thereof.
Company Secretary and Compliance Officer	Mr. Sudhir Gupta
CSR Committee	The committee of the Board of Directors constituted on August 06, 2018 as our Company's Corporate Social Responsibility Committee.
Director(s)	Director(s) of Marine Electricals (India) Limited, 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
Key Management Personnel / KMP	Individuals described in the chapter titled "Our Management" on page no. 132 of this Prospectus
MOA/Memorandum/Memorandum of Association	Memorandum of Association of Marine Electricals (India) Limited.
Nomination and Remuneration Committee	The committee of the Board of Directors constituted on August 06, 2018 as our Company's Nomination and Remuneration Committee in accordance with Section 178 of the Companies Act, 2013
Promoters	Mr. Vinay Uchil, Mr. Venkatesh Uchil and KDU Enterprises Private Limited
Promoter Group	The persons and entities constituting our promoter group pursuant to Regulation 2(1) (zb) of the SEBI ICDR Regulations.
Registered Office	The Registered Office of our Company which is located at B/1, Udyog Sadan No.3, MIDC, Andheri (E), Mumbai-400093
Registrar of Companies / RoC	Registrar of Companies, Everest, 100, Marine Drive, Mumbai - 400 002
Restated Financial Statements	The Consolidated and Standalone audited financial statements of our Company as of and for the fiscal years ended March 31, 2014, March 31, 2015, March 31, 2016, March 31, 2017 and March 31, 2018 and the related notes, schedules and annexures thereto, prepared in accordance with applicable provisions of the Companies Act, and restated in accordance with the SEBI ICDR Regulations.
Shareholders	Shareholders of the Company
Stakeholders' Relationship Committee	The committee of the Board of Directors constituted on August 06, 2018 as our Company's Stakeholders' Relationship Committee.
Stock Exchange	Unless the context requires otherwise, refers to the EMERGE Platform of National Stock Exchange of India Limited

### Issue Related Terms

<b>Term</b>	<b>Description</b>
Abridged Prospectus	Abridged Prospectus to be issued under Regulation 58 of SEBI ICDR Regulations and appended to the Application Form
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the ASBA Form
"Allot" or "Allotment" or "Allotted"	The allotment of Equity Shares pursuant to the Issue
Allotment Advice	The note or advice or intimation of Allotment of the Equity Shares 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.
Allottee	A successful Bidder to whom Allotment is made.
"ASBA" or "Application Supported by Blocked Amount"	An application, whether physical or electronic, used compulsorily by all the Bidders authorizing the SCSBs to block the Bid Amount in their specified bank account



<b>Term</b>	<b>Description</b>
	maintained with the SCSB.
ASBA Account	Account maintained with an SCSB which will be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder/ Applicant.
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus and this Prospectus.
Bankers to the Issue/Escrow Collection Bank(s)	Banks which are clearing members and registered with SEBI as banker to an issue with whom the Escrow Account will be opened, in this case being Kotak Mahindra Bank Limited.
Basis of Allotment	Basis on which the Equity Shares will be Allotted to successful Bidders under the Issue and which is described in the chapter “ <i>Issue Procedure</i> ” on page 258 of this Prospectus.
Bid	An indication to make an offer during the Bidding Period by a Bidder, to subscribe or purchase the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto as permissible under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form.
Bid Amount	The highest value of optional Bids indicated in the Bid-cum-Application Form and payable by the Bidder/blocked in the ASBA Account on submission of a Bid in the Issue.
Bid cum Application Form	The form used by a Bidder, including an ASBA Bidder, to make a Bid and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
Bid Price	The prices indicated against each optional Bid in the Bid cum Application Form.
Bid / Issue Closing Date	October 03, 2018, the date after which the Designate Intermediaries shall not accept Bids for the Issue and which shall be notified in a widely circulated English national newspaper, in a widely circulated Hindi national newspaper and a widely circulated Marathi newspaper (Marathi being the regional language of Mumbai, where the Registered Office of our Company is situated)
Bid/Issue Opening Date	September 28, 2018, the date after which the Designate Intermediaries shall start accepting Bids for the Issue and which shall be notified in a widely circulated English national newspaper, in a widely circulated Hindi national newspaper and a widely circulated Marathi newspaper (Marathi being the regional language of Mumbai, where the Registered Office of our Company is situated)
Bid/Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date (inclusive of such date and the Bid Opening Date) during which prospective Bidders can submit their Bids, inclusive of any revision thereof. Provided however that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders.
Bid Lot	2,000 Equity Shares and further in multiple of 2,000 Equity Shares thereafter
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid-cum-Application Form, unless stated or implied otherwise
Bidding	The process of making a Bid.
Bidding Centre	Broker centres notified by the Stock Exchanges, where Bidders can submit the Bid cum Application Forms i.e., Designated Branches of SCSBs, Specified Locations for members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Book Building Process/Method	The book building route as provided under Schedule XI of the SEBI ICDR Regulations in terms of which the Issue is being made.
Book Running Lead Manager or BRLM	Book running lead manager to this Issue, being Aryaman Financial Services Limited.
Broker Centre	Broker centres notified by the Stock Exchanges, where Bidders can submit the Bid



Term	Description
	cum Application Forms 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 Exchange.
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 and any revisions thereof, 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 demat account.
CDP or Collecting Depository Participant	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.
Cut-Off Price	Issue Price, as finalized by our Company in consultation with the BRLM. 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.
Depository	NSDL and CDSL or any other depository registered with the SEBI under Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time read with the Depositories Act, 1996.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository Participant or DP	A depository participant registered with the SEBI under the Depositories Act.
Designated Branches	Such branches of the SCSBs, which shall collect the Bid cum Application Form from ASBA Bidders, a list of which is available on the website of SEBI or at such other website as may be prescribed by SEBI from, time to time.
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective website of the Stock Exchange as updated from time to time.
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, or the amount blocked by the SCSB is transferred from the bank account of the ASBA Bidder to the Public Issue Account, as the case may be, after the Prospectus is filed with RoC, following which the Board of Directors shall Allot the Equity Shares to successful Bidders in the Issue.
Designated Intermediary(ies)	Collectively, the Syndicate, Sub-Syndicate Members/ agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorised to collect ASBA Forms from the ASBA Bidders in the Issue.
Designated Stock Exchange	EMERGE Platform of National Stock Exchange of India Limited
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 ASBA Forms are available on the website of the Stock Exchange.
Draft Red Herring Prospectus or DRHP	The Draft Red Herring Prospectus dated August 16, 2018 prepared and issued by our Company in accordance with the SEBI ICDR Regulations and filed with the Stock Exchange.
Eligible NRIs	NRIs from such a jurisdiction outside India where it is not unlawful to make an offer or invitation under this Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares.
Escrow Agreement	The agreement dated August 29, 2018 to be entered among our Company, the Registrar to the Issue, the Escrow Collection Bank(s), Refund Bank(s), the BRLM and the Syndicate Members for the collection of payment amounts, if any, on the





Term	Description
	terms and conditions thereof.
First Bidder	Bidder whose name appears first in the Bid cum Application Form in case of a joint bid and whose name shall also appear as the first holder of the beneficiary account held in joint names or any revisions thereof.
Floor Price	The lower end of the Price Band, and any revisions thereof, below which the Issue Price will not be finalized and below which no Bids will be accepted and which shall not be less than the face value of the Equity Shares
Issue	The Initial Public Issue of 64,96,000 Equity Shares* of face value of ₹ 10 each for cash at a price of ₹ 66/- each, aggregating up to ₹ 4,287.36 Lakhs comprising the Fresh Issue. * <i>subject to finalisation of basis of allotment</i>
General Information Document/GID	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, suitably modified and updated pursuant to, <i>inter alia</i> , the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 notified by SEBI and included in the chapter “ <i>Issue Procedure</i> ” on page 258 of this Prospectus.
Issue Agreement	The agreement dated August 06, 2018 entered into between our Company and the BRLM, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Expense	Expenses in connection with the Issue.
Issue Price	₹ 66 per Equity Share
Issue Proceeds	The proceeds of this Issue available to our Company.
Listing Agreement	The listing agreement(s) to be entered into by our Company with the Stock Exchange
Market Making Agreement	Market Making Agreement dated August 29, 2018 between our Company, Book Running Lead Manager and Market Maker.
Market Makers	Market Makers appointed by our Company from time to time, in this case being Aryaman Financial Services Limited and Aryaman Capital Market Limited who has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time.
Market Maker Reservation Portion	The Reserved Portion of 3,36,000 Equity Shares of face value of ₹ 10 each fully paid for cash at a price of ₹ 66 per Equity Share aggregating ₹ 221.76 Lakhs for the Market Maker in this Issue.
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Net Issue	The Issue less the Market Maker Reservation Portion, if any
Net Proceeds	The proceeds of the Issue less the Issue related expenses.
Non-Institutional Bidders	All Bidders that are including Category III FPIs that are not Qualified Institutional Buyers or Retail Individual Bidders and who have Bid for Equity Shares for a cumulative amount more than ₹ 200,000. (but not including NRIs other than Eligible NRIs/OCI and Market Maker)
Non-Institutional Portion / Non-Institutional Category	The portion of the Net Issue, consisting of 30,80,000 Equity Shares*, available for allocation to Non Institutional Bidders. * <i>subject to finalisation of basis of allotment</i>
Price Band	Price band of minimum price of ₹ 64 per Equity Share (Floor Price) and maximum price of ₹ 66 per Equity Share (Cap Price) (both included), including any revisions thereof. The Price Band and the minimum Bid lot size for the Issue as decided by our Company in consultation with the BRLM and shall be notified in a widely circulated English national newspaper, in a widely circulated Hindi national newspaper and a widely circulated Marathi newspaper (Marathi being the regional



Term	Description
	language of Mumbai, where the Registered Office of our Company is situated).
Pricing Date	The date on which the Issue Price is finalised by our Company, in consultation with the BRLM.
Prospectus	The prospectus of our Company to be filed with the RoC for this Issue after the Pricing Date, with the provisions of Section 26 and Section 32 of the Companies Act, 2013 and the SEBI ICDR Regulations containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information.
Public Issue Account	The bank account opened with the Bankers to the Issue by our Company under Section 40 (3) of the Companies Act, 2013 to receive money from the Escrow Accounts on the Designated Date, and into which the funds shall be transferred by the SCBSs from the ASBA Accounts.
QIBs or Qualified Institutional Buyers	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 September 14, 2018 issued in accordance with Section 32 of the Companies Act, 2013 and the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares shall be offered and the size of the Issue. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid/Issue Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date.
Refund Account(s)	The account(s) opened by our Company, from which refunds of the whole or part of the Bid Amount (excluding the ASBA Bidders), shall be made.
Refunds through electronic transfer of funds	Refunds through NECS, NEFT, direct credit or RTGS, as applicable.
Refund Banks	Escrow Collection Banks with whom Refund Accounts will be opened and from which a refund of the whole or part of the Bid Amount, if any, shall be made, in this case being, Kotak Mahindra Bank Limited
Registrar Agreement	The agreement dated August 06, 2018, entered between our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate and having terminals at any of the Broker Centres and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI.
RTAs or Registrar and Share Transfer Agents	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 issued by SEBI.
Registrar or Registrar to the Issue	Bigshare Services Private Limited
Retail Individual Bidders / RIB(s)	Bidders (including HUFs) applying through their karta, Eligible NRIs and Resident Retail Individual Bidders) whose Bid Amount for Equity Shares in the Net Issue is not more than ₹ 200,000 in any of the Bidding options in the Net Issue.
Retail Portion	The portion of the Net Issue, consisting of 30,80,000 Equity Shares*, available for allocation to Retail Individual Bidders. * <i>subject to finalisation of basis of allotment</i>
Revision Form	The form used by the Bidders, including ASBA Bidders, to modify the quantity of Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s).  Non-Institutional Investors 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 the Bid/ Issue Closing Date





<b>Term</b>	<b>Description</b>
SEBI (Alternative Investment Funds) Regulations/SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
Self Certified Syndicate Banks or SCSBs	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA a list of which is available on website of SEBI and updated from time to time
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms, a list of which is available on the website of the SEBI and updated from time to time
Sub-Syndicate Members	The sub-syndicate members, if any, appointed by the BRLM and the Syndicate Members, to collect ASBA Forms and Revision Forms.
Stock Exchange / NSE	The National Stock Exchange of India Limited
Syndicate Agreement	The agreement dated August 29, 2018 entered into amongst the members of the Syndicate, our Company and the Registrar to the Issue in relation to the collection of Bids in the Issue (other than Bids directly submitted to the SCSBs under the ASBA process or to Registered Brokers at the Broker Centres)
Syndicate ASBA Bidders	ASBA Bidders submitting their Bids through the members of the Syndicate or Sub-Syndicate Members at the Syndicate ASBA Centres.
Syndicate ASBA Branches	Branches of SCSBs in the Syndicate ASBA Bidding Centres, which would accept the Bid cum Application Forms from the Syndicate ASBA Members.
Syndicate ASBA Members	Those members of the Syndicate who can procure Bid cum Application Forms (in relation to ASBA).
Syndicate Members	Intermediaries registered with the SEBI to act as a syndicate members and who are permitted to carry out activities as an underwriter, namely Aryaman Financial Services Limited and Aryaman Capital Market Limited.
Syndicate / members of the Syndicate	The BRLM and the Syndicate Member
Underwriters	The BRLM and the Syndicate Member
Underwriting Agreement	The agreement dated August 29, 2018 entered into between the Underwriters and our Company on or after the Pricing Date.
Wilful Defaulter	A Company or a person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes any Company whose director or promoter is categorised as such.
Working Days	All days, other than second and fourth 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 the Bid/Issue Closing Date, “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 (b) 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.

#### Technical / Industry related Terms

<b>Term</b>	<b>Description</b>
A	Ampere
US	United States
WEO	World Economic Outlook
IMF	International Monetary Fund
RBI	Reserve Bank of India



Term	Description
IIP	Index of Industrial Production
CAGR	Compounded Annual Growth Rate
Bn	Billion
GPS	Global Positioning System
ECS	Electronic Chart Systems
RCDS	Raster Chart Display Systems
ECDIS	Electronic Chart Display And Information Systems
AC	Alternating Current
DC	Direct Current
ROVs	Remotely operated underwater vehicle
AUVs	Autonomous underwater vehicle
VHF	Very High Frequency
IMO	International Maritime Organization
Tvs	Television
T&D	Transmission & Distribution
IPMS	Integrated Platform Management Systems
HVAC	Heating, Ventilation, And Air Conditioning
COTS	Commercial Off The Shelf
IEC	International Electrotechnical Commission
KW	Kilowatt
AC	Alternating Current
DC	Direct Current
ROVs	Remotely operated underwater vehicle
AUVs	Autonomous underwater vehicle
VHF	Very High Frequency
IMO	International Maritime Organization
TVs	Television
T&D	Transmission & Distribution
iPMCC	Intelligent Power & Motor Control Centre
IP	International Protection
SO <sub>2</sub>	Sulfer Dioxide
H <sub>2</sub> S	Hydrogen Sulphide
GW	Gigawatt
MW	Megawatt
COP	Conference Of Parties
FDI	Foreign Direct Investment
RPO	Renewable Power Obligation
RGO	Renewable Generation Obligation
LED	Light
GBI	Generation
R&D	Research & Development
PV	Photovoltaic
CPU	Central Processing Unit
EVs	Electric Vehicles
IT	Information Technology
Km	Kilo Meters
PPP	Public Private Partnerships
ISO	International Organization for Standardization
OHSAS	Occupational Health and Safety Assessment Series
CNC	Computer numerically controlled
EBITDA	Earnings before interest, tax, depreciation and amortization



Term	Description
GIDC	Goa Industrial Development Corporation
QC	Quality Control
QA	Quality Assurance
M I D C	Maharashtra Industrial Development Corporation
UPS	Uninterrupted power supply
ECR	Engine control room
MEACOS	Middle East Africa Council of Ophthalmology
LPU <sub>s</sub>	Local Processing Units
IPTV	Internet Protocol television
CCTV	Closed Circuit Television
RAL	Reichs
Hz	hertz
VAC	Volts Alternating Current
TCO	Total Cost of Ownership
VCB	Vaccum Circuit Breakers
SF <sub>6</sub>	Sulphur Hexafluoride
CT	Current transformers
PT	potential transformers
LHS & RHS	Left Hand Side and Right Hand Side
GI	galvanized iron
CRCA	cold rolled close annealed
Mm	millimeter
CR	cold rolled
MIG	metal insert gas
FRLS	Flame Retardant Low Smoke
Ex	Explosion Protected
PCB	printed circuit board
EPC	Engineering, Procurement and Construction

#### Conventional and General Terms/ Abbreviations

Abbreviation	Full Form
₹/Rs./ Rupees	Indian Rupees
A/c	Account
AGM	Annual General Meeting.
AIF	Alternative Investment Funds registered pursuant to SEBI (Alternative Investment Funds) Regulations, 2012, as amended from time to time
AIR Act	The Air (Prevention and Control of Pollution) Act, 1981, as amended.
AS or Accounting Standards	Accounting Standards issued by Institute of Chartered Accountants of India
AY	Assessment Year
BSE	BSE Limited
CAGR	Compound Annual Growth Rate
Category III FPIs	FPIs registered as category III FPIs under the SEBI FPI Regulations, which shall include all other FPIs not eligible under category I and II foreign portfolio investors, such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices
CDSL	Central Depository Services (India) Limited
CIBIL	Credit Information Bureau (India) Limited
CIN	Corporate Identity Number
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013) along



Abbreviation	Full Form
	with the relevant rules made there under.
Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of sections by the Ministry of Corporate Affairs, Government of India as of the date of this DRHP, along with the relevant rules made there under.
Competition Act	Competition Act, 2002, as amended
CST	Central Sales Tax Act, 1956, as amended.
DIN	Directors Identification Number.
DP ID	Depository Participant's Identity
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary General Meeting
EPCG	Export Promotion Capital Goods
EPS	Earnings per share, which is the profit after tax for a fiscal year divided by the weighted average of outstanding number of equity shares at the end of the fiscal year
ESOP	Employee Stock Option Plan
FCNR Account	Foreign Currency Non-Resident Account.
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, together with rules and regulations framed there under.
FEMA Regulations	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
FII	Foreign Institutional Investors, as defined under the FII Regulations and registered with SEBI under applicable laws in India.
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended.
Fiscal or Financial Year or FY	Period of twelve months ended March 31 of that particular year, unless otherwise stated.
FPIs	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations, provided that any QFI or FII who holds a valid certificate of registration 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 Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
FVCI	Foreign Venture Capital Investor registered under the FVCI Regulations.
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended.
GDP	Gross Domestic Product
GoI or Government of India or Central Government	The Government of India
Gratuity Act	Payment of Gratuity Act, 1972
GST	Goods and Service Tax
HNI	High Net worth Individual
HUF	Hindu Undivided Family.
ICAI	The Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
IEC	Importer Exporter Code
IFRS	International Financial Reporting Standards.
Income Tax Act	Income Tax Act, 1961, as amended
Indian GAAP	Generally accepted accounting principles in India.
Ind – AS	The Companies (Indian Accounting Standards) Rules, 2015
Insolvency and Bankruptcy Code, 2016	The Insolvency and Bankruptcy Code, 2016, as amended
IPO	Initial Public Offering



Abbreviation	Full Form
IRDA	Insurance Regulatory and Development Authority.
IT	Information Technology
IT Act	Income Tax Act, 1961, as amended.
IT Department	Income Tax Department, GoI.
LIBOR	London Interbank Offered Rate
Limited Liability Partnership or LLP	Limited Liability Partnership registered under the Limited Liability Partnership Act, 2008.
Ltd.	Limited.
MAT	Minimum Alternate Tax
MoU	Memorandum of Understanding
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
N.A./NA	Not Applicable.
NAV	Net Asset Value
NEFT	National Electronic Funds Transfer.
NIF	National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India.
No.	Number.
NOC	No Objection Certificate
NR or Non Resident	A person resident outside India, as defined under FEMA, including an Eligible NRI and FII.
NRE Account	Non-Resident External Account.
NRI	A person resident outside India, as defined under FEMA and who is a citizen of India or a person of Indian origin, such term as defined under the Foreign Exchange Management (Deposit) Regulations, 2000.
NRO Account	Non – Resident Ordinary Account.
NSDL	National Securities Depository Limited
NSE	The 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 60.0% by NRIs including overseas trusts, in which not less than 60.0% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue.
p.a.	Per annum.
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PCB	Pollution Control Board.
PLR	Prime Lending Rate.
PSU	Public Sector Undertaking
QA	Quality Assurance
QC	Quality Check
R&D	Research and Development
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended.
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended.
SEBI	Securities and Exchange Board of India constituted under the SEBI Act



<b>Abbreviation</b>	<b>Full Form</b>
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended.
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended.
Sub-Account	Sub-accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
Takeover Code	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
TAN	Tax Deduction Account Number allotted the Income Tax Act, 1961, as amended
TDS	Tax Deducted at Source
US\$ / USD	United States Dollar, the official currency of the United States of America
U.S. Securities Act	United States Securities Act of 1933, as amended
VCFs	Venture Capital Funds as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996
Water Act	The Water (Prevention and Control of Pollution) Act, 1974, as amended
w.r.t	With respect to
Y-O-Y	Year-over-Year





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## 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 lakh represents 1,00,000.

### Financial Data

Unless stated otherwise, the financial data in this Prospectus is derived from our audited financial statements as on Fiscal Years ended March 31, 2018, 2017, 2016, 2015 and 2014, 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. 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.

Any percentage amounts, as set forth in the section titled “*Risk Factors*”, chapters titled “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page nos. 17, 98 & 209 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.

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

### Definitions

For definitions, for details please see the Chapter titled “*Definitions and Abbreviations*” on page no. 1 of this Prospectus in the Section titled “*Main Provisions of the Articles of Association of our Company*” beginning on page no. 302 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 standard data gathering



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methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.



## FORWARD-LOOKING STATEMENTS

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

- Changes in laws and regulations relating to the sectors/ areas in which we operate and failure to obtain any applicable approvals, licenses, registrations and permits in a timely manner.
- Increasing competition in or other factors affecting the industry in which our Company operates;
- Our ability to successfully implement our growth strategy and expansion plans;
- Our failure to keep pace with rapid changes in technology;
- Fluctuations in operating costs;
- Conflict of Interest with affiliated companies, the promoter group and other related parties
- Our inability to retain the services of our senior management, key managerial personnel and capable employees;
- Changes in political and social conditions in India the monetary policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- The performance of the Electrical and Automation industry in India and globally;

For further discussions of factors that could cause our actual results to differ, please see the section titled “*Risk Factors*”, chapters titled “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page nos. 17, 98 and 209 of this Prospectus, respectively.

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



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that investors in India are informed of material developments until such time as the grant of listing and trading approvals by the Stock Exchange.



## SECTION II - 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 "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations on page nos. 98 and 209 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 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. ***There are outstanding legal proceedings against the Company, certain and Group Companies which may adversely affect our business, financial condition and results of operations.***

There are outstanding legal proceedings against Promoter and Director. These proceedings are pending at different levels of adjudication before various courts, enquiry officers and appellate forums. Such proceedings could divert management time, attention and consume financial resources in their defence. Further, an adverse judgment in some of these proceedings could have an adverse impact on our business, financial condition and results of operations. For details in relation to certain material litigation, please see the chapter entitled "Outstanding Litigation and Material Developments" beginning on page 229. A summary of the outstanding proceedings against our Company and Group Companies as disclosed in this Prospectus, to the extent quantifiable, have been set out below:

#### *Litigation against our Company*

Nature of proceedings	Number of outstanding cases	Amount involved (₹ in lakhs)
Direct Tax	3	55.35



### *Litigation against our Group Companies*

<b>Nature of proceedings</b>	<b>Number of outstanding cases</b>	<b>Amount involved (₹ in lakhs)</b>
<b>Mcgeoch Marine Electricals Private Limited</b>		
Civil	1	2.55
Direct Tax	2	13.72
Indirect Tax	3	73.29
<b>Narhari Engineering Works</b>		
Indirect Tax	2	10.11

Decisions in such proceedings adverse to our interests may affect our reputation and standing and may have a material adverse effect on our business, results of operations and financial condition. For further details, please refer to section titled "*Outstanding Litigation and Material Developments*" beginning on page 229 of this Prospectus.

- We require to obtain, maintain and/or renew certain registrations, approvals, licenses and permission in ordinary course of our business, and if we fail to do so, in a timely manner or at all, we may be unable to fully or partially operate our businesses and our results of operations may be adversely affected.***

We require certain approvals, licenses, registrations and permissions for our operations. For further details, please refer to chapter titled "*Government and Other Approvals*" beginning on page 233 of this Prospectus. While, we believe we will be able to obtain, maintain and renew such approvals or permits as required, there can be no assurance that we can do so in the timeframes anticipated by us, or at all. If we fail to obtain, maintain or renew any of these approvals or permits in a timely manner or at all, our operations and expansion plans may be interrupted, which could adversely affect our growth strategy, business and results of operations. Furthermore, our approvals and permits are subject to numerous conditions, some of which are onerous and require us to make substantial expenditures. If we fail to comply or a regulator alleges that we have not complied with these conditions, our business and results of operations could be adversely affected.

- Our Company might be unable to meet certain delivery obligations including timelines of delivery, due to which, it could become liable to claims by customers, suffer adverse publicity and incur substantial costs, which in turn could adversely affect our results of operations. Further, Imposition of liquidated damages and invocation of performance bank guarantees by our customers could impact our results of operations.***

Our Company is a growing Integrated Electrical and Automation Solution Provider dealing in comprehensive electrical solution across industries with significant presence in Marine sector. Many of our orders involve providing services that are critical to the operations of our customers business. Any failure or defect in services could result in a claim against us for substantial damages, regardless of our responsibility for such a failure or defect. Our Company has commitments for safe and timely delivery of the cargo. Any failure to meet the scheduled timelines set by our customers or loss or damage to cargo may lead to our customers raising claims against us.

Further, our contracts with our customer provide for liquidated damages for delays in delivery. In the past, we have been required to re – negotiate some of the terms such as price, date of delivery and scope of work of our contracts due to a delay in delivering the product owing to a combination of internal as well as external factors beyond our control. We were also required to pay liquidated damages for such delays. Our Company is also required to provide performance bank guarantees against which payments and mobilization advances are released by our customers upon our execution of the contracts. These performance bank guarantees and indemnity bonds require us to incur liabilities for and on behalf of our customers against all losses and damages incurred by them due to any breach of the terms and conditions of such contracts by us or due to the acts and omissions of our vendors, suppliers, collaborators and subcontractors.

Although Our Company is attempting to limit its contractual liability for all the damages, including consequential damages, while rendering the services, our Company cannot be assured that the limitations on liability it provides for, in the service contracts will be enforceable in all cases. Any time and/ or cost overruns on our contracts could have a material adverse effect on our business, financial condition and results of operations. The incurring of liabilities





pursuant to the imposition of liquidated damages as well as invocation of performance bank guarantees and indemnity bonds for multiple or large programs could have an adverse effect on our business, operations, revenues and earnings.

**4. Trade Receivables form a substantial part of our current assets and net worth. Failure to manage our trade receivables could have an adverse effect on our net sales, profitability, cash flow and liquidity.**

Our business is working capital intensive and hence, trade receivables form a substantial part of our current assets and net worth. Our trade receivables as on March 31, 2018 was ₹ 14,626.05 lakhs. The results of operations of our business are dependent on our ability to effectively manage our trade receivables.

To effectively manage our trade receivables, we must be able to accurately evaluate the credit worthiness of our customers and ensure that suitable terms and conditions are given to them in order to ensure our continued relationship with them. However, if our management fails to accurately evaluate the credit worthiness of our customers, it may lead to bad debts, delays in recoveries and / or write-offs which could lead to a liquidity crunch, thereby adversely affecting our business and results of operations. A liquidity crunch may also result in increased working capital borrowings and, consequently, higher finance cost which will adversely impact our profitability.

**5. Our business will suffer if we fail to keep pace with rapid changes in technology and the industries on which we focus.**

The industry we cater is characterized by rapid technological changes, evolving industry standards, changing client preferences that could result in product obsolescence and short product life cycles. The Electrical and Automation industry is characterized by rapid technological changes, evolving industry standards, changing customer preferences that could result in short product life cycles. The success of our business depends on our ability to innovate and continuously provide services that address the varied and expanding requirements of our customers. Our future success will depend on our ability to enhance our existing offerings or develop new customized, to meet customer needs, in each case, in a timely manner.

We may not be successful in anticipating or responding to our customers' requirements on a timely and cost efficient basis, or at all. We may also be unsuccessful in stimulating customer demand for new and upgraded products and services. Additionally, during the regular course of operating our business, we may adjust our future plans as a result of our research, experience, technology evolution and market demand. We cannot guarantee that any change in technology will become successful or be more successful than our current technology.

Further, the development of some of our product and services may require significant upfront investments and the failure of these services and solutions may result in our inability to recover these investments, in part or in full. Our failure to address the demands of our customers and the rapidly evolving technology environment, particularly with respect to emerging technologies and technological obsolescence, could have a material adverse effect on our business, results of operations and financial condition.

**6. Contingent liabilities could adversely affect our financial condition. Crystallization of any of these contingent liabilities may adversely affect our financial condition.**

As of March 31, 2018, our contingent liabilities as indicated in our Restated Standalone Financial Statements were as follows:

(₹ In Lakhs)

Particulars	As on March 31,				
	2018	2017	2016	2015	2014
Bank Guarantees	5,509.17	2,855.48	1,885.30	2,337.76	1,606.57
Corporate Guarantee	1782.29	1,751.35	1,939.03	235.00	357.67
Letter of Credit	3,530.36	71.40	91.23	19.45	111.00
Others	16.09	9.36	7.77		
<b>Total</b>	<b>11,349.45</b>	<b>4,905.97</b>	<b>3,923.33</b>	<b>2,607.13</b>	<b>2,081.59</b>




Any default in payment under such arrangement may have an adverse effect and may result into difficulty in arranging of funds for re-payment and may also adversely affect our operations and financials.

In the event that any of our contingent liabilities materialize, our business, financial condition and results of operations may be adversely affected. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current fiscal year or in the future. For further information, please refer “Annexure XXV– Schedule of Contingent Liabilities, As Restated” under Restated Financial Statement Report starting on page no. 164 of this Prospectus.

7. ***Our products are being manufactured from our manufacturing facilities located in the Mumbai and Goa. Any disruption or suspension in the production process in this facility can significantly impact our ability to service customer needs.***

We manufacture our products from our manufacturing facilities in Goa at Plot No. 17, 18 and Plot No. N-51, N-52, N-59, N-60 Verna Industrial Estate and in Mumbai at B-1, Udyog Sadan-3, MIDC, Andheri (East) which caters to our product demand. Any disruption in the operations due to supply of power, fire outages or industrial accidents at this unit could hamper or delay our ability to continue production and servicing. Any disruption or suspension in the production process in this facility can significantly impact our ability to service customer needs and relation with our customers and have a material adverse effect on our business, revenues, reputation, results of operation and financial condition

8. ***Since our business is based on trust and identity and using the same for maintaining, acquiring and servicing our clients, it is very important for us to ensure confidentiality of our intellectual property rights. The trademark being used by us for our business are not registered and our inability to obtain this registration may adversely affect our competitive business position. We may be unable to protect them from being infringed by others, including our current and / or future competitors***

Our trademarks and patents are our material assets and are crucial to our business operations. As on the date of this Prospectus, our corporate logo “ Marine Electricals” is not registered. In the absence of such protection, we may not be able to prevent infringement of our trademark and a passing off action may not provide sufficient protection until such time that this registration is granted. We may still continue to use the above mentioned logo but remain vulnerable to infringement and passing-off by third parties and will not be able to enforce any rights against them. We may also need to change our logo which may adversely affect our reputation, existing brand market and business and could require us to incur additional costs.

If our unregistered trademark is registered in favour of a third party, we may not be able to claim registered ownership of the trademark and consequently, we may be unable to seek remedies for infringement of this trademark by third parties other than relief against passing off by other entities. Further, we may become subject to claims by third parties if we use the trademark in breach of any intellectual property rights registered by such third parties. Any legal proceedings pursuant to such claims, or settlements thereunder, may divert management attention and require us to pay financial compensation to such third parties. We have also not obtained any registrations for the designs developed by us in our research and design centre. Our inability to obtain or maintain these registrations may adversely affect our competitive business position.

9. ***If we fail to keep our technical knowledge and process know-how confidential, we may suffer a loss of our competitive advantage.***

We possess extensive technical knowledge about our products and such technical knowledge has been developed through our own experiences. Our technical knowledge is an independent asset of ours, which may not be adequately protected by intellectual property rights such as patent registration or design registration. Some of our technical knowledge is protected only by secrecy. As a result, we cannot be certain that our technical knowledge will remain confidential in the long run. Certain proprietary knowledge may be leaked (either inadvertently or wilfully), at various stages of the manufacturing process. A significant number of our employees have access to confidential design and product information and there can be no assurance that this information will remain confidential. Moreover, certain of



our employees may leave us and join our various competitors. Although we may seek to enforce non-disclosure agreements in respect of research and development, we cannot guarantee that we will be able to successfully enforce such agreements.

***10. Orders placed by customers may be delayed, modified, cancelled or not fully paid for by our customers, which may have an adverse effect on our business, financial condition and results of operations***

We may encounter problems in executing the orders in relation to our products, or executing it on a timely basis. Moreover, factors beyond our control or the control of our customers, including delays or failure to obtain necessary permits, authorizations, permissions and other types of difficulties or obstructions, may result in the postponement of the delivery of products or cause its cancellation. Further, the order could be cancelled or there could be changes in scope and / or scheduled delivery of the products. Accordingly, it is difficult to predict with certainty if, when, and to what extent we may be able to deliver the orders placed. Failure to deliver products on time could lead to customers delaying or refusing to pay the amount, in part or full, which may adversely affect our business

In addition, even where a delivery proceeds as scheduled, it is possible that the contracting parties may default or otherwise fail to pay amounts owed. While we have not yet experienced any material delay, reduction in scope, cancellation, execution difficulty, delay or default in payment with regard to the orders placed with us, or any material disputes with customers in respect of any of the foregoing, any such adverse event in the future could materially harm our cash flow position and income. Any delay, modification, cancellation of order by our large customers may have material adverse effect on our financial condition and results of operations.

***11. Substantial portion of our revenues have been dependent upon few clients. The loss of any one or more of our major clients would have a material effect on our business operations and profitability.***

For the period ending March 31, 2018, our top ten clients accounted for approximately 59.67% of our revenue from operations. The loss of any significant client would have a material effect on our financial results. We cannot assure you that we can maintain the historical levels of business from these clients/distributors or that we will be able to replace these clients/distributors in case we lose any of them. Furthermore, major events affecting our clients, such as changes in government policies and bankruptcy, change of management, mergers and acquisitions in other cases could impact our business. If any of our major clients becomes bankrupt or insolvent, we may lose some or all of our business from that client and our receivable from that client would increase and may have to be written off, impacting our income and financial condition.

***12. We are dependent on third party transportation providers for the delivery of our raw material and products. Accordingly, continuing increases in transportation costs or unavailability of transportation services for them, as well the extent and reliability of Indian infrastructure may have an adverse effect on our business, financial condition, results of operations and prospects***

We use third party transportation providers for the delivery of our raw material and products. Transportation strikes could have an adverse effect on our receipt of raw materials and our ability to deliver our products to our customers. In addition, transportation costs in India have been steadily increasing over the past several years. Continuing increases in transportation costs or unavailability of transportation services for our products may have an adverse effect on our business, financial condition, results of operations and prospects.

In addition, India's physical infrastructure is less developed than that of many developed nations, and problems with its road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activity, including our supply of raw materials and the delivery of our products to customers by third-party transportation providers. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our business operations, which could have a material adverse effect on our results of operations and financial condition.



**13. Our Company has incurred substantial indebtedness which exposes us to various risks which may have an adverse effect on our business and results of operations.**

As on March 31, 2018, we had ₹ 3,307.88 lakhs of outstanding debt on our balance sheet (including current maturities but excluding non-fund based) from various banks and financial institutions. In the event that we fail to meet our debt servicing obligations under our financing documents, the relevant lenders could declare us to be in default, accelerate the maturity of our obligations or takeover our project or even sell our Company's movable and immovable assets. We cannot assure investors that in the event of any such acceleration we will have sufficient resources to repay these borrowings. Failure to meet obligations under debt financing agreements may have an adverse effect on our cash flows, business and results of operations. Our ability to meet our debt service obligations and to repay our outstanding borrowings will depend primarily upon the cash flows generated by our business. We cannot assure you that we will generate sufficient cash to enable us to service existing or proposed borrowings. Incurring significant indebtedness may limit our flexibility in planning for or reacting to changes in our business & industry and limit our ability to borrow additional funds. Further, our level of indebtedness has important consequences to our Company, such as:

- Increasing our vulnerability to general adverse economic, industry and competitive conditions;
- Limiting our flexibility in planning for, or reacting to, changes in our business and the industry; affecting our credit rating;
- Limiting our ability to borrow more money both now and in the future; and
- Increasing our interest expenditure and adversely affecting our profitability, since almost all of our debt bears interest at floating rates.

If any of these risks were to materialise, our business and results of operations may be adversely affected.

**14. Our Company has reported certain negative cash flows from its investing and financing activities, details of which are given below. Sustained negative cash flow could impact our growth and business in the future.**

Our Company had reported certain negative cash flows from its investing and financing activities in the previous years as per the restated financial statements and the same are summarized as under:

(₹ in lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
Cash flow from Operating Activities	2,348.20	929.39	75.52	831.09	947.27
Cash flow from Investing Activities	(10.29)	(842.43)	(784.86)	(779.25)	(166.20)
Cash flow from Financing Activities	507.29	(345.76)	585.58	(819.73)	158.06

For details, please refer "Management's Discussion and Analysis of Financial Conditions and Results of Operations of our Company" on page no. 209 of this Prospectus.

Cash flow of a Company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If our Company is not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

**15. Our Company may have potential Conflicts of interest with our Group Companies as they have been authorized and engaged in similar line of business.**

Our Promoters have interests in other companies and entities that may compete with us, including other Group Companies that conducts businesses with operations that are similar to ours. Our Promoters have also promoted other companies and may continue to do so. For details please refer to the Chapter titled "Our Management" and "Our Promoters and Promoter Group" on page nos. 132 and 146 respectively of this Prospectus. Further, our Company has not entered into any non compete agreement with these companies and hence there can be no assurance of any conflict of interests which may arise in allocating or addressing business opportunities and strategies amongst our Company



and our Group Companies in circumstances where our interests differ from theirs. In cases of conflict, our Promoter may favour other Companies in which our Promoter has an interest. Hence, conflict of interest may occur between our business and the businesses of our Group Companies which could have an adverse effect on our business, financial condition, results of operations and prospects.

***16. Our Promoters play key role in our functioning and we heavily rely on their knowledge and experience in operating our business and therefore, it is critical for our business that our Promoters remain associated with us. Our success also depends upon the continued services of our promoters and our ability to attract, train and retain them.***

Our Whole-time Director & Promoter, Mr. Vinay Uchil has been actively involved in Marketing, Finance and Administration functions of the Company getting and instrumental in expanding the business of the Company. Our managing director & promoter, Mr. Venkatesh Uchil has been actively involved in procurement, production and technical areas of the Company. He is actively involved in marketing of the Company, timely execution of the Industry orders and ensures that the quality control standards.

Our Promoters, along with the group key managerial personnel, have over the years built relations with clients, government agencies and other persons who are connected with us. The loss of their services could impair our ability to implement our strategy, and our business, financial condition, results of operations and prospects may be materially and adversely affected.

Further, our Promoters have also promoted other companies and may continue to do so. If they divert their attention to the other companies, we may not be able to function as efficiently and profitably as before. We may have to incur additional costs to replace the services of our promoters or we may not be able to do so at all, which could adversely affect our business operations and affect our ability to continue to manage and expand our business. Any inability to attract and retain talented employees or the resignation or loss of key management personnel, may have an adverse impact on our business, future financial performance and the price of our Equity Shares.

***17. We do not own certain premises used by our Company and the premises which we have leased may not be duly registered or adequately stamped.***

Various premises used by our Company have been obtained on a lease hold/ rental basis. If the owners of such leased premises do not renew the agreements under which we occupy or use the premises on terms and conditions acceptable to us, or at all, we may suffer a disruption in our operations. Further, the lease agreements which our Company has executed in relation to the above mentioned properties are not adequately stamped and registered. Unless such document are adequately stamped or duly registered, such documents may be rendered as inadmissible as evidence in a court in India or attract penalty as prescribed under applicable law, which may result in an adverse effect on the continuance of the operations and business of our Company.

***18. Our business is not of continuous production in nature thus resulting in varied results for different operating periods as well as Balance Sheet situations.***

Compared to a normal mass manufacturing / services Company, our business is not of continuous standardized production nature. We procure raw materials for a particular order or expected order well in advance & there could be a major difference in lag timing of delivering an order depending on various matters such as Company of sector being worked; tenure of relevant order. Hence our result of operation may not be seamless / similar for different quarters or different operating periods. Further our balance sheet size with respect to working capital could vary between different operating periods depending on the stage of our production process or relevant order being worked on. Our inability to complete orders in time or monitor our inventory assets could affect our results of operations and financial conditions.



**19. *There are various negative covenants in the sanction letters issued to us by our lenders, which could put us at a competitive disadvantage and could have an adverse effect on our business, results of operations and financial condition.***

The sanction letter issued to us contains provisions that restrict our ability to do, among other things, any of the following:

- Make any Restricted Payments other than as permitted;
- Wind up/liquidate its affair;
- Agree/authorize to settle any litigation/arbitration having a material adverse effect;
- Change the general nature of its business or undertake any expansion or invest in any other entity;
- Effect any change in its accounting method or policies;
- Make any amendments to its constitutional documents;
- Pay any commission to its promoters/directors/security providers;

In addition to the restrictions listed above, we are required to maintain certain financial ratios under our financing agreements. These financial ratios and the restrictive provisions could limit our flexibility to engage in certain business transactions or activities.

**20. *Our registered office is not owned by us, we have entered into lease agreement for the same. In case of suspension or cancellation of lease by MIDC, there may be an effect on our business, results of operations and prospects.***

We do not own our registered office At B/1, Udyog Sadan No.3, Midc, Andheri (E), Mumbai, Maharashtra - 400093 India. We have entered into a lease agreement for the same with MIDC. Further, if we are required to relocate our registered office as a result of suspension or cancellation of lease, we may incur additional cost as a result of such relocation. If we are unable to renew the agreements pursuant to which we occupy the premises on terms and conditions acceptable to us, or at all, we may have to relocate to other places.

Any failure or difficulty faced by us continuing the lease agreement may affect our business and its prospects. For further details of our Properties, please refer to chapter titled “*Our Business*” beginning on page no. 98 of this Prospectus.

**21. *Our Company's manufacturing activities are depend on availability of skilled and unskilled labourers. In case of unavailability of such labourers and / or inability to retain such personnel, our business operations could be affected.***

Our Company has employed 305 employees as on 30<sup>th</sup> June, 2018 employees on our payroll. The above includes employees in the Top and middle management and also employees who are part of manufacturing unit and office staff. We also engage contract labourers to facilitate our processing operations. Our operations and performance are depends on our ability to identify, attract and retain both skilled and unskilled labour. In case such labour is unavailable or we are unable to identify and retain such labourers, our business could be adversely affected.

Further, there are instances where we need to hire additional contract labour, either for specialized jobs or during periods of high customer orders. Any failure to hire the appropriate labour may impact the operations and impair our client relations.

**22. *We constantly face a credit risk which may in turn affect our complete cycle adversely. Also, any customer dispute regarding our performance may amount in delay or withholding of payment to us.***

Our primary competence is the ability to provide timely deliveries and best quality products, further being able to exploit the benefits of economies of scale and credit shortage in the industry. Our business cycle is heavily dependent on timely payments being received from our customers. In case that our products are not delivered on timely basis and/or the quality of the products does not fulfil the requirements of our customer, it may lead to dissatisfaction. Further it may lead to consequence of customer dispute regarding our performance or workmanship and the customer may delay or withhold payment to us, which may result in materially affecting our business.





In case of such default in payment/ unforeseeable delay in payment from any of our customers our working capital cycle will be adversely affected. This may lead to lack of competitive advantage against various other transporters leading to an adverse effect on our business operations and profitability.

**23. *The deployment of the Net Proceeds from the Fresh Issue are based on management estimates and have not been independently appraised by any bank or financial institution and is not subject to any monitoring by any independent agency and our Company's management will have flexibility in utilizing the Net Proceeds from the Fresh Issue.***

Our Company intends to primarily use the Net Proceeds from the Fresh Issue towards working capital as described in "Objects of the Issue" on page no. 75 of this Prospectus. In terms of Regulation 16 of the SEBI (ICDR) Regulations, we are not required to appoint a monitoring agency since the Fresh Issue size is not in excess of ₹ 100 crores. The management of our Company will have discretion to use the Net Proceeds from the Fresh Issue, and investors will be relying on the judgment of our Company's management regarding the application of the Net Proceeds from the Fresh Issue. Our Company may have to revise its management estimates from time to time and consequently its requirements may change. Additionally, various risks and uncertainties, including those set forth in this section "Risk Factors", may limit or delay our Company's efforts to use the Net Proceeds from the Fresh Issue to achieve profitable growth in its business.

Further, pursuant to Section 27 of the Companies Act 2013, any variation in the objects would require a special resolution of the Shareholders and would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to change the objects of the Issue, at a price and manner as specified in Chapter VI-A of the SEBI ICDR Regulations pursuant to the SEBI ICDR (Second Amendment) Regulations, 2016 dated February 17, 2016. Additionally, the requirement on Promoters or controlling shareholders to provide an exit opportunity to such dissenting shareholders may deter the Promoters or controlling shareholders from agreeing to the variation of the proposed utilization of our Net Proceeds, even if such variation is in our interest. Further, we cannot assure you that our Promoters or the controlling shareholders will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price which may be prescribed by SEBI.

Accordingly, prospective investors in the Issue will need to rely upon our management's judgment with respect to the use of Net Proceeds. If we are unable to enter into arrangements for utilization of Net proceeds as expected and assumed by us in a timely manner or at all, we may not be able to derive the expected benefits from the proceeds of the Issue and our business and financial results may suffer.

**24. *Our insurance coverage may not adequately protect us against all material hazards, which may adversely affect our business, results of operations and financial condition.***

Our business and assets could suffer damage from fire, natural calamities, misappropriation or other causes, resulting in losses, which may not be fully compensated by insurance. There can be no assurance that the terms of our insurance policies will be adequate to cover any damage or loss suffered by our Company or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim.

Further, our Company is required to renew these insurance policies from time to time and in the event, we fail to renew the insurance policies within the time period prescribed in the respective insurance policies or not obtain at all, our Company may face significant uninsured losses. If our Company suffers a large uninsured loss or if any insured loss suffered, significantly exceeds our insurance coverage, our business, financial condition and results of operations may be adversely affected.



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

We may have to confront pressures in respect of pricing; product quality etc. from the clients and such pressures may put strain on our profit margins which may consequently affect the financial position of our Company. Competition emerges not only from the organized sector but also from the unorganized sector and from both small and big players. Our Competitiveness is also measured by the technology we adopt as our industry is rapidly growing in India. Our inability to compete with this intense competition; will have material adverse impact on our Company's financial position.

**26. *Our Company has entered into certain related party transactions in the past and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.***

Our Company has entered into certain transactions with our related parties including our Promoter, Promoter Group, Directors and their relatives. While we believe that all such transactions have been conducted on the arm's length basis, we cannot assure you that we might have obtained more favourable terms had such transactions been entered into with unrelated parties.

Furthermore, it is likely that we may enter into related party transactions in the future. We cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, results of operations, cash flows and financial condition. For details, please refer "*Financial Statements – Related Party Transactions*" on page no.164 of this Prospectus.

**27. *The funds proposed to be utilised for general corporate purposes may constitute 21% 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. 75 of this Prospectus. Our Company upon finalisation of the price as per the Book Building method may utilise an amount constituting 21% 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.

**28. *Our success largely depends on our ability to attract and retain our Key Managerial Personnel. Any loss of our Key Managerial Personnel could adversely affect our business, operations and financial condition.***

Our Company is depending significantly on the expertise, experience, and continued efforts of our Key Managerial Personnel. If one or more members of our Key Managerial Personnel are unable or unwilling to continue in his/her present position, it may be difficult to find a replacement, and business might thereby be adversely affected. Our industry requires personnel with specific technical knowledge and experience.

Competition for Key Managerial Personnel in our industry is intense and it is possible that our Company may not be able to retain existing Key Managerial Personnel or may fail to attract/ retain new employees at equivalent positions in the future. As such, loss of Key Managerial Personnel could adversely affect our business, results of operations and financial condition. For further details on the key managerial personnel of our Company, please refer to the chapter titled "*Our Management*" beginning on page no. 132 of this Prospectus.

**29. *In addition to normal remuneration, other benefits and reimbursement of expenses our Directors (including our Promoters) and Key Management Personnel are interested in our Company to the extent of their shareholding and dividend entitlement in our Company.***



Some of our Directors (including our Promoters) and Key Management Personnel are interested in our Company to the extent of their shareholding and dividend entitlement in our Company, in addition to normal remuneration, incentives or benefits and reimbursement of expenses. We cannot assure you that our Directors or our Key Management Personnel would always exercise their rights as Shareholders to the benefit and best interest of our Company. As a result, our Directors will continue to exercise significant control over our Company, including being able to control the composition of our board of directors and determine decisions requiring simple or special majority voting, and our other Shareholders may be unable to affect the outcome of such voting. Our Directors may take or block actions with respect to our business, which may conflict with our best interests or the interests of other minority Shareholders, such as actions with respect to future capital raising or acquisitions. We cannot assure you that our Directors will always act to resolve any conflicts of interest in our favour, thereby adversely affecting our business and results of operations and prospects.

**30. Our Group entity Eltech India Private Limited and KDU Worldwide Technical Services FZC have incurred losses in 2 out of the last three (3) financial years.**

Our Group Entity has incurred losses during the financial years preceding the current financial year, details of which are as under:

(₹ in lakhs)

Name of Company	For the year ended March 31,		
	2018	2017	2016
Eltech India Private Limited	12.80	(102.01)	(66.86)
KDU Worldwide Technical Services FZC	(16.16)	(1.14)	(0.47)
KDU Worldwide Technical Services Ghana Limited	(0.48)	(2.06)	N. A.

Further, there are some foreign domiciled group companies which have been recently incorporated and have not completed material operating activities as on their last financial period. If these entities incur material losses in the future then the same could affect our Promoters Net Worth and our Group Goodwill.

**31. Our Company if not able to manage our growth or to successfully implement our business plan could have an effect on our business, results of operations and financial condition.**

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. Our growth strategy involves focusing on Optimal Utilization of Resources and Increasing Operational efficiency. For further details, see the section titled “Our Business – Our Strategies” on page no. 98 of this Prospectus. Our success in implementing our growth strategies may be affected by:

- Our ability to identify new markets to expand;
- Our ability to maintain the quality of our products;
- Changes in the Indian regulatory environment in field

If our Company is not able to execute our strategy on time and within our estimated budget, or that our expansion and development plans will increase our profitability. Any of these factors could impact our results of operations. Further, we expect our growth strategy to place significant demands on our management, financial and other resources and require us to continue developing and improving our operational, financial and other internal controls. Our inability to manage our business and implement our growth strategy could have an effect on our business, financial condition and profitability.

**32. Our Promoters and Promoter Group has extended personal guarantees in connection with certain of our debt facilities. There can be no assurance that such personal guarantees will be continued to be provided by our Promoters in the future or can be called at any time, affecting the financial.**



Our Promoters have provided personal guarantees for our borrowings to secure our loans. If any of these guarantees are revoked, our lenders may require alternative guarantees or collateral or cancellation of such facilities, entailing repayment of amounts outstanding under such facilities. If we are unable to procure alternative guarantees satisfactory to our lenders, we may need to seek alternative sources of capital, which may not be available to us at commercially reasonable terms or at all, or to agree to more onerous terms under our financing agreements, which may limit our operational flexibility. Accordingly, our business, financial condition, results of operations, cash flows and prospects may be adversely affected by the revocation of all or any of the personal guarantees provided by our Promoters in connection with our Company's borrowings.

**33. *Our Promoters and Promoter Group will continue to retain majority shareholding in us after the Issue, which will allow them to exercise significant influence over us and potentially create conflicts of interest.***

Our Promoter and Promoter Group may beneficially own approximately 73.52% of our post-Issue equity share capital. As a result, the Promoter Group may have the ability to control our business including matters relating to any sale of all or substantially all of our assets, the timing and distribution of dividends and the election or termination of appointment of our officers and directors. This control could delay, defer or prevent a change in control of the Company, impede a merger, consolidation, takeover or other business combination involving the Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Company even if it is in the Company's best interest. In addition, for so long as the Promoter Group continues to exercise significant control over the Company, they may influence the material policies of the Company in a manner that could conflict with the interests of our other shareholders. The Promoter Group may have interests that are adverse to the interests of our other shareholders and may take positions with which our other shareholders do not agree.

**34. *Employee misconduct, errors or fraud could expose us to business risks or losses that could adversely affect our business prospects, results of operations and financial condition.***

Employee misconduct, errors or frauds could expose us to business risks or losses, including regulatory sanctions, penalties and serious harm to our reputation. Such employee misconduct includes breach in security requirements, misappropriation of funds, hiding unauthorized activities, failure to observe our stringent operational standards and processes, and improper use of confidential information. It is not always possible to detect or deter such misconduct, and the precautions we take to prevent and detect such misconduct may not be effective. In addition, losses caused on account of employee misconduct or misappropriation of petty cash expenses and advances may not be recoverable, which we may result in write-off of such amounts and thereby adversely affecting our results of operations. Our employees may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions in which case, our reputation, business prospects, results of operations and financial condition could be adversely affected.

**35. *If our employees were to unionize or our labour costs were to increase, our results of operations may be adversely affected.***

None of our employees is currently represented by a collective bargaining agreement and we believe that our non unionized operations have advantages over unionized competitors in providing reliable and cost-competitive customer services, including greater efficiency and flexibility.

However, we cannot assure you that our employees will not unionize, or attempt to unionize in the future, that they will not otherwise seek higher wages and enhanced employee benefits. The unionization of our employees could result in an increase in wage expenses and our cost of employee benefits, limit our ability to provide certain services to our customers, cause customers to limit their use of our services due to the increased potential for strikes or other work stoppages and result in increased expenditures in connection with the collective bargaining process, any of which could have a material adverse effect on our business, financial condition and results of operations.



In addition, we enter into contracts with independent contractors to complete specified assignments and these contractors are required to source the labour necessary to complete such assignments. Although we generally do not engage these labourers directly, it is possible under Indian law that we may be held responsible for wage payments to labourers engaged by contractors should the contractors default on wage payments. Any requirement to fund such payments will adversely affect us, our business, financial condition and results of operations.

Further, there is a possibility that the labour costs increase disproportionately due to increase in wage/salary demand. In this event, if we are unable to pass on the increased costs to our customers, our business operations and financial condition may be adversely affected.

**36. *We may not be able to sustain effective implementation of our business and growth strategies.***

The success of our business will depend greatly on our ability to effectively implement our business and growth strategies. We may not be able to execute our strategies in the future. Further, our growth strategies could place significant demand on our management team and other resources and would require us to continuously develop and improve our operational, financial and other controls, none of which can be assured. Any failure on our part to scale up our infrastructure and management could cause disruptions to our business and could be detrimental to our long term business outlook. Further, we operate in a highly dynamic industry, and on account of changes in market conditions, industry dynamics, technological improvements or changes and any other relevant factors, our growth strategy and plans may undergo changes or modifications, and such changes or modifications may be substantial, and may even include limiting or foregoing growth opportunities if the situation so demands. Our inability to implement our business strategies and sustain our growth may impair our financial growth and thus result in an adverse impact on our Company's share price.

**37. *The rate of interest for the loans obtained by us from the banks is variable and any increase in interest rates may adversely affect our results of operations and financial condition.***

Our Company is susceptible to changes in interest rates and the risks arising there from. Our sanction letters provide for interest at variable rates with a provision for the periodic resetting of interest rates. Further the lenders are entitled to change the applicable rate of interest, which is a combination of a base rate that depends upon the policies of the RBI and a contractually agreed spread, and in the event of an adverse change in our Company's credit risk rating. For further details of interest payable on our borrowings, please refer to the chapter titled "*Financial Indebtedness*" on page no. 225 of this Prospectus Further, in recent years, the Government of India have taken measures to control inflation, which have included tightening the monetary policy by raising interest rates. As such, any increase in interest rates may have an adverse effect on our business, results of operations, cash flows and financial condition.

**38. *Any disproportionate increase in labour costs including increase in wage/salary demand, labour unrest or labour claims arising from accidents may adversely affect our business operations and financial conditions.***

Our increasing business operations may require our employee strength to increase in future. In the past our Company has not experienced any labour unrest, but there is no assurance that it will not experience the same at any time in the future. Also, there is a possibility that the labour costs increase disproportionately due to increase in wage/salary demand. In this event, if our Company is unable to pass on the increased costs to our customers, our business operations and financial conditions may be adversely affected.

**39. *In the event there is any delay in the completion of the Issue, there would be a corresponding delay in the completion of the objects / schedule of implementation of this Issue which would in turn affect our revenues and results of operations.***

The funds that we receive would be utilized for the Objects of the Fresh Issue as has been stated in the Chapter "*Objects of the Issue*" on page no. 75 of the Prospectus. The proposed schedule of implementation of the objects of the Issue is based on our management's estimates. If the schedule of implementation is delayed for any other reason



whatsoever, including any delay in the completion of the Issue, we may have to revise our business, development and working capital plans resulting in unprecedented financial mismatch and this may adversely affect our revenues and results of operations.

**40. *The requirements of being a public listed Company may strain our resources and impose additional requirements.***

With the increased scrutiny of the affairs of a public listed Company by shareholders, regulators and the public at large, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur in the past. We will also be subject to the provisions of the listing agreements signed with the Stock Exchanges which require us to file unaudited financial results on a quarterly basis. In order to meet our financial control and disclosure obligations, significant resources and management supervision will be required. As a result, management's attention may be diverted from other business concerns, which could have an adverse effect on our business and operations. There can be no assurance that we will be able to satisfy our reporting obligations and/or readily determine and report any changes to our results of operations in a timely manner as other listed companies. In addition, we will need to increase the strength of our management team and hire additional legal and accounting staff with appropriate public Company experience and accounting knowledge and we cannot assure that we will be able to do so in a timely manner.

**EXTERNAL RISK FACTORS**

**41. *The Companies Act, 2013 has effected significant changes to the existing Indian Company law framework, which may subject us to higher compliance requirements and increase our compliance costs.***

A majority of the provisions and rules under the Companies Act, 2013 have recently been notified and have come into effect from the date of their respective notification, resulting in the corresponding provisions of the Companies Act, 1956 ceasing to have effect. The Companies Act, 2013 has brought into effect significant changes to the Indian Company law framework, such as in the provisions related to issue of capital, disclosures in Prospectus, corporate governance norms, audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian Company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading and restrictions on directors and key managerial personnel from engaging in forward dealing. Further, companies meeting certain financial thresholds are also required to constitute a committee of the board of directors for corporate social responsibility activities and ensure that at least 2% of the average net profits of the Company during three immediately preceding financial years are utilized for corporate social responsibility activities. Penalties for instances of non-compliance have been prescribed under the Companies Act, 2013, which may result in inter alia, our Company, Directors and key managerial employees being subject to such penalties and formal actions as prescribed under the Companies Act, 2013, should we not be able to comply with the provisions of the New Companies Act within the prescribed timelines, and this could also affect our reputation.

To ensure compliance with the requirements of the Companies Act, 2013 within the prescribed timelines, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention. While we shall endeavour to comply with the prescribed framework and procedures, we may not be in a position to do so in a timely manner.

The Companies Act, 2013 introduced certain additional requirements which do not have corresponding equivalents under the Companies Act, 1956. Accordingly, we may face challenges in interpreting and complying with such provisions due to limited jurisprudence on them. In the event, our interpretation of such provisions of the Companies Act, 2013 differs from, or contradicts with, any judicial pronouncements or clarifications issued by the Government in the future, we may face regulatory actions or we may be required to undertake remedial steps. Additionally, some of the provisions of the Companies Act, 2013 overlap with other existing laws and regulations (such as the corporate governance norms and insider trading regulations). We may face difficulties in complying with any such overlapping requirements. Further, we cannot currently determine the impact of provisions of the Companies Act, 2013, which are yet to come in force. Any increase in our compliance requirements or in our compliance costs may have an adverse effect on our business and results of operations.





**42. Any changes in the regulatory framework could adversely affect our operations and growth prospects.**

Our Company is subject to various regulations and policies. For details see section titled “Key Industry Regulations and Policies” beginning on page no. 116 of this Prospectus. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that our Company will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which could have a material adverse affect on our business, financial condition and results of operations.

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

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations, financial condition and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

**44. Civil disturbances, extremities of weather, regional conflicts and other political instability may have adverse affects on our operations and financial performance.**

Certain events that are beyond our control such as earthquake, fire, floods and similar natural calamities may cause interruption in the business undertaken by us. Our operations and financial results and the market price and liquidity of our equity shares may be affected by changes in Indian Government policy or taxation or social, ethnic, political, economic or other adverse developments in or affecting India.

**45. Terrorist attacks, civil unrest and other acts of violence or war could adversely affect the financial markets and our business.**

Terrorist attacks and other acts of violence or war may negatively affect the Country markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, impede travel and other services and ultimately adversely affect our business. In addition, any such act might result in investor concern about stability in the region, which could adversely affect the price of our Equity Shares.

Civil disturbances have been witnessed in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events could have a negative impact on the value of share prices generally as well as the price of our Equity Shares.

**46. Instability in financial markets could materially and adversely affect our results of operations and financial condition.**

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America or Europe, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors’ reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets.

The global financial turmoil, an outcome of the sub-prime mortgage crisis which originated in the United States of America, led to a loss of investor confidence in worldwide financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil, evident from the sharp decline in SENSEX, BSE’s benchmark index. Any prolonged financial crisis may have an adverse impact on the Indian economy and us, thereby



resulting in a material and adverse effect on our business, operations, financial condition, profitability and price of our Equity Shares.

**47. *Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our Company's business.***

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely affect our Company's ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could harm our Company's business and financial performance and ability to obtain financing for capital expenditures.

**48. *Conditions in the Indian securities market and stock exchanges may affect the price and liquidity of our Equity Shares.***

Indian stock exchanges, which are smaller and more volatile than stock markets in developed economies, have in the past, experienced problems which have affected the prices and liquidity of listed securities of Indian companies. These problems include temporary exchange closures to manage extreme market volatility, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected. Further, a closure of, or trading stoppage on, either of the Stock Exchanges could adversely affect the trading price of our Equity Shares.

**49. *We will prepare our financial statements from April 1, 2018 onwards under the Indian Accounting Standards ("Ind AS"). As Ind AS is different in many respects from Indian GAAP, our financial statements from April 1, 2018 may not be comparable to our historical financial statements and our financial statements for the year ending March 31, 2017 prepared under Indian GAAP may not be comparable to our financial statements for the year ending March 31, 2017 prepared under Ind AS for comparison purposes. In addition, our transition to Ind AS reporting could have an adverse effect on our business and results of operations.***

We currently prepare our financial statements under Indian GAAP. The Companies (Indian Accounting Standards) Rules, 2015 ("IAS Rules"), as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, enacted changes to Indian GAAP that are intended to align Indian GAAP further with IFRS. The IAS Rules provide that the financial statements of the companies to which they apply shall be prepared and audited in accordance with Ind AS. Ind AS is different in many respects from Indian GAAP. All NBFCs and HFCs having a net worth of more than ₹ 5,000.00 million are required to mandatorily adopt Ind AS for the accounting period beginning from April 1, 2018, with comparatives for the period ending on March 31, 2017. Although any Company may voluntarily implement Ind AS for the accounting period beginning from April 1, 2015, we intend to implement Ind AS for the accounting period beginning from April 1, 2018. As there is not yet a significant body of established practice, such as interpretations of Ind AS, on which to draw in forming judgments regarding the Ind AS implementation and application, we have not determined with any degree of certainty the impact the adoption of Ind AS will have on our financial statements. However, we know that the Ind AS will change our methodology for estimating allowances for doubtful debt losses. Ind AS will require us to value our NPAs by reference to their market value (if a ready market for such loans exists) or to calculate the present value of the expected future cash flows realisable from our loans, including the possible liquidation of collateral (discounted at the loan's effective interest rate) in estimating allowances for doubtful debt losses. This may result in us recognising higher allowances for doubtful debt losses in the future, which will adversely affect our results of our operations. Accordingly, our financial statements for the period commencing from April 1, 2018 may not be comparable to our historical financial statements and our financial statements for the year ending March 31, 2017 prepared under Indian GAAP may not be comparable to our financial statements for the year ending March 31, 2017 prepared under Ind AS for comparison purposes.



In our transition to Ind AS reporting, we may encounter difficulties in the on-going process of implementing and enhancing our management information systems. Our management may also have to divert significant time and additional resources in order to implement Ind AS on a timely and successful basis. Moreover, there is increasing competition for the small number of Ind AS experienced accounting personnel available as more Indian companies begin to prepare Ind AS financial statements. Therefore, our transition to Ind AS reporting could have an adverse effect on our business and results of operations.

## **RISK FACTORS RELATED TO EQUITY SHARES**

***50. Any further issuance of Equity Shares by Our Company or sales of Equity Shares by any significant shareholders may adversely affect the trading price of the Equity Shares.***

Any future issuance of Equity Shares by our Company could dilute the investors' shareholding. Any such future issuance of Equity Shares or sales of Equity Shares by any of our significant shareholders may also adversely affect the trading price of the Equity Shares, and could impact our ability to raise capital through an offering of securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares.

***51. There is no existing market for our Equity Shares, and we do not know if one will develop. Our stock price may be highly volatile after the Issue and, as a result, you could lose a significant portion or all of your investment.***

There is no guarantee that our Equity Shares will be listed on the Stock Exchanges in a timely manner or at all and any trading closures at the Stock Exchanges may adversely affect the trading price of our Equity Shares. Prior to the Issue, there has not been a public market for the Equity Shares. Further, we cannot predict the extent to which investor interest will lead to the development of an active trading market on the Stock Exchanges or how liquid that market will become. If an active market does not develop, you may experience difficulty selling the Equity Shares that you purchased. The Issue Price is not indicative of prices that will prevail in the open market following the Issue. Consequently, you may not be able to sell your Equity Shares at prices equal to or greater than the Issue Price. The market price of the Equity Shares on the Stock Exchanges may fluctuate after listing as a result of several factors, including the following:

- Volatility in the Indian and other Global Electrical and Automation industry;
- The performance of the Indian and Global Economy;
- Risks relating to our business and industry, including those discussed in this Prospectus;
- Strategic actions by us or our competitors;
- Investor perception of the investment opportunity associated with the Equity Shares and our future performance;
- Adverse media reports about us, our shareholders or Group Companies;
- Future sales of the Equity Shares;
- Variations in our quarterly results of operations;
- Differences between our actual financial and operating results and those expected by investors and analysts;
- Our future expansion plans;
- Perceptions about our future performance or the performance of Electrical and Automation sector companies generally;
- Performance of our competitors in the our industry and the perception in the market about investments in the our sector;
- Significant developments in the regulation of the industry in our key locations;
- Changes in the estimates of our performance or recommendations by financial analysts;



- Significant developments in India's economic liberalization and deregulation policies; and
- Significant developments in India's fiscal and environmental regulations. There has been significant volatility in the Indian stock markets in the recent past, and our Equity Share

Price could fluctuate significantly as a result of market volatility. A decrease in the market price of the Equity Shares could cause you to lose some or all of your investment.

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

The price of the Equity Shares will be subject to a daily circuit breaker imposed by all stock exchanges in India which does not allow transactions beyond a certain level of volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by the SEBI on Indian stock exchanges. The percentage limit on our circuit breaker is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges do not inform us of the percentage limit of the circuit breaker from time to time, and may change it without our knowledge. This circuit breaker effectively limits upward and downward movements in the price of the Equity Shares. As a result, shareholders' ability to sell the Equity Shares, or the price at which they can sell the Equity Shares, may be adversely affected at a particular point in time.

**53. *Our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows.***

Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements, and that of our Subsidiary and the dividends they distribute to us. In the past, we have not made dividend payments to the Shareholders of our Company. The Company may decide to retain all future earnings, if any, for use in the operations and expansion of the business. In such situation, the Company may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot state with any certainty whether we will be able to pay dividends in the future. Accordingly, realization of a gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

**54. *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 realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax (STT) 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 realized 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 realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of 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.

#### **PROMINENT NOTES**

1. Investors are free to contact the Book Running Lead Manager for any clarification, complaint or information pertaining to the Issue. The Book Running Lead Manager 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 Consolidated Net Worth of our Company (net of revaluation reserves) is ₹ 9,404.56 lakhs and the book value of each Equity Share was ₹ 52.14 as of March 31, 2018 as per our Restated Standalone Financial Statements. The Standalone Net Worth of our Company (net of revaluation reserves) is ₹ 7,549.71 lakhs and the book value of each Equity Share was ₹ 41.86 as of March 31, 2018 as per our Restated Standalone Financial Statements. For more information, please refer the Section titled “*Financial Information*” beginning on page no. 164 of this Prospectus.
3. Public Issue of up to 64,96,000 Equity Shares\* for cash at price of ₹ 66 per share including a premium of ₹ 56 aggregating to ₹ 4,287.36 lakhs. The Issue will constitute 26.48 % 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 (₹)
Venkatesh Krishinappa Uchil	3.71
KDU Enterprises Private Limited	5.14
Vinay Krishnappa Uchil	2.50

5. Investors are advised to refer to the chapter titled “*Basis for Issue Price*” beginning on page no. 80 of this Prospectus.
6. The details of transactions by our Company with our Group Companies or associates during the last year are disclosed under “*Annexure XXVIII - Statement of 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 Promoters of our Company, the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of 6 (six) months immediately preceding the date of the Draft Red Herring Prospectus.
8. Our Company Marine Electricals (India) Limited was started in 1978 as a proprietorship by Mr. Krishnappa Uchil. M/s Marine Electricals, the proprietorship got acquired by partnership firm viz. “Marine Electricals” in the year May 24, 2004. Later, Our Partnership Firm was converted to a private Company as “Marine Electricals (India) Private Limited” on December 04, 2007 under the Companies Act, 1956 with the Registrar of Companies, Mumbai at Maharashtra bearing Registration No. 176443. The Status of our Company was changed to public limited Company and the name of our Company was changed to Marine Electricals (India) Limited consequent to conversion of Private Limited Company into Public Limited Company by a special resolution passed on July 25, 2018. A fresh Certificate of Incorporation consequent to the change of name was granted to our Company on August 01, 2018 by the Registrar of Companies, Mumbai, Maharashtra, bearing CIN U31907MH2007PTC176443.



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## SECTION III - INTRODUCTION

### SUMMARY OF OUR INDUSTRY

#### INTRODUCTION TO GLOBAL MARINE ELECTRONICS INDUSTRY

Revenue generated by the global marine electronics market is estimated to exhibit a single digit CAGR, and hence, reach US\$ 7.7 Bn by 2028. On the basis of marine electronics component type, the hardware segment is estimated to hold the largest share in 2028 of the marine electronics market. However, the marine electronics software segment is expected to exhibit the highest CAGR. On the basis of application, the marine electronics merchant vessels segment is estimated to hold approximately 53.5% of the market share in 2028. On the basis of marine electronics hardware segment, the multifunction navigation segment is estimated to exhibit a CAGR of 7.3%, during the forecast period.

(Source: <https://futuremarketinsights.com/reports/marine-electronics-market>)

The marine electronics market in South East Asia is expected to witness the highest growth in the global market, owing to the increasing adoption of security and safety devices, and huge investments in the marine industry, complemented by the expansion of both the industries in the region.

The analysts forecast the global marine electronics market to grow at a CAGR of 4.77% during the period 2017-2021.

(Source: <https://researchandmarkets.com/reports/4390849/global-marine-electronics-market-2017-2021#pos-4>)

#### Market Overview

Marine electronic navigation system is defined as a navigation tool equipped with GPS navigator. Marine electronic navigation system displays high quality satellite imaging and it also provide navigation chart for better navigation. It helps to standardize maritime reporting and it increase safety & security.

#### Market Size and Forecast

The global marine electronic navigation system market is expected to grow at a CAGR of 12.8% over the forecast period i.e. 2017-2024. Further, marine electronic navigation system market is riding on the back of growing adoption of innovative technology for navigation in sea. Likely, increasing global connectivity through satellite communication along with rising demand for electronic navigation system from marine are believed to foster the growth of marine electronic navigation system market.

The global marine electronic navigation system market is segmented into component, end-user and region. Further, electronic chart systems (ECS), raster chart display systems (RCDS) and electronic chart display and information systems (ECDIS). Among these segments, electronic chart display and information systems (ECDIS) segment is believed to be the largest segment in overall marine electronic navigation system by 2024.

In terms of regional platform, Asia-Pacific region captured the largest market of marine electronic navigation system in terms of revenue in 2016. Additionally, Asia-Pacific region is believed to continue its dominance over the forecast period owing to growing ocean trade activity. Moreover, China and India are projected to dominate the Asia-Pacific marine electronic navigation system market due to increasing marine infrastructure investment.

North America region accounted the second largest market of marine electronic navigation system aided by U.S. and Canada. Further, rising demand for electronic navigation system from defense sector in North America region is envisioned to flourish the growth of marine electronic navigation system market. Europe region is projected to show a tremendous growth by the end of 2024. Moreover, Western Europe countries such as Germany and others are witnessing the augmented demand for marine electronic navigation system due to growing adoption of innovative electronic navigation system.

(Source: <https://www.researchnester.com/reports/marine-electronic-navigation-system-market/527>)





## Growth Potential Components

- **Charging Stations for Electric Vehicles**

Since the introduction of modern electric vehicles, many governments at the local and national level have promoted electric vehicle charging infrastructure in recognition of the necessity of charging stations for a mature market. However, these plans vary widely in scope and focus, reflecting the uncertainty and pace of change in this industry. Here, we summarize major government programs promoting charging infrastructure in selected markets and highlight some emerging best practices. We focus on programs to increase the stock of public charging infrastructure through subsidies, grants, and public-private partnerships.

(Source: [https://www.theicct.org/sites/default/files/publications/EV-charging-best-practices\\_ICCT-white-paper\\_04102017\\_vF.pdf](https://www.theicct.org/sites/default/files/publications/EV-charging-best-practices_ICCT-white-paper_04102017_vF.pdf))

Country	Program	Budget	Mechanisms of support
China	<ul style="list-style-type: none"> <li>State Grid national fast charging corridors</li> <li>Regional investments by automakers</li> <li>City government-funded construction in pilot cities</li> </ul>		<ul style="list-style-type: none"> <li>State-owned utility programs</li> <li>Public-private partnership</li> <li>Grants to local governments</li> </ul>
France	<ul style="list-style-type: none"> <li>Funding given 3,000 cities for 12,000 charge points</li> <li>EDF power company building nationwide DC fast charging network</li> </ul>		<ul style="list-style-type: none"> <li>Local governments apply for grants</li> </ul>
Germany	<ul style="list-style-type: none"> <li>€300 million for 10,000 Level 2 and 5,000 DC fast charging stations</li> </ul>	€300 million (\$285 million)	<ul style="list-style-type: none"> <li>Subsidies for 60% of costs for all eligible businesses</li> </ul>
Japan	<ul style="list-style-type: none"> <li>Next Generation Vehicle Charging Infrastructure Deployment Promotion Project</li> <li>Nippon Charge Service government-automaker partnership</li> </ul>	Up to ¥100 billion (\$1 billion)	<ul style="list-style-type: none"> <li>Grants to local governments and highway operators</li> <li>Public-private partnership</li> </ul>
Netherlands	<ul style="list-style-type: none"> <li>"Green Deal" (curbside chargers on request)</li> </ul>	€33 million (\$31 million)	<ul style="list-style-type: none"> <li>Contracts tendered to businesses on project-by-project basis</li> </ul>
Norway	<ul style="list-style-type: none"> <li>Enova grant scheme from 2009 onward</li> </ul>		<ul style="list-style-type: none"> <li>Quarterly calls for proposals for targeted projects</li> </ul>
United Kingdom	<ul style="list-style-type: none"> <li>Curbside stations for residential areas</li> <li>Highways England building DC fast charging stations along major roads in England</li> </ul>	£2.5 million (\$2 million) £15 million (\$12 million)	<ul style="list-style-type: none"> <li>Municipalities apply for grants; installers reimbursed</li> <li>Grants and tenders administered by public body</li> </ul>
United States	<ul style="list-style-type: none"> <li>Grants for funding public charging stations through American Recovery and Reinvestment Act</li> </ul>	\$15 million	<ul style="list-style-type: none"> <li>Matching grants for local governments</li> </ul>

(Source: [https://www.theicct.org/sites/default/files/publications/EV-charging-best-practices\\_ICCT-white-paper\\_04102017\\_vF.pdf](https://www.theicct.org/sites/default/files/publications/EV-charging-best-practices_ICCT-white-paper_04102017_vF.pdf))

Despite the government support and falling costs, there are still a number of challenges to the further development of global electric vehicle charging networks. Charging infrastructure still suffers from fragmentation, inconsistent data availability, and a lack of consistent standards in most markets. Open standards for vehicle–charge point communication and payment may mitigate these issues by enabling interoperability between charging networks, increasing innovation and competition, and reducing costs to drivers. Led by successful efforts in the Netherlands, a number of public and private efforts promote these open standards and a more robust market. Governments may wish to mandate data collection and the use of open standards for publicly funded projects, an approach adopted in several programs. The success of such initiatives will be increasingly important as the market grows and smart charging develops.





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## Segmentation & Forecast

To understand and assess the demand and opportunities in this market, the marine electronics market report is categorically split into three major sections, namely, marine electronics market analysis - by component type, by application type, and by region. On the basis of component type, the marine electronics market is segmented into hardware and software. The marine electronics hardware segment is expected to dominate the market throughout the forecast period, and enjoy a market share of 78.4% and 77.0% in 2018 and 2028, respectively. The marine electronics hardware segment is further segmented as GPS and radar systems, multifunction navigation, fish finders/ sonar modules, thermal and visible cameras, marine VHF communication devices, audio and video equipment, marine autopilots, analogue & digital instruments, and satellite TVs.

(Source: <https://prnewswire.com/news-releases/marine-electronics-market-determine-to-grow-at-6-5-cagr-during-2018-2028-future-market-insights-816150890.html>)

## Growth Drivers and Challenges

Factors such as rising ocean trade activities, growing adoption of technologically advanced navigation system by defense sector for accurate navigation are expected to be the dynamic factor behind the rapid growth of marine electronic navigation system market across the globe. Moreover, rising safety concern at sea and adoption of electronic navigation for reducing the usage of paper charts are believed to bolster the growth of marine electronic navigation system market by end of 2024.

Furthermore, implementation of regulations to adopt electronic navigation system by international maritime organization (IMO) and growing research and development activities related to marine electronic navigation system by major key players are believed to flourish the growth of marine electronic navigation system market. Likely, growing GDP figures of emerging economics such as India and China coupled with rapid urbanization are envisioned to flourish the growth of marine electronic navigation system market.

However, low adoption rate regarding marine electronic navigation system is expected to hinder the growth of marine electronic navigation system market during the forecast period.

(Source: <https://www.researchnester.com/reports/marine-electronic-navigation-system-market/527>)

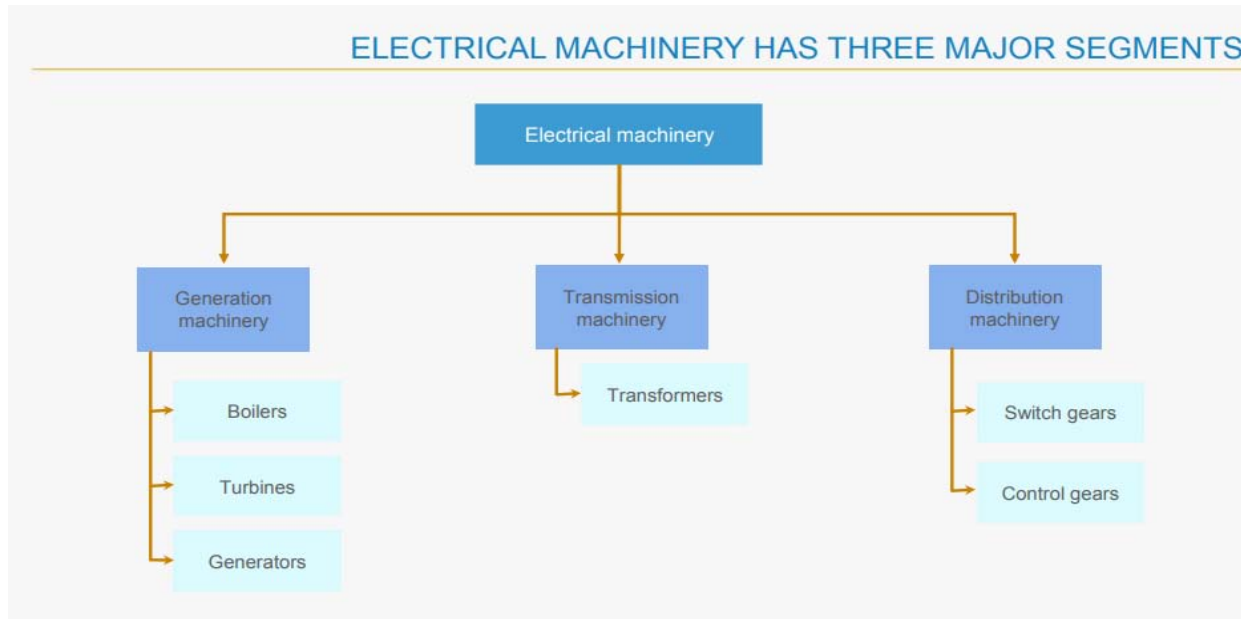
## Road Ahead

The marine electronics hardware segment is expected to dominate the market throughout the forecast period, and enjoy a market share of 78.4% and 77.0% in 2018 and 2028, respectively. The marine electronics hardware segment is further segmented as GPS and radar systems, multifunction navigation, fish finders/ sonar modules, thermal and visible cameras, marine VHF communication devices, audio and video equipment, marine autopilots, analogue & digital instruments, and satellite TVs.

(Source: <https://futuremarketinsights.com/press-release/marine-electronics-market>)



## OVERVIEW OF INDIAN MARINE ELECTRONICS INDUSTRY



(Source: <https://ibef.org/download/Electrical-Machinery-June-2017.pdf>)

### Market size

Exports of electrical machinery and equipment grew at a CAGR of 7.00 per cent during FY10-18 to reach US\$ 6.7 billion in FY18. The figure stood at US\$ 1.28 billion for Apr-May 2018.

The electrical equipment industry observed a witnessed a record seven-year high growth of 12.8 per cent in 2017-18, on the back of increase in government spending on rural and household electrification schemes and programmes to improve power distribution.

(Source: <https://ibef.org/industry/engineering-india.aspx>)

### Statistics

Electrical equipment industry broadly comprises of two segments: Generation Equipment (boilers, turbines, generators) and transmission & distribution (T&D) and allied equipment like transformers, cables, transmission lines, switchgears, capacitors, energy meters, instrument transformers, etc. The T&D equipment sector, dominates the sector making up for 85% of the industry whereas generation equipment sector accounts for the rest 15%.

Major export markets for the sector are United States of America, United Arab Emirates, Germany and United Kingdom. And, India is a major exporter of Switchgear and Controlgear, Transformers & Parts, Industrial Electronics, Cables, Transmission Line Towers, Conductors, Rotating Machines (Motors, AC Generators, and Generating Sets) & Parts, within the sector.

(Source: <http://makeinindia.com/article/-/v/electrical-machinery>)

## RENEWABLE INDUSTRY – Solar Energy

### Introduction

Power sector in India is witnessing a radical change on account of government's move towards power generation via renewable energy resources. Increasing electricity consumption and surging awareness towards environment are together helping the country towards utilization of green energy resources, especially solar. Moreover, solar inverter market is exhibiting immense growth over the past few years owing to surging implementation of solar energy projects in the



country. Additionally, National Solar Mission, aiming to achieve 100 GW of solar energy by 2022 has further fueled the solar inverter adoption and is anticipated to increase the market in proportion with uprising solar industry in India.

India Solar Inverter Market is projected to grow at a CAGR over 25% during 2018-2024. The market is dominated by utility sector owing to its large scale solar projects deploying large number of solar inverters. Further, commercial segment is anticipated to exhibit highest growth rate during the forecast period. The high growth is attributed to growing solar installations across educational institutes, offices, factories, hospitals, and warehouses. In addition, residential segment is also registering significant growth with focus on sustainable development and to overlay the rising power cost in the country. Government initiatives such as Smart City project, development of solar parks, and solar energy subsidy scheme would further accelerate the adoption of solar installations across residential and commercial segments.

Moreover, among system types, on grid systems dominated the market in 2017 owing to huge adoption across different verticals, whereas, off grid systems are majorly limited to rural electrification applications only.

(Source: <https://researchandmarkets.com/reports/4539914/india-solar-inverter-market-2018-2024-market>)

### Highlights

Economic growth, increasing prosperity, a growing rate of urbanization and rising per capita energy consumption has led to increased demand for energy in the country

- **Biggest ever Solar Power capacity addition of 5525.98 MW in 2017-18.** During 2017-18, a total 4323.1 MW (including 207.92 MW Solar Roof Top) capacity has been added till 30.11.2017, making cumulative achievement 16611.73 MW (including 863.92 MW Solar Roof Top).
- So far, ₹ 1.42 lakh Solar Pump have been installed in the Country as on 30.11.2017 including 1.31 lakh during last three and half year.
- **Solar projects** of capacity 23656 MW have been tendered and LoI for 19,340 MW issued.
- 6<sup>th</sup> Largest solar power capacity in the world. Highest ever solar power capacity addition of 5.5 GW in 2016-17
- World's largest ground based solar power and world's largest rooftop solar plant are both in India
- In accordance with the COP21 Paris accords, the Government of India has set a target of adding 175 GW of renewable power in the country by 2022, which will offer massive investment opportunities across the value chain.
- The target of National Solar Mission has been up-scaled to 100 GW from 20 GW of grid connected solar power by 2022, which creates a positive environment among investors keen to tap into India's renewable energy potential.
- India has an estimated renewable energy potential of about 1096 GW from commercially exploitable sources viz. Wind – 302 GW (at 100-meter mast height); Small Hydro – 21 GW; Bio-energy – 25 GW; and 750 GW solar power, assuming 3% wasteland

### FDI Policy

Foreign Direct Investment (FDI) up to 100% is permitted under the automatic route for renewable energy generation and distribution projects subject to provisions of The Electricity Act, 2003

### Statistics

- Biggest ever Solar Power capacity addition of 5.5 GW in 2016-17. During 2017-18, a total 4.3 GW capacity has been added till November 2017, making cumulative achievement 16.6 GW (including 863.92 MW Solar Roof Top)
- 142,000 Solar Pump have been installed in the Country as on November 2017, including 131,000 installed during last three and half year
- Solar projects of capacity 23.6 GW have been tendered

### Sector Policy

- Amendments in Tariff Policy to promote Renewable Energy



- Enhancement in Solar Renewable Power Obligation (RPO) to 8% by March 2022.
- Introduction of Renewable Generation Obligation (RGO) for New coal/lignite based thermal plants after specified date.
- Ensuring affordable renewable power through bundling of renewable power.
- No inter-state transmission charges and losses to be levied for solar and wind power.
- Notification of the long term growth trajectory of RPO for solar and non-solar energy for next 3 years from 2016-17, 2017-18 and 2018-19;
- Development of Solar Parks and Ultra Mega Solar Power Projects;
- Development of power transmission network through Green Energy Corridor project;
- Making roof top solar as a part of housing loan provided by banks;
- Supporting research and development on various aspects of renewable energy including with industry participation;
- Financial incentives for off-grid and decentralized renewable energy systems and devices for meeting energy needs for cooking, lighting and productive purposes

### **Investment Opportunities**

USD 5.8 billion Green Energy Corridor being set up to ensure evacuation of Renewable Energy in the next 3-4 years

Scheme for Development of Solar Parks and Ultra Mega Solar Power Projects has an approved capacity of 40,000 MW, which entails setting up of atleast 50 solar parks, each with a capacity of over 500 MW. Planned Central Government financial support of USD 1.2 Billion.

Upcoming 100 Smart City projects will have huge scope for being powered by Renewable Energy.

As on 30.11.2017, Solar Energy Projects with an aggregate capacity of over 16611.73 MW including 863.92 MW from Solar Roof Top projects has been installed in the country.

### **Road Ahead**

- *Charging Stations for Electric Vehicles*

### **Initiatives**

Government of India is promoting the use of Electric Vehicles (EVs) in India and has ambitious to convert all vehicles into electric powered by 2030. Karnataka has become the first state in India to issue state wide **“Karnataka Electric Vehicles & Electric Storage Policy 2017”** to develop the ecosystem for EVs.

This is first of its kind electric vehicle policy issued by the state and aims to develop Bengaluru as the EVs capital of India. Government of Karnataka (GoK) approved the policy on 13 September 2017. The key objective of the Policy is to maintain the lead share of Karnataka as a preferred destination for attracting investments in manufacture of Electric Vehicle. Further, the policy aims to attract an investment of US\$ 4.75 billion (INR 310 billion) and will create about 55,000 jobs in the state.

### **Some of the salient features of the policy are:**

1. The government will establish EVs manufacturing zones and clusters. The government will give incentives to manufacturers for producing modular design lithium-ion batteries with higher mileage per charge.



2. The policy encourages subsidies for charging infrastructure in all public and private properties, including airports, railway stations, metro stations, high-rise buildings, malls, information technology (IT) parks, and apartment complexes. The government will make amendments to building by-laws for providing mandatory charging infrastructure in all high-rise buildings.
3. The government will also create a special purpose vehicle involving Bruhat Bengaluru Mahanagara Palike (BBMP), Bengaluru Metropolitan Transport Corporation (BMTCL), Bangalore Electricity Supply Company (BESCOM), Karnataka Renewable Energy Development Ltd (KREDL), Karnataka Industrial Area Development Board (KIADB) and other agencies to create more charging infrastructure in Bengaluru and Karnataka.
4. EVs will exempt from payment of taxes from KMVT (Karnataka Motor Vehicle Taxation) Act 1957. Karnataka has one of the highest rates of motor tax in the country.
5. The government will setup Karnataka Electric Mobility Research and Innovation Centre to promote the research in the state. Further, it proposes to set up an EV skill development centre in collaboration with the industry for up skilling the work force to augment the manpower required for the EV industry. Currently, there are many companies in Karnataka which are working on electric mobility – Mahindra Electric, ANI Technologies (Ola), Bosch, Delphi and various others.
6. The policy also proposes to establish working groups with supporting grants for development of necessary technologies from concept to market in the areas of Drive technologies; Battery technologies; Charging infrastructure and network integration; standards and certification; materials and recycling; quality and training etc.
7. The government will provide incentives and concessions for EV manufacture sector, battery manufacturing, and charging equipment enterprises throughout the State including Bengaluru District in line with the Industrial Policy 2014-19.
8. The government will encourage the startup to develop a business model for EVs.  
(Source: <http://www.india.uitp.org/news/Karnataka-electric-vehicle-and-energy-storage-policy>)

- **Railways**

Indian Railways' revenues increased at a CAGR of 9.66 per cent during FY07-FY18 to US\$ 27.71 billion in FY18. Earnings from the passenger business grew at a CAGR of 9.90 per cent during FY07-FY18 to reach US\$ 7.55 billion in 2017-18P. Freight revenue rose at a CAGR of 9.83 per cent during FY07-FY18 to reach US\$ 18.16 billion in 2017-18.

## Investments

Foreign Direct Investment (FDI) inflows into Railways related components from April 2000 to December 2017 were US\$ 897.09 million.

Following are some of the major investments and developments in India's railways sector:

- In March 2018, Alstom completed production of the first all-electric locomotive at the manufacturing facility in Madhepura, Bihar.
- In May 2018, Parcel Cargo Express Train (PCET) commenced operations. The train connects the North-Eastern region with the coast as its initial and penultimate stops are New Guwahati in Assam and Kalyan in Maharashtra.  
(Source: <https://www.ibef.org/industry/indian-railways.aspx>)

- **Metro Rails**

The metro rail network in the country is increasing with the mass rapid transit system emerging as one of the best solutions for urban transportation. Even as eight metro rail networks covering a length of 370 km are operational in the country, over two dozen more projects are lined up.

Out of the two dozen projects, around 15 are lined up with the urban development ministry. The cities that have lined up their plans include Pune, Nagpur, Ahmedabad, Chennai, Vijayawada, Kozhikode, Indore, Bhopal, Patna, Guwahati, Kanpur and Varanasi.



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However, officials from states like Punjab and Madhya Pradesh, which are yet to get approval for the first metro projects in their states, said that there has been a huge delay from the Centre for their projects. Some of these states are ready for the PPP route too.

In the last three years, from 2014-2017, the urban development ministry sanctioned Rs30,653.78 crore, out of which only Rs12,345.33 crore was released to various metro rail companies in the country. Similarly, in the current fiscal year, the ministry allocated around Rs17,960 crore for metro rail companies and till the first quarter ending June only Rs4,650 crore was spent. The figures are for Uttar Pradesh, Maharashtra, Gujarat, Rajasthan, Tamil Nadu, Kerala, Karnataka, Maharashtra and Delhi-NCR region.

(Source: <https://www.ibef.org/news/how-metro-rail-networks-are-spreading-across-india>)



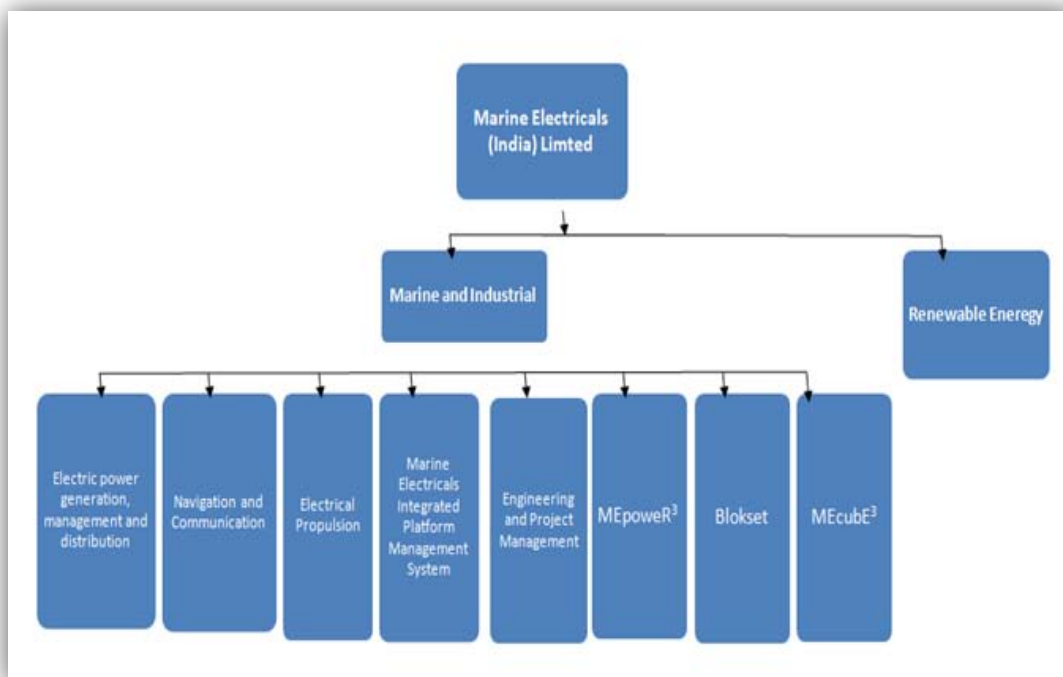


## SUMMARY OF OUR BUSINESS

### OVERVIEW

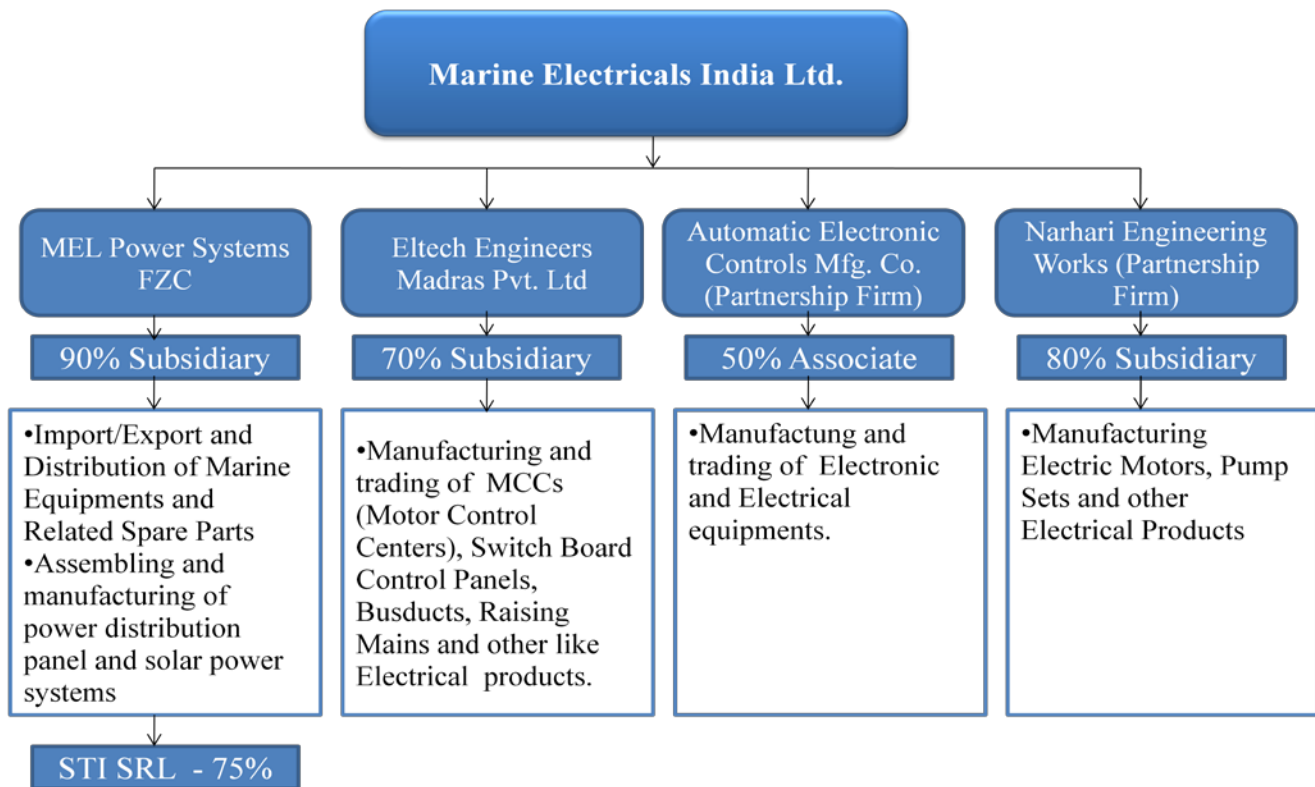
Our Company is a growing Integrated Electrical and Automation Solution Provider dealing in comprehensive electrical solution across industries with significant presence in Marine sector (Indian Navy, Commercial Shipbuilding) and Non Marine sector (Data Centre, Building Management Systems, Industrial etc).

Our Company provides solution in Low Voltage, Medium Voltage and Industrial Automation backed by In-house Product Design & Development, Manufacturing, Installations and after sale service. Our Company has business relationships with global electrical players like Schneider Electric, Siemens, GE. Such strategic tie ups give us the competitive edge over our competitors. Further, we have entered into an agreement with NLC India Limited to provide Solar Power Evacuation system, thus venturing into the renewable energy segment. Our business model is as summarised below:



We have the competence and facilities to provide these state of the art panels starting from design and development to prompt after sales support. Our manufacturing facilities are certified as per ISO 9001, ISO 14001, and OHSAS 18001 for the Quality Management system, Environmental Management System and Occupation Health & Safety Management System respectively. Our manufacturing facilities have all the latest CNC bending and turret punching machines to deliver equipment within the demanding tolerances to meet the requirements of this latest globally offered panels, this is also supported by our pre-treatment and painting facilities.

We have national and international presence through our subsidiaries. The structure is illustrated as below:



We ensure the quality of our products through rigorous testing including testing of sub system before integration and followed by testing of the entire system when assembled. We provide a combination of engineering, manufacturing, testing facilities and after sales support that provides customer delight to the equipment offered by us.

Our Managing Director and Promoter Mr. Venkatesh Uchil is actively involved in procurement, production and technical areas of the Company. He actively participates in timely execution of the Industry Orders and is the guiding force behind the growth and business strategy of our Company. Mr. Vinay Uchil, the Chairman & the Executive Director & also Promoter of our Company is instrumental in expanding the business of the Company to a new height by diversification of the business into different verticals i.e. Marine & Non- Marine Sectors & Renewable Energy.

Our Company's revenue from operation have increased at a CAGR of 15.84% from 15,975.08 lakhs in FY 2013-14 to ₹ 28,766.39 lakhs in FY 2017-18; EBITDA has increased at a CAGR of 16.88% from ₹ 1,405.27 lakhs in FY 2013-14 to ₹ 2,622.68 lakhs in FY 2017-18.



## STRENGTHS



### 1. *Specialized Business Model with High Entry Barriers*

Electrical and Automation solutions have significant importance in Marine and Industrial application. In Marine, as electricity is generated, distributed and consumed in the ship only, electrical products used in Marine need to be high quality and most reliable. The products and manufacturer has to be registered with respective authority. In Industrial and Building segments, the numbers of devices using electricity are increasing and various devices have different electrical inputs. Hence, designing system becomes very complex and requires expertise and experience to do so. We have developed expertise with our 40 years of experience in providing electrical solutions.

There are multiple entry barriers for a new entrant in our industry, such as prior experience, registration with authorities, and customer stickiness to established players. As a result, we are one of the few large players in this industry. This provides us with a significant advantage over new entrants, as they would need to invest a great deal of resources to gain a foothold in the markets in which we compete. Our products are required to meet exacting standards of quality in which they are sold, as set by the requirements our customers. We believe the high barriers to entry enable us to obtain better profit margins for our products compared to other manufacturing industries where barriers to entry are lower.

### 2. *In-house Engineering Capabilities*

We have commenced our business as provider of switchgear and other small products. Over a period of time, we have built engineering capabilities through organic as well as inorganic ways to become Integrated Solution Provider. We have acquired Nahari Engineering, Automatic Electric Control, STI S.R.L., Italy, Eltech Engineers Madras. We have worked in various prestigious vessels which helped in strengthening our engineering capabilities.

Our Company has a large pool of experienced engineers. We continuously train our employees which we believe enables us to serve the technical and commercial demands of our customers. We believe that our employees are instrumental to our success including for the quality of our products and services and our ability to operate in a cost-efficient manner, helping us achieve continuous profit margins, efficient operations, short delivery schedules, relatively lower attrition and fewer employee disputes.

We have an all-encompassing strength in electrical & electronic components and across the value-chain offering. Our Company provides marine electrical and electronic switch-gears, control-gears, electronic and electrical components including its accessories. Further, we also provide consultancy services in designing, fabricating, installing and repairing all types of electrical and electronic installations. We leverage this unique positioning for further growth and expansion.



### **3. Promoter with strong technical background**

The Promoter and the senior management team of our Company have significant industry experience and have been instrumental in the consistent growth of our Company's performance. The management team has vast experience and technical know-how to help the development of the Company. Our Promoters Mr. Venkatesh Uchil and Mr. Vinay Uchil have been the main guiding force behind the growth and business strategy of our Company. We believe that our management team's experience and their understanding of our business will enable us to continue to take advantage of both current and future opportunities. It is also expected to help us on addressing and mitigating various risks inherent in our business, including significant competition. For further details on education, experience and other details of our Management and our Key Managerial Personnel, kindly refer to the Chapter titled "Our Management" beginning on page no. 132 of this Prospectus.

### **4. Client Ownership/ Strong Track Record**

We have developed a strong client base for our product and services and enjoy certain level of an established relationship with them. Our business and growth are significantly depending on our ability to maintain the client relationship. We have gained significant experience and have established track record and reputation for efficient and timely delivery of our product and services

**For risks related to our business, our Company and our industry, see "Risk Factors" on page no. 17 of this Prospectus.**

## **STRATEGIES**

The key elements of our strategies are as follows:

### **1. Expand our Total Installed Production Capacity and Product Range**

We will be taking over operation of the facility in the near future. We have proposed to increase our manufacturing capability through proposed manufacturing plants in Goa which is spread across approximately 9000 square meter. We have already entered into lease agreements with GIDC for the procurement of the land. Further, the location of the proposed plant is nearer to our existing plant, thereby giving us strategic business advantages. For further details, please refer to the "Property/Land details" of this chapter on page 98 of this Prospectus. Expanding our manufacturing unit will lower the manufacturing costs, enable cheap labour costs, cut lead times and higher the production capabilities and hence result in production efficiency.

### **2. Increasing Operational efficiency**

We continue to invest in increasing our operational efficiency throughout the organization. Our Company constantly endeavors to improve its productivity levels by optimum resource utilization, improvement in manufacturing process, skill up-gradation of our workers, modernization of machineries to achieve better asset turnover. We will continue to further improve our manufacturing processes to identify the areas of bottlenecks and correct them. This would help us in improving efficiency and putting resources to optimal use. Further, we are addressing the increase in operational output through continuous process improvement, QC / QA activities, customer service, consistent quality and technology development. Alignment of our people to 'process improvement' through change management and upgrading of skills as required for customer satisfaction is a continuous activity. Awareness of this quality commitment is wide spread among all the employees

### **3. Competitive Pricing:**

Our Company provides solution in Low Voltage, Medium Voltage and Industrial Automation backed by In-house Product Design & Development, Manufacturing, Installations and after sale service. Price is an important aspect of our business' marketing mix and changing the price can drastically affect the marketing tactics necessary for success. To remain aggressive and capitalize a good market share, we believe in offering competitive prices to our customers. This helps us to



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sustain the cut-throat competition and withhold a strong position in the market. Further it helps us to prevent loss in Company's market share.

***4. Increase scope of offering and entering new emerging segments***

We intend to diversify our services and solution categories into other industries or marketplaces. Although our focus has always been marine control panels and other related electronics equipments. We are now venturing into the renewable energy segment. We intend to participate into growth opportunities arising out of the renewable energy sector in India. Further, such expansion will enable us to manage the overall business risks. We intend to continuously identify and introduce new solution categories into marketplaces in order to diversify and de-risk our business profile and provide potential for further growth.

***5. Well Strategized Growth Plan***

We have well strategized and focused growth plan in place which includes enhancing our solution offerings, geographical expansion and strengthening of our management bandwidth. This plans helps us to establish realistic objectives and goals that are in line with our long term vision in place with constant focus on quality and innovation. To keep sailing on it, we stress on and constantly strive to improve the quality of our products. We have a qualified team which constantly works for product management, improving the quality.. We are expanding our marketing team to enhance our geographic presence. We are strengthening our management bandwidth with induction of senior and experience people regularly



**SUMMARY OF FINANCIAL INFORMATION**

**STATEMENT OF CONSOLIDATED ASSETS & LIABILITIES, AS RESTATED**

(₹ in Lakhs)

Particulars	Financial Year Ended				
	Mar-18	Mar-17	Mar-16	Mar-15	Mar-14
<b>EQUITY AND LIABILITIES</b>					
<b>1. Shareholders' Funds</b>					
1. Share Capital	1,803.71	1,717.82	1,717.82	1,717.82	1,717.82
2. Reserves & Surplus	7,600.85	5,763.91	4,621.14	3,627.58	2,801.60
3. Share Application Money Pending Allotment					
<b>Minority Interest</b>	675.95	556.23	135.29	120.92	91.11
<b>2. Non Current Liabilities</b>					
1. Long term borrowings	374.78	712.85	884.84	898.60	1,284.14
2. Deferred Tax Liabilities (Net)	184.72	276.29	187.45	197.80	212.31
3. Long Term Provisions	163.07	64.15	54.04	45.96	40.55
<b>3. Current Liabilities</b>					
a. Short-term Borrowings	3,815.36	2,766.35	1,948.29	1,125.88	1,025.52
b. Trade payables	16,350.13	8,201.26	3,549.65	4,353.78	2,962.27
c. Other current liabilities	4,110.87	2,380.27	1,750.17	2,120.57	1,879.68
d. Short-term Provisions	383.36	262.29	61.20	120.26	68.66
<b>T O T A L</b>	<b>35,462.81</b>	<b>22,701.42</b>	<b>14,909.88</b>	<b>14,329.18</b>	<b>12,083.67</b>
<b>ASSETS</b>					
<b>1. Non Current Assets</b>					
a. Fixed Assets					
i) Tangible Assets	5,440.78	5,463.57	4,196.87	3,844.91	3,585.57
ii) Intangible Assets	258.67	105.72	108.30	125.62	116.21
b. Capital Work in Progress					
c. Deferred tax assets (Net)					
d. Other Long Term assets					
e. Long Term Loans & Advances	209.78	651.95	299.83	313.50	301.05
f. Non - Current Investment	0.08	0.08	0.08	0.08	0.08
<b>2. Current Assets</b>					
a. Inventories	4,628.70	3,545.99	1,312.37	2,153.20	1,217.85
b. Trade Receivables	18,444.61	10,994.65	7,144.46	5,891.21	3,582.60
c. Cash and Cash Equivalents	3,291.08	540.69	652.10	683.08	2,104.47
d. Short Term Loans & Advances	2,611.21	1,090.91	961.32	1,070.31	1,140.05
e. Other current assets	577.89	307.88	234.54	247.27	35.79
<b>T O T A L</b>	<b>35,462.81</b>	<b>22,701.42</b>	<b>14,909.88</b>	<b>14,329.18</b>	<b>12,083.67</b>





**STATEMENT OF CONSOLIDATED PROFIT & LOSS ACCOUNT, AS RESTATED**

(₹ in Lakhs)

Particulars	Financial Year Ended				
	Mar-18	Mar-17	Mar-16	Mar-15	Mar-14
<b>REVENUE:</b>					
Revenue from Operations	38,037.82	27,157.12	24,977.58	23,561.82	21,234.12
Other Income	307.82	207.91	191.69	277.32	251.48
<b>Total revenue</b>	<b>38,345.64</b>	<b>27,365.03</b>	<b>25,169.27</b>	<b>23,839.14</b>	<b>21,485.60</b>
<b>EXPENSES:</b>					
Cost of Material Consumed	28,594.38	17,913.72	16,749.08	16,852.67	14,534.14
Changes in inventories	(820.00)	(114.71)	(55.44)	(34.74)	355.40
Other manufacturing & operating expenses	3,314.35	3,118.62	2,354.07	1,600.81	1,673.94
Employee benefit expenses	1,849.53	1,487.82	1,417.98	1,340.16	920.91
Finance costs	610.11	494.39	320.63	465.03	300.17
Depreciation & Amortisation cost	515.28	515.47	512.57	586.70	155.32
Other Expenses	2,016.75	2,200.46	2,450.45	1,825.66	1,796.79
<b>Total Expenses</b>	<b>36,080.38</b>	<b>25,615.77</b>	<b>23,749.34</b>	<b>22,636.28</b>	<b>19,736.66</b>
<b>Exceptional items</b>					
<b>Net Profit / (Loss) before Tax</b>	<b>2,265.26</b>	<b>1,749.26</b>	<b>1,419.93</b>	<b>1,202.86</b>	<b>1,748.94</b>
Less: Provision for Tax					
a. Current tax	730.87	580.50	494.87	349.53	292.00
b. Deferred Tax (Assets) / Liability	(91.57)	88.84	(10.05)	2.99	35.77
c. MAT Credit entitlement					
<b>Total</b>	<b>639.30</b>	<b>669.34</b>	<b>484.82</b>	<b>352.52</b>	<b>327.77</b>
<b>Net Profit / ( Loss ) for the period after tax but before extra ordinary items</b>	<b>1,625.95</b>	<b>1,079.92</b>	<b>935.10</b>	<b>850.34</b>	<b>1,421.17</b>
Extraordinary Items					
<b>Net Profit / ( Loss ) for the period after tax and after extra ordinary items available for appropriation</b>	<b>1,625.95</b>	<b>1,079.92</b>	<b>935.10</b>	<b>850.34</b>	<b>1,421.17</b>
Less : Proposed Dividend					
Dividend Distribution Tax					
<b>Net Profit Attributable to Minority</b>	<b>99.06</b>	<b>57.60</b>	<b>14.37</b>	<b>63.80</b>	<b>78.04</b>
<b>Net Profit transferred to Reserves</b>	<b>1,526.89</b>	<b>1,022.32</b>	<b>920.73</b>	<b>786.54</b>	<b>1,343.13</b>



STATEMENT OF CONSOLIDATED CASHFLOW STATEMENT, AS RESTATED

(₹ in Lakhs)

Particulars	Financial Year Ended				
	Mar-18	Mar-17	Mar-16	Mar-15	Mar-14
<b>Cash Flow From Operating Activities</b>					
<b>Net Profit Before Tax</b>	<b>2,265.26</b>	<b>1,749.26</b>	<b>1,419.93</b>	<b>1,202.86</b>	<b>1,748.94</b>
Adjustments for :					
Depreciation and Amortisation	515.28	515.47	512.57	586.70	155.32
Financial Expenses	610.11	494.39	320.63	465.03	300.17
Foreign Currency Translation reserve	(47.60)	(98.67)	72.60	(39.44)	1.04
Interest Received	(77.24)	(34.70)	(28.78)	(45.83)	(35.67)
<b>Operating profit Before working capital changes</b>	<b>3,265.80</b>	<b>2,625.75</b>	<b>2,296.94</b>	<b>2,169.33</b>	<b>2,169.80</b>
<b>Movement In Working Capital :</b>					
Changes in Inventories	(1,082.70)	(2,233.62)	840.83	(935.35)	(103.42)
Changes in Trade Receivables	(7,499.89)	(3,779.63)	(1,253.24)	(2,308.61)	(381.28)
Changes in Short Term Loans and Advances	(1,520.30)	(129.59)	108.99	69.75	(701.01)
Changes in Other Current Assets	(270.01)	(73.33)	12.72	(211.48)	630.62
Changes in Long Term Loans and Advances	310.11	(10.27)	13.66	(12.45)	(16.33)
Changes in other Long Term Provisions	98.92	10.12	8.07	5.42	40.55
Changes in Trade Payables	8,148.87	4,651.62	(804.13)	1,391.50	639.00
Changes in Other Current Liabilities	1,730.60	630.10	(370.40)	240.89	(288.01)
Changes in Short term Provisions	121.07	201.09	(59.07)	51.61	(273.69)
<b>Cash Generated From Operations</b>	<b>3,302.45</b>	<b>1,892.22</b>	<b>794.37</b>	<b>460.60</b>	<b>1,716.23</b>
Direct Tax Paid	(730.87)	(580.50)	(494.87)	(349.53)	(292.00)
<b>Net Cash flow from Operating activities (A)</b>	<b>2,571.58</b>	<b>1,311.72</b>	<b>299.51</b>	<b>111.07</b>	<b>1,424.23</b>
<b>Cash Flow used In Investing Activities</b>					
Purchase of Fixed Assets, Including Intangible assets	(644.80)	(1,779.58)	(847.29)	(855.96)	(208.50)
Changes in Other Long term Assets	132.06	(341.84)	-	-	-
Surplus on acquisition	15.33	511.91			
Change in Non Current Investments		-	-	27.88	10.00
<b>Net Cash Flow from Investing Activites (B)</b>	<b>(497.41)</b>	<b>(1,609.52)</b>	<b>(847.29)</b>	<b>(828.08)</b>	<b>(198.50)</b>
<b>Cash Flow From Financing Activities</b>					
Proceeds from Issued of Equity Shares	498.13	-	-	-	0.02
Proceeds from Long - Term Borrowings	(338.07)	(171.98)	(13.76)	(385.54)	261.45
Proceeds from Short - Term Borrowings (Net)	1,049.02	818.06	822.40	100.36	146.71
Interest Received	77.24	34.70	28.78	45.83	35.67
Financial Expenses	(610.11)	(494.39)	(320.63)	(465.03)	(300.17)
<b>Net Cash Flow Form Financing Activities (C)</b>	<b>676.21</b>	<b>186.39</b>	<b>516.80</b>	<b>(704.38)</b>	<b>143.68</b>
Net Increase / (Decrease) In Cash and Cash Equivalents (A+B+C)	2,750.39	(111.41)	(30.98)	(1,421.39)	1,369.41
Cash and Cash Equivalents at the beginning of the year	540.69	652.10	683.08	2,104.47	735.06
<b>Cash and Cash Equivalents at the end of the Year</b>	<b>3,291.08</b>	<b>540.69</b>	<b>652.10</b>	<b>683.08</b>	<b>2,104.47</b>



**STATEMENT OF STANDALONE ASSETS & LIABILITIES, AS RESTATED**

(₹ in Lakhs)

Particulars	Financial Year Ended				
	Mar-18	Mar-17	Mar-16	Mar-15	Mar-14
<b>EQUITY AND LIABILITIES</b>					
<b>1. Shareholders' Funds</b>					
1. Share Capital	1,803.71	1,717.82	1,717.82	1,717.82	1,717.82
2. Reserves & Surplus	5,743.79	4,159.14	3,297.99	2,505.40	1,986.86
3. Share Application Money Pending Allotment	-	-	-	-	-
<b>2. Non Current Liabilities</b>					
1. Long term borrowings	125.78	582.73	856.14	776.41	1,170.08
2. Deferred Tax Liabilities (Net)	184.72	276.29	187.45	197.80	212.31
3. Long Term Provisions	163.07	64.15	54.04	45.96	40.55
<b>3. Current Liabilities</b>					
1. Short-term Borrowings	2,905.55	1,977.68	1,648.08	874.26	1,018.47
2. Trade payables	12,544.49	4,546.34	2,924.24	3,731.24	2,478.67
3. Other current liabilities	3,847.09	2,147.16	1,632.89	1,986.72	1,825.26
4. Short-term Provisions	383.36	262.29	61.20	120.26	68.66
<b>T O T A L</b>	<b>27,701.56</b>	<b>15,733.60</b>	<b>12,379.84</b>	<b>11,955.87</b>	<b>10,518.67</b>
<b>ASSETS</b>					
<b>4. Non Current Assets</b>					
1. Fixed Assets					
i) Tangible Assets	3,960.01	4,152.70	3,719.59	3,358.48	3,131.66
ii) Intangible Assets	7.22	17.36	19.94	37.26	27.85
2. Capital Work in Progress	-	-	-	-	-
3. Deferred tax assets (Net)	-	-	-	-	-
4. Long Term Loans & Advances	209.78	310.11	299.83	313.50	301.05
5. Non - Current Investment	745.59	747.76	715.08	684.05	663.59
<b>5. Current Assets</b>					
a. Inventories	2665.05	1,545.13	542.86	919.22	1,005.90
b. Trade Receivables	14626.05	7,787.39	5,838.73	4,981.91	2,937.88
c. Cash and Cash Equivalents	3,082.09	236.90	495.70	619.45	1,387.36
d. Short Term Loans & Advances	2375.59	743.33	568.60	809.87	1,048.97
e. Other current assets	30.18	192.94	179.51	232.13	14.41
<b>T O T A L</b>	<b>27,701.56</b>	<b>15733.60</b>	<b>12379.84</b>	<b>11955.87</b>	<b>10518.67</b>



**STATEMENT OF STANDALONE PROFIT & LOSS ACCOUNT, AS RESTATED**

(₹ in Lakhs)

Particulars	Financial Year Ended				
	Mar-18	Mar-17	Mar-16	Mar-15	Mar-14
<b>REVENUE:</b>					
Revenue from Operations	28,766.39	20,944.17	19,344.95	18,929.43	15,975.08
Other Income	140.70	240.24	182.50	300.99	242.68
<b>Total revenue</b>	<b>28,907.08</b>	<b>21,184.40</b>	<b>19,527.44</b>	<b>19,230.42</b>	<b>16,217.76</b>
<b>EXPENSES:</b>					
Cost of Material Consumed	21,111.39	13,124.56	12,078.81	13,323.99	10,647.34
Changes in inventories	(782.60)	(129.70)	(33.98)	(41.61)	342.60
Other manufacturing & operating expenses	2,402.57	2,342.80	2,180.03	1,451.72	1,525.69
Employee benefit expenses	1,689.92	1,487.82	1,417.98	1,189.25	920.91
Finance costs	461.76	401.96	267.96	281.85	267.56
Depreciation & Amortisation cost	391.96	437.22	483.22	563.90	137.27
Other Expenses	1,863.13	2,045.76	1,870.86	1,567.80	1,375.96
<b>Total Expenses</b>	<b>27,138.13</b>	<b>19,710.42</b>	<b>18,264.89</b>	<b>18,336.89</b>	<b>15,217.32</b>
<b>Exceptional items</b>	-	-	-	-	-
<b>Net Profit / (Loss) before Tax</b>	<b>1,768.96</b>	<b>1,473.98</b>	<b>1,262.55</b>	<b>893.53</b>	<b>1,000.44</b>
Less: Provision for Tax					
a. Current tax	688.12	524.00	480.00	338.00	280.99
b. Deferred Tax (Assets) / Liability	(91.57)	88.84	(10.05)	2.99	35.77
c. MAT Credit entitlement	-	-	-	-	-
<b>Total</b>	<b>596.55</b>	<b>612.84</b>	<b>469.95</b>	<b>340.99</b>	<b>316.76</b>
<b>Net Profit / ( Loss ) for the period after tax but before extra ordinary items</b>	<b>1,172.41</b>	<b>861.14</b>	<b>792.60</b>	<b>552.54</b>	<b>683.68</b>
Extraordinary Items	-	-	-	-	-
<b>Net Profit / ( Loss ) for the period after tax and after extra ordinary items available for appropriation</b>	<b>1,172.41</b>	<b>861.14</b>	<b>792.60</b>	<b>552.54</b>	<b>683.68</b>
Less : Proposed Dividend	-	-	-	-	-
Dividend Distribution Tax	-	-	-	-	-
<b>Net Profit transferred to Reserves</b>	<b>1,172.41</b>	<b>861.14</b>	<b>792.60</b>	<b>552.54</b>	<b>683.68</b>



**STANDALONE CASHFLOW STATEMENT, AS RESTATED**

(₹ in Lakhs)

Particulars	Financial Year Ended				
	Mar-18	Mar-17	Mar-16	Mar-15	Mar-14
<b>Cash Flow From Operating Activities</b>					
<b>Net Profit Before Tax</b>	1,768.96	1,473.98	1,262.55	893.53	1,000.44
Adjustments for :					
Depreciation/Amortisation	391.96	437.22	483.22	563.90	137.27
Interest Received	(77.24)	(34.70)	(28.78)	(45.83)	(35.67)
Share from Partnership Fund	0.97	(32.68)	(31.03)	(25.45)	(23.30)
Unrealised Foreign Exchange (Gain)/ Loss	0.00	0.00	0.00	0.00	0.00
Interest Paid	461.76	401.96	267.96	281.85	267.56
Profit or Loss on sale of Assets	(0.09)	(0.88)	-	-	-
Adjustments for reserves	-	-	-	(34.00)	
Bad debts	59.77	10.52	13.17	107.24	183.29
Excess Liabilities written off	(3.27)	(1.76)	(3.55)	(2.18)	(15.15)
<b>Operating Profit Before Working Capital Adjustment</b>	<b>2602.82</b>	<b>2,253.67</b>	<b>1,963.53</b>	<b>1,739.05</b>	<b>1,514.43</b>
<b>Adjustment for Changes in Working Capital</b>					
Trade and other payable	8,001.43	1,623.86	(803.45)	1,254.75	678.42
Inventories	(1,119.92)	(1,002.27)	376.36	86.69	(70.19)
Trade and other Recievables	(6,898.43)	(1,959.18)	(869.99)	(2,151.27)	(574.86)
Short Term Loans & Advances	(1,632.25)	(174.73)	241.27	239.10	(774.62)
Other Current Assets	162.75	(13.43)	52.62	(217.72)	617.45
Short term provisions	121.07	201.09	(59.07)	51.61	(273.69)
Other Current Liabilities	1,699.93	514.27	(353.83)	161.46	70.77
long term provision	98.92	10.12	8.07	5.42	40.55
<b>Cash Flow Generated from Operations</b>	<b>3,036.32</b>	<b>1,453.39</b>	<b>555.52</b>	<b>1,169.09</b>	<b>1,228.26</b>
Income Tax and Fringe Benefit Tax Paid	688.12	524.00	480.00	338.00	280.99
<b>Net Cash flow from Operating activities (A)</b>	<b>2,348.20</b>	<b>929.39</b>	<b>75.52</b>	<b>831.09</b>	<b>947.27</b>
<b>Cash Flow From Investing Activities</b>					
(Purchase)/Sale of Fixed Assets	(189.05)	(866.86)	(827.31)	(817.63)	(195.55)
Other Non-Current Investments	1.20	-	(0.00)	5.00	10.00
Proceeds from transfer of Property Rights	-	-	-	-	-
Long term loans & advances	100.32	(10.27)	13.66	(12.45)	(16.33)
Capital Work In progress	-	-	-	-	-
Interest Received	77.24	34.70	28.78	45.83	35.67
<b>Net Cash Flow from Investing Activities ( B)</b>	<b>(10.29)</b>	<b>(842.43)</b>	<b>(784.86)</b>	<b>(779.25)</b>	<b>(166.20)</b>
<b>Cash Flow From Financing Activities</b>					
Proceeds from/ ( Repayment of ) long term Borrowing	(456.95)	(273.41)	79.73	(393.67)	151.51
Short term borrowings from banks	927.87	329.60	773.82	(144.20)	274.09
Proceeds from Share Capital (including Share Premium)	498.13	-	-	-	0.02
Interest Paid	(461.76)	(401.96)	(267.96)	(281.85)	(267.56)
<b>Net Cash Flow From Financing Activities (C)</b>	<b>507.29</b>	<b>(345.76)</b>	<b>585.58</b>	<b>(819.73)</b>	<b>158.06</b>
<b>Net Increase/ ( Decrease) in Cash and Cash Equivalents ( A + B + C )</b>	<b>2,845.20</b>	<b>(258.81)</b>	<b>(123.76)</b>	<b>(767.89)</b>	<b>939.12</b>
<b>Cash &amp; Cash equivalent at the beginning of the year</b>	<b>236.89</b>	<b>495.70</b>	<b>619.45</b>	<b>1,387.36</b>	<b>448.23</b>
<b>Cash &amp; Cash Equivalent at the end of the year</b>	<b>3,082.09</b>	<b>236.90</b>	<b>495.70</b>	<b>619.45</b>	<b>1,387.36</b>



## THE ISSUE

The following table summarizes the Issue details:

<b>Issue<sup>(1)</sup></b>	
<i>Consisting of:</i>	64,96,000 Equity Shares* aggregating ₹ 4,287.36 lakhs
<i>Of which:</i>	
Market Maker Reservation Portion	3,36,000 Equity Shares aggregating ₹ 221.76 lakhs
<i>Accordingly</i>	
The Net Issue	61,60,000 Equity Shares* aggregating ₹ 4,065.60 lakhs
<i>Of which:</i>	
<b>Available for allocation to Retail Individual Bidders<sup>(2)</sup></b>	30,80,000 Equity Shares* of ₹ 10 each for cash at a price of ₹ 66 per Equity Share aggregating up to ₹ 2,032.80 lakhs.
<b>Available for allocation to Non-Institutional Bidders<sup>(2)</sup></b>	30,80,000 Equity Shares* of ₹ 10 each for cash at a price of ₹ 66 per Equity Share aggregating up to ₹ 2,032.80 lakhs.
<b>Pre and Post – Issue Equity Shares</b>	
Equity Shares outstanding prior to the Issue	1,80,37,050 Equity Shares
Equity Shares outstanding after the Issue	2,45,33,050 Equity Shares*
<b>Use of proceeds of this Issue</b>	See the chapter titled “ <i>Objects of the Issue</i> ” on page 75 of this Prospectus.

\* subject to finalisation of basis of allotment

<sup>(1)</sup> This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. Further The present issue has been authorised by our Board vide resolution passed at its meeting held on August 03, 2018 and by special resolution passed pursuant to section 62(1)(c) of the Companies Act, 2013 at the Extra – Ordinary General Meeting of our shareholders on a shorter notice on August 04, 2018. For further details, please see the section titled “Issue Related Information” beginning on page no. 251 of this Prospectus.

<sup>(2)</sup> Allocation to all categories shall be made on a proportionate basis subject to valid Bids received at or above the Issue Price. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines. For further details, please refer to the chapter “Issue Procedure” on page 262 of this Prospectus.





## GENERAL INFORMATION

Our Company Marine Electricals (India) Limited was started in 1978 as a proprietorship by Mr. Krishnappa Uchil. M/s Marine Electricals, the proprietorship got acquired by partnership firm viz. “Marine Electricals” in the year May 24, 2004. Later, Our Partnership Firm was converted to a private Company as “Marine Electricals (India) Private Limited” on December 04, 2007 under the Companies Act, 1956 with the Registrar of Companies, Mumbai at Maharashtra bearing Registration No. 176443. The Status of our Company was changed to public limited Company and the name of our Company was changed to Marine Electricals (India) Limited consequent to conversion of Private Limited Company into Public Limited Company by a special resolution passed on July 25, 2018. A fresh Certificate of Incorporation consequent to the change of name was granted to our Company on August 01, 2018 by the RoC, Mumbai, Maharashtra, bearing CIN U31907MH2007PLC176443.

For further details, please refer to the chapter titled “*History and Certain Corporate Affairs*” beginning on page no. 120 of this Prospectus.

### Brief Company and Issue Information

<b>Registered Office</b>	<b>Address:</b> B/1, Udyog Sadan No.3, MIDC, Andheri (E), Mumbai – 400 093 <b>Tel No:</b> +91 22 4033 4300 / 2834 9132 <b>Fax No:</b> +91 22 2836 4045 <b>Email:</b> <a href="mailto:info@marineelectricals.com">info@marineelectricals.com</a> <b>Website:</b> <a href="http://www.marineelectricals.com">www.marineelectricals.com</a>
<b>Date of Incorporation</b>	December 04, 2007
<b>Company Registration No.</b>	176443
<b>Company Identification No.</b>	U31907MH2007PLC176443
<b>Address of Registrar of Companies</b>	Everest, 100, Marine Drive, Mumbai - 400 002 <b>Tel No.:</b> +91 22 2281 7259 / 2281 1493 <b>Fax No.:</b> +91 22 2281 2389
<b>Designated Stock Exchange</b>	SME Platform of NSE i.e. NSE EMERGE
<b>Company Secretary &amp; Compliance Officer</b>	<b>Address:</b> B/1, Udyog Sadan No.3, MIDC, Andheri (E), Mumbai – 400 093 <b>Tel No:</b> +91 22 4033 4300 / 2834 9132 <b>Fax No:</b> +91 22 2836 4045 <b>Email:</b> <a href="mailto:cs@marineelectricals.com">cs@marineelectricals.com</a> <b>Website:</b> <a href="http://www.marineelectricals.com">www.marineelectricals.com</a>

### Board of Directors of our Company

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

<b>Name</b>	<b>Designation</b>	<b>Director's Identification No.</b>
Mr. Venkatesh Krishnappa Uchil	Managing Director	01282671
Mr. Vinay Krishna Uchil	Chairman & Whole-time Director	01276871
Mrs. Tanuja Pudhierkar	Non Executive Non-Independent Director	08190742
Mr. Madan Pendse	Non Executive Independent Director	07650301
Mr. Nikunj Mishra	Non Executive Independent Director	03589730

For further details pertaining to the educational qualification and experience of our Directors, for details please refer to the chapter titled “*Our Management*” beginning on page no. 132 of this Prospectus.

*Note: Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre or post-issue related problems, such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account and unblocking of funds. All grievances relating to the Application process may be addressed to the Registrar to the Issue with*



a copy to the SCSBs, giving full details such as name, address of Bidder, Bid cum Application Form No, Number of Equity Shares applied for, amount blocked on application and designated branch or the collection centre of the SCSB/ Designated Intermediary, where the Application Form was submitted by the Bidders.

#### Details of Key Intermediaries pertaining to this Issue and Our Company

##### BOOK RUNNING LEAD MANAGER TO THE ISSUE



#### ARYAMAN FINANCIAL SERVICES LIMITED

60, Khatau Building, Ground Floor, Alkesh Dinesh Modi Marg  
Opp. P.J. Tower (BSE Building), Fort, Mumbai - 400 001

**Tel. No.:** +91 22 6216 6999

**Fax No.:** +91 22 2263 0434

**Website:** www.afsl.co.in

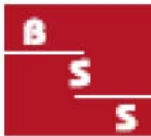
**Email:** ipo@afsl.co.in

**Investor Grievance Email:** feedback@afsl.co.in

**Contact Person:** Mr. Swapnil Ukirde / Ms. Bansari Gosalia

**SEBI Registration No.:** INM000011344

##### REGISTRAR TO THE ISSUE



#### BIGSHARE SERVICES PRIVATE LIMITED

1<sup>st</sup> 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

**Investor Grievance Email:** investor@bigshareonline.com

**Website:** www.bigshareonline.com

**Contact Person:** Babu Rapheal

**SEBI Registration No.:** INR000001385

##### LEGAL COUNSEL TO THE ISSUE



#### DESAI & DIWANJI

(Advocates and Solicitors)

Lentin Chambers, Dalal Street

Fort, Mumbai 400 001, India

**Telephone:** +91 22 3984 1000

**Facsimile:** +91 22 2265 8245

**Contact Person:** Mr. Saswat Mohanty

##### STATUTORY AUDITOR

#### M/S. S G J & Co., Chartered Accountants

D-207, Times Square, Near Marol Metro Station

Andheri Kurla Road, Andheri East, Mumbai - 400059

**Tel No.:** +91 22 2857 7990

**Email:** som.saini@sgjco.in

**Website:** www.sgjco.in

**Contact Person:** Mr. Som Saini

##### PEER REVIEW AUDITOR OF THE COMPANY



**M/s. V.N. Purohit & Co., Chartered Accountants**

214, New Delhi House, 2nd Floor, 27  
Barakhamba Road, New Delhi- 110 001  
**Tel No.:** +91- 11 - 4359 6011  
**Fax No.:** +91- 11 - 4359 6011  
**Email:** vnpdelhi@vnpaudit.com  
**Website:** www.vnpaudit.com  
**Contact Person:** Mr. O. P. Pareek

**BANKERS TO OUR COMPANY**



**AXIS Bank Limited**

Ellora Commercial Unit 1-4, Plot No. 27, Sector – 11, CBD  
Belapur, Navi Mumbai - 400005, Maharashtra  
**Tel No.:** +91-22-27560393  
**Email:** parag.kumbhare@axisbank.com  
**Website:** www.axisbank.com  
**Contact Person:** Mr. Parag Kumbhare



**ICICI Bank Limited**

SMEAG Department, 4<sup>th</sup> Floor, ICICI Venture House,  
Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400025  
**Tel No.:** +91-22-48825235  
**Email:** [nandan.roy@icicibank.com](mailto:nandan.roy@icicibank.com)  
**Website:** www.icicibank.com  
**Contact Person:** Mr. Nandan Roy



**State Bank of India**

**State Bank of India**

Overseas Branch, World Trade Centre, Cuffe Parade,  
Colaba, Mumbai – 400005  
**Tel No.:** +91-22-2217 9779  
**Email:** [raj.palei@sbi.co.in](mailto:raj.palei@sbi.co.in) / rm4.04791@sbi.co.in  
**Website:** www.sbi.co.in  
**Contact Person:** Mr. Raj Ballava Palei

**BANKERS TO THE ISSUE**



**Kotak Mahindra Bank Ltd.**

Kotak Infinity, 6th Floor, Building No. 21, Infinity Park  
Off Western Express Highway, General AK Vaidya Marg  
Malad East, Mumbai – 400 097  
**Tel No.:** 022-6605 6588  
**Fax No.:** 022-6713 2416  
**Email:** cmsipo@kotak.com  
**Website:** www.kotak.com  
**Contact Person:** Mr. Prashant Sawant

**SYNDICATE MEMBER**

**Aryaman Financial Services Limited**

60, Khatau Building, Gr. Floor  
Alkesh Dinesh Modi Marg, Opp. P J Tower (BSE Building)  
Fort, Mumbai – 400001  
**Tel No.:** +91-22-6216 6999

**Aryaman Capital Markets Limited**

60, Khatau Building, Gr. Floor  
Alkesh Dinesh Modi Marg, Opp. P J Tower (BSE Building)  
Fort, Mumbai – 400001  
**Tel No.:** +91-22-6216 6999



**Fax No.:** +91-22-2263 0434  
**Email:** [ipo@afsl.co.in](mailto:ipo@afsl.co.in)  
**Contact Person:** Mr. Deepak Biyani  
**SEBI Registration No.:** INM000011344

**Fax No.:** +91-22-2263 0434  
**Email:** [aryacapm@gmail.com](mailto: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 <http://www.sebi.gov.in>. For details on designated branches of SCSBs collecting the ASBA Application Forms, please see the above mentioned SEBI link.

#### **BROKERS TO THIS ISSUE**

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 Stock Exchange, at NSE Limited, as updated from time to time.

#### **REGISTRAR TO ISSUE AND SHARE TRANSFER AGENTS**

The list of the RTAs eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of Stock Exchange at National Stock Exchange Limited, as updated from time to time.

#### **COLLECTING DEPOSITORY PARTICIPANTS**

The list of the CDPs eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange at NSE Limited, as updated from time to time.

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

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

Aryaman Financial Services Limited is the sole Book Running Lead Manager to the Issue and all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by them.

#### **MONITORING AGENCY**

As per Regulation 16(1) of the SEBI (ICDR) Regulations, 2009 the requirement of Monitoring Agency is not mandatory if the fresh issue is below ₹ 10,000 lakhs and hence our Company has not appointed a monitoring agency for this issue.

Pursuant to Regulation 32(3) of the SEBI (LODR) Regulations, 2015, our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the Net Proceeds. Until such time as any part of the Net Proceeds remains unutilized, our Company will disclose the utilization of the Net Proceeds under separate heads in our Company's Balance Sheet, clearly specifying the amount of and purpose for which Net Proceeds have been utilized so far and details of amounts out of the Net Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Net Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds in a fiscal, we will utilize such unutilized amount in the next fiscal.

Further, in accordance with Regulation 32(1)(a) of the SEBI (LODR) Regulations, 2015, our Company shall furnish to the Stock Exchanges on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Net Proceeds for the objects stated in this Prospectus.



## **IPO GRADING**

No credit rating agency registered with SEBI has been appointed for grading the Issue.

## **DEBENTURE TRUSTEES**

As the Issue is of Equity Shares, the appointment of a debenture trustee 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**

As this is an Issue of Equity Shares, the requirement of credit rating is not applicable.

## **EXPERT OPINION**

Our Company has received written consent from Peer Review Auditor namely, M/s. V. N. Purohit & Co., Chartered Accountants to include its name as required under section 26(1)(a)(v) of the Companies Act, 2013 in this Prospectus and as “Expert” as defined under section 2(38) of the Companies Act, 2013 in respect of the reports on the Restated Financial Statements dated September 07, 2018 and the Statement of Tax Benefits dated September 07, 2018 issued by them, included in this Prospectus and such consents has not been withdrawn as on the date of this Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

## **BOOK BUILDING PROCESS**

Book Building Process, with reference to the Issue, refers to the process of collection of Bids on the basis of the Prospectus and the Bid cum Application Form. The Issue Price is ₹66 per Equity Share as determined by our Company in consultation with the BRLM after the Bid/Issue Closing Date. The principal parties involved in the Book Building Process are:

- Our Company;
- Book Running Lead Manager;
- Syndicate Member(s) who are intermediaries registered with SEBI or registered as brokers with any of the Stock Exchanges and eligible to act as Underwriters;
- SCSBs through whom ASBA Bidders would subscribe in this Issue;
- Registered Brokers;
- Registrar to the Issue; and
- Escrow Collection Banks

All Bidders, are mandatorily participate in the Issue only through the ASBA process. In accordance with the SEBI ICDR Regulations, QIBs and NIIs are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the price) at any stage. RIIs and Eligible Employees Bidding in the Employee Reservation Portion (if any) can revise their Bid(s) during the Bid/Issue Period and withdraw their Bid(s) until the Bid/ Issue Closing Date.

For further details, see “*Issue Structure*” and “*Issue Procedure*” on pages 256 and 258 respectively of this Prospectus. For an illustration of the Book Building Process and the price discovery process, see “*Issue Procedure – Part B – Basis of Allocation*” on page 289 of this Prospectus.

## **ISSUE PROGRAMME**

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



Event	Indicative Date
Bid / Issue Opening Date	September 28, 2018
Bid / Issue Closing Date	October 03, 2018
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or before October 08, 2018
Initiation of Allotment / Refunds / Unblocking of Funds	On or before October 09, 2018
Credit of Equity Shares to demat accounts of Allottees	On or before October 10, 2018
Commencement of trading of the Equity Shares on the Stock Exchange	On or before October 11, 2018

The above timetable is indicative and does not constitute any obligation on our Company or the BRLM. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within 6 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, 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.

Bids and any revision in Bids will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Bidding Period at the Bidding centers mentioned in the Bid-cum-Application Form or, in case of Bids submitted through ASBA, at the Designated Branches (a list of such branches is available at the website of the SEBI) or with the members of the Syndicate at the Specified Locations or with the Registered Brokers at the Broker Centers (a list of such Broker Centers is available at the websites of the Stock Exchanges), as the case may be. On the Bid/Issue Closing Date, Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until (i) 4.00 p.m. in case of Bids by Non-Institutional Bidders; and until (ii) 5.00 p.m. or such extended time as may be 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 BRLM to the Stock Exchanges. It is clarified that Bids not uploaded on the electronic bidding system would be rejected.

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. (Indian Standard Time) on the Bid/Issue Closing Date. Any time mentioned in the Red Herring Prospectus, unless specifically mentioned otherwise, is in Indian Standard Time. 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, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation in the Issue. If such Bids are not uploaded, our Company and the Syndicate shall not be responsible. Bids will be accepted only on working days, i.e., Monday to Friday (excluding any public holiday). None among our Company or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software / hardware system or otherwise.

On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders, after taking into account the total number of Bids received and reported by the BRLM to the Stock Exchanges within half an hour of such closure.

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 Exchanges 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 SCSB or the member of the Syndicate for rectified data.

**It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs would be rejected.**





## UNDERWRITING

Our Company has entered into an Underwriting Agreement dated August 29, 2018 (along with addendum dated October 05, 2018) with the Underwriters for the Equity Shares proposed to be offered through the Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLM shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfill their underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions, as specified therein. The Issue will be 100% underwritten. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

Details of the Underwriter	No. of Shares Underwritten	Amount Underwritten (₹ in lakhs)	% of the Total Issue Size Underwritten
Aryaman Financial Services Limited	61,60,000	4,065.60	94.83%
Aryaman Capital Markets Limited (Market Maker)	3,36,000	221.76	5.17%
<b>Total</b>	<b>64,96,000</b>	<b>4,287.36</b>	<b>100.00%</b>

In the opinion of our Board of Directors, the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The abovementioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s).

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above. Notwithstanding the above table, the BRLM and the Syndicate Member(s) shall be responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the underwriting agreement, will also be required to procure/subscribe to Equity Shares to the extent of the defaulted amount. If the Syndicate Member(s) fails to fulfill its underwriting obligations as set out in the Underwriting Agreement, the Book Running Lead Manager shall fulfill the underwriting obligations in accordance with the provisions of the Underwriting Agreement.

## WITHDRAWAL OF THE ISSUE

Our Company in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before the Board meeting for Allotment. In such an event our Company would issue a public notice in the newspapers, in which the pre-issue advertisements were published, within two days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Book Running Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange on which the Equity Shares were proposed to be listed. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Draft Red Herring Prospectus.

## MARKET MAKER

As per Regulation 106(P) of the SEBI ICDR Regulations, 2009, the BRLM will ensure compulsory Market Making in the manner specified by SEBI. Aryaman Capital Markets Limited has given its consent to act as Market Maker subject to the Market Making Agreement.

### **Aryaman Capital Markets Limited**

60, Khatau Building, Gr. Floor  
Alkesh Dinesh Modi Marg, Opp. P J Tower (BSE Building)  
Fort, Mumbai – 400001  
**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

**Market Maker Reg. No.:** SMEMM0651421122012

**Details of the Market Making Arrangement for this Issue.**

Our Company and the Book Running Lead Manager has entered into Market Making Agreement dated August 29, 2018 (along with addendum dated October 05, 2018) with Aryaman Capital Markets Limited, a Market Maker registered with EMERGE Platform of NSE in order to fulfil the obligations of Market Making.

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

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

1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
2. The minimum depth of the quote shall be ₹ 1,00,000. However, the investors with holdings of value less than ₹ 1,00,000 shall be allowed to issue their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
3. The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and EMERGE Platform of NSE from time to time.
4. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
5. There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
6. The shares of the Company will be traded in continuous trading session from the time and day the Company gets listed on EMERGE Platform of NSE and Market Maker will remain present as per the guidelines mentioned under NSE and SEBI circulars.
7. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems or any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
8. The Market Maker shall have the right to terminate said arrangement by giving a three months notice or on mutually acceptable terms to the Book Running Lead Manager, who shall then be responsible to appoint a replacement Market Maker.

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



9. **Risk containment measures and monitoring for Market Maker:** EMERGE Platform of NSE will have all margins which are applicable on the NSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.
10. **Punitive Action in case of default by Market Maker:** EMERGE Platform of NSE will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

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

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

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

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



## CAPITAL STRUCTURE

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

(₹ in lakhs, except share data)

Sr. No.	Particulars	Aggregate Value at Nominal Value	Aggregate Value at Issue Price
<b>A</b>	<b>Authorised Share Capital</b>		
	25,00,00,000 Equity Shares of face value of ₹ 10 each	2,500.00	-
<b>B</b>	<b>Issued, Subscribed and Paid-up Share Capital before the Issue</b>		
	1,80,37,050 Equity Shares of face value of ₹ 10 each	1803.71	-
<b>C</b>	<b>Present Issue in terms of this Prospectus</b>		
	Issue of 64,96,000 Equity Shares of ₹ 10 each at a price of ₹ 66 per Equity Share	649.60	4,287.36
	<i>Which comprises:</i>		
	3,36,000 Equity Shares of ₹ 10 each at a price of ₹ 66 per Equity Share reserved as Market Maker Portion	33.60	221.76
	Net Issue to Public of 61,60,000 Equity Shares of ₹ 10 each at a price of ₹ 66 per Equity Share to the Public	616.00	4,065.60
	<i>Of which:</i>		
	Available for allocation to Retail Individual Bidders - 30,80,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 66 per Equity Share aggregating up to ₹ 2,032.80 lakhs	308.00	2,032.80
	Available for allocation to Non-Institutional Bidders - 30,80,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 66 per Equity Share aggregating up to ₹ 2,032.80 lakhs	308.00	2,032.80
<b>D</b>	<b>Equity Share Capital after the Issue</b>		
	2,45,33,050 Equity Shares of ₹ 10 each		2,453.30
<b>E</b>	<b>Securities Premium Account</b>		
	Before the Issue (as on date of this Prospectus)		545.27
	After the Issue		4,183.03

<sup>(1)</sup> This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. Further The present issue has been authorised by our Board vide resolution passed at its meeting held on August 03, 2018 and by special resolution passed pursuant to section 62(1)(c) of the Companies Act, 2013 at the Extra – Ordinary General Meeting of our shareholders on a shorter notice on August 04, 2018. For further details, please see the section titled “Issue Related Information” beginning on page no. 251 of this Prospectus.

<sup>(2)</sup> The allocation in Retail Individual Bidders and Non – Institutional Bidders shall be determined by our Company in consultation with BRLM subject to the provisions of SEBI ICDR Regulations and shall be subject to spill-over of Equity Shares from other category in case of under-subscription in either category. For further details, please refer to the chapter “Issue Procedure” on page 258 of this Prospectus.

### Changes in Authorized Share Capital

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



1. The initial authorised share capital of ₹ 5,00,000 divided into 50,000 Equity Shares of ₹ 10 each was increased to ₹ 5,00,00,000 divided into 50,00,000 Equity Shares of ₹ 10 each, pursuant to resolution of shareholders passed at the Extra Ordinary General Meeting held on March 24, 2008.
2. The authorised share capital of ₹ 5,00,00,000 divided into 50,00,000 Equity Shares of ₹ 10 each was increased to ₹ 20,00,00,000 divided into 2,00,00,000 Equity Shares of ₹ 10 each, pursuant to resolution of shareholders passed at the Extra Ordinary General Meeting held on April 14, 2011.
3. The authorised share capital of ₹ 20,00,00,000 divided into 2,00,00,000 Equity Shares of ₹ 10 each was increased to ₹ 25,00,00,000 divided into 2,50,00,000 Equity Shares of ₹ 10 each, pursuant to resolution of shareholders passed at the Extra Ordinary General Meeting held on July 10, 2018.

## NOTES TO THE CAPITAL STRUCTURE

### 1. Share Capital History of our Company:

#### a. Equity Share Capital

Our Company has made allotments of Equity Shares from time to time. The following is the Equity Share Capital Build up of our Company:

Date of Allotment of Equity Shares	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature / Reason of Allotment	Nature of Consideration	Cumulative No. of Equity Shares	Cumulative Paid Up Share Capital (₹)
Upon Incorporation	50,000	10	10	Subscription to MoA	Allotment of shares to erstwhile partners on Part - IX conversion under the Companies Act, 1956 <sup>(1)</sup>	50,000	5,00,000
March 03, 2009	16,62,500	10	10	Further Allotment	Cash	17,12,500	1,71,25,000
March 15, 2010	2,10,000	10	10	Further Allotment	Cash	19,22,500	1,92,25,000
January 21, 2011	23,32,000	10	10	Further Allotment	Cash	42,54,500	4,25,45,000
March 05, 2011	40,000	10	10	Further Allotment	Cash	42,94,500	4,29,45,000
March 05, 2012	1,28,83,500	10	Nil	Bonus Allotment <sup>(2)</sup>	Cash	1,71,78,000	17,17,80,000
May 16, 2013	200	10	10	Further Allotment	Cash	1,71,78,200	1,71,78,20,000
September 09, 2017 <sup>(3)</sup>	8,58,850	10	58	Right Issue	Cash	1,80,37,050	18,03,70,500

<sup>(1)</sup> Our Company has issued 50,000 equity shares of ₹ 10/- each to partners of erstwhile partnership firm i.e. M/s Marine Electricals on conversion from partnership firm to private limited Company under Part-IX of the Companies Act, 1956 on December 04, 2007 against the fixed capital lying in Partnership firm as on the date of conversion. Further an amount of ₹ 1,33,02,499/- was transferred as Securities Premium in the books of the Company.

<sup>(2)</sup> Pursuant to Board Meeting held on March 05, 2012, our Company had issued 1,28,83,500 Bonus Shares in the ratio of 3:1 i.e. 3 equity share for every 1 equity shares held by the shareholders, by way of capitalization of free reserve of the Company.



<sup>(3)</sup> Pursuant to Board Resolution dated September 29, 2017 our Company has issued 8,58,850 Equity Shares in the form of right issue for ₹10/- each to Mr. Venkatesh Uchil and M/s. KDU Enterprises Private Limited.

b. Our Company has not issued any Equity Shares for consideration other than cash except for the Equity Shares as mentioned under:-

Date of Allotment	No. of Equity Shares	FV (₹)	Issue Price (₹)	Allotted Person	Benefits Accrued to Company
Upon Incorporation	50,000	10	10	Allotment of shares to erstwhile partners on Part-IX conversion under the Companies Act, 1956 <sup>(1)</sup>	Conversion of Partnership Firm
March 05, 2012	1,28,83,500	10	Nil	Bonus Allotment- Allotted to all Equity Shareholders of the Company <sup>(1)</sup>	Expansion of Capital

<sup>(1)</sup> Our Company has issued 50,000 equity shares of ₹ 10/- each to partners of erstwhile partnership firm i.e. M/s Marine Electricals on conversion from partnership firm to private limited Company under Part-IX of the Companies Act, 1956 on December 04, 2007 against the fixed capital lying in Partnership firm as on the date of conversion. Further an amount of ₹ 1,33,02,499/- was transferred as Securities Premium in the books of the Company.

<sup>(1)</sup> Pursuant to Board Meeting held on March 05, 2012, our Company had issued 1,28,83,500 Bonus Shares in the ratio of 3:1 i.e. 3 equity share for every 1 equity shares held by the shareholders, by way of capitalization of free reserve of the Company.

c. No shares have been allotted in terms of any scheme approved under sections 391-394 of the Companies Act, 1956 and/ or sections 230-233 of the Companies Act, 2013.

d. No bonus shares have been issued out of Revaluation Reserves.

e. No shares have been issued below the Issue Price within the last one year from the date of this Prospectus.



**f. Shareholding of our Promoters**

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

Date of Allotment / Transfer	Nature of Transaction	Consideration	No. Shares	F. V. (□)	Issue/ Transfer Price (□)	Cumulative no. of Shares	% of Pre-Issue Paid Up Capital	% of Post-Issue Paid Up Capital	Lock-In Period
<b>Mr. Venkatesh Uchil</b>									
Upon Incorporation <sup>(1)</sup>	Subscription to MOA	N. A.	24,875	10	10	24,875	0.13%	0.10%	1 Year
March 03, 2009	Allotment	Cash	8,50,000	10	10	8,74,875	4.71%	3.46%	1 Year
June 20, 2009	Transmission	N. A.	7,67,375	10	N. A.	16,42,250	9.10%	6.69%	N. A.
June 20, 2009	Transfer	Cash	(7,67,375)	10	10	8,74,875	4.71%	3.46%	N. A.
March 15, 2010	Allotment	Cash	1	10	10	10,24,876	0.83%	0.61%	N. A.
			1,50,000						1 Year
March 23, 2010	Transfer	Cash	(1)	10	10	10,24,875	Negligible	Negligible	
January 21, 2011	Allotment	Cash	2,10,000	10	10	12,34,875	1.16%	0.86%	1 Year
March 05, 2011	Allotment	Cash	40,000	10	10	12,74,875	0.22%	0.16%	1 Year
March 05, 2012 <sup>(2)</sup>	Bonus Allotment	N. A.	38,24,625	10	Nil	50,99,500	21.20%	15.59%	1 Year
September 09, 2017 <sup>(3)</sup>	Right Issue	Cash	2,54,975	10	58	53,54,475	1.41%	1.04%	1 Year
<b>KDU Enterprises Private Limited</b>									
March 03, 2009	Allotment	Cash	70,000	10	10	70,000	0.38%	0.29%	3 Years
June 20, 2009	Transfer	Cash	7,67,375	10	10	8,37,375	4.25%	3.13%	3 Years
March 15, 2010	Allotment	Cash	59,999	10	10	8,97,374	0.33%	0.24%	3 Years
March 23, 2010	Transfer	Cash	1	10	10	8,97,375	Negligible	Negligible	3 Years
January 21, 2011	Allotment	Cash	21,22,000	10	10	30,19,375	11.76%	8.65%	3 Years
March 05, 2012 <sup>(2)</sup>	Bonus Allotment	N. A.	19,16,625	10	Nil	1,20,77,500	50.21%	36.92%	3 Years
			71,41,500						1 Year
September 09, 2017 <sup>(3)</sup>	Right Issue	Cash	6,03,875	10	58	1,26,81,375	3.34%	2.46%	1 Year
<b>Mr. Vinay Uchil</b>									
Upon Incorporation <sup>(1)</sup>	Subscription to MOA	N. A.	50	10	10	50	Negligible	Negligible	1 Year
March 05, 2012 <sup>(2)</sup>	Bonus Allotment	N. A.	150	10	Nil	200	Negligible	Negligible	1 Year

<sup>(1)</sup> Our Company has issued 50,000 equity shares of A 10/- each to partners of erstwhile partnership firm i.e. M/s Marine Electricals on conversion from partnership firm to private limited Company under Part-IX of the Companies Act, 1956 on December 04, 2007 against the fixed capital lying in Partnership firm as on the date of conversion.



<sup>(2)</sup> Pursuant to Board Meeting held on March 05, 2012, our Company had issued 1,28,83,500 Bonus Shares in the ratio of 3:1 i.e. 3 equity share for every 1 equity shares held by the shareholders, by way of capitalization of free reserve of the Company.

<sup>(3)</sup> Pursuant to Board Resolution dated September 29, 2017 our Company has issued 8,58,850 Equity Shares in the form of right issue for ₹ 58/- each to Mr. Venkatesh Uchil and M/s. KDU Enterprises Private Limited.

**Notes:**

- None of the shares belonging to our Promoters have been pledged till date.
  - All the shares held by our Promoters were fully paid-up on the respective dates of acquisition of such shares.
  - The entire Promoters' shares shall be subject to lock-in from the date of allotment of Equity Shares (issued through this Prospectus for periods as per applicable Regulations of the SEBI (ICDR) Regulations. For details please see "Notes to Capital Structure" on page no. 66 of this Prospectus.
  - Our Promoters has confirmed to the Company and the Book Running Lead Manager that the Equity Shares held by our Promoters has been financed from his personal funds and no loans or financial assistance from any bank or financial institution has been availed for this purpose.
- g. None of the members of the Promoter, Promoter Group, Directors and their immediate relatives have entered into any transactions in the Equity shares of our Company within the last six months from the date of the Draft Red Herring Prospectus.
- h. None of the members of the Promoter Group, Directors and their immediate relatives have financed the purchase by any other person of Equity shares of our Company other than in the normal course of business of the financing entity within the period of six months immediately preceding the date of the Draft Red Herring Prospectus.

**2. Promoters' Contribution and other Lock-In details:**

**a) Details of Promoters' Contribution locked-in for 3 years**

Pursuant to the Regulation 32(1) and 36(a) of the SEBI (ICDR) Regulations, an aggregate of 20% of the Post-Issue Equity Share Capital held by our Promoters shall be considered as promoters' contribution ("**Promoters' Contribution**") and locked-in for a period of three years from the date of Allotment. The lock-in of the Promoters' Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

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

<b>Name of the Promoter</b>	<b>No. of Equity Shares locked in<sup>(1)</sup></b>	<b>As a % of Post Issue Capital</b>
KDU Enterprises Private Limited	49,36,000	20.12%
<b>Total</b>	<b>49,36,000</b>	<b>20.12%</b>

<sup>(1)</sup> 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 see "Notes to Capital Structure" on page no. 66 of this Prospectus.

We confirm that in compliance with regulation 33 of SEBI ICDR Regulations, 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 by the Promoter during the preceding one year, at a price lower than the price at which Equity Shares are being issued to public in the Issue.
- Private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.
- The Equity Shares held by the Promoters and offered for minimum 20% Promoters' Contribution are not subject to any pledge.
- Equity Shares for which specific written consent has not been obtained from the shareholders for inclusion of their subscription in the minimum Promoters' Contribution subject to lock-in.

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

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

b) *Details of Shares locked-in for one year*

1. Pursuant to Regulation 37 of the SEBI (ICDR) Regulations, in addition to the Promoters' Contribution to be locked-in for a period of 3 years, as specified above, the entire Pre-Issue issue Equity Share capital will be locked in for a period of one (1) year from the date of Allotment in this Issue.
2. Pursuant to Regulation 39 of the SEBI Regulations, the Equity Shares held by our Promoters can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions for the purpose of financing one or more of the objects of the issue and the pledge of shares is one of the terms of sanction of such loan. However, as on date of this Prospectus, none of the Equity Shares held by our Promoters have been pledged to any person, including banks and financial institutions.
3. Pursuant to Regulation 40 of the SEBI (ICDR) Regulations, Equity Shares held by our Promoters, which are locked in as per Regulation 36 of the SEBI (ICDR) Regulations, may be transferred to and amongst our Promoters/ Promoter Group or to a new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.
4. Pursuant to Regulation 40 of the SEBI (ICDR) Regulations, Equity Shares held by shareholders other than our Promoters, which are locked-in as per Regulation 37 of the SEBI (ICDR) Regulations, may be transferred to any other person holding shares, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.

3. **Pre Issue and Post Issue Shareholding of our Promoters and Promoter Group in our Company**

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

Category of Promoters	Pre Issue		Post Issue	
	No. of Shares	%	No. of Shares	%
<b>1. Promoters</b>				
Mr. Venkatesh Krishinappa Uchil	53,54,475	29.69%	53,54,475	21.83%
KDU Enterprises Private Limited	1,26,81,375	70.31%	1,26,81,375	51.69%
Mr. Vinay Krishnappa Uchil	200	Negligible	200	Negligible



Category of Promoters	Pre Issue		Post Issue	
	No. of Shares	%	No. of Shares	%
<b>2. Promoters Group (as defined by SEBI (ICDR Regulations))</b>	-	-	-	-
Mrs. Tanuja Deepak Pudhierkar	200	Negligible	200	Negligible
<b>Total Promoters &amp; Promoter Group Holding</b>	<b>1,80,36,250</b>	<b>99.99%</b>	<b>1,80,36,250</b>	<b>73.52%</b>

4. The top ten shareholders of our Company and their Shareholding is as set forth below:

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

Sr. No.	Particulars	No. of Shares	% of Shares to Pre – Issue Share Capital
1.	KDU Enterprises Private Limited	1,26,81,375	70.307%
2.	Mr. Venkatesh Krishinappa Uchil	53,54,475	29.686%
3.	Mr. Vinay Krishnappa Uchil	200	Negligible
4.	Mrs. Tanuja Deepak Pudhierkar	200	Negligible
5.	Mr. Vilas Mahadeo Kulkarni	200	Negligible
6.	Mr. Kalpesh Sashikant Mehta	200	Negligible
7.	Mr. Bhalchandra Sitaram Bhalerao <sup>(1)</sup>	200	Negligible
8.	Ms. Veena Rao	200	Negligible
<b>Total</b>		<b>1,80,37,050</b>	<b>100.00%</b>

<sup>(1)</sup> Mr. Bhalchandra Sitaram Bhalerao expired on September 03, 2018 and his shares are in the process of transmission.

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

Sr. No.	Particulars	No. of Shares	% of Shares to Pre – Issue Share Capital
1.	KDU Enterprises Private Limited	1,26,81,375	70.307%
2.	Mr. Venkatesh Krishinappa Uchil	53,54,475	29.686%
3.	Mr. Vinay Krishnappa Uchil	200	Negligible
4.	Mrs. Tanuja Deepak Pudhierkar	200	Negligible
5.	Mr. Vilas Mahadeo Kulkarni	200	Negligible
6.	Mr. Kalpesh Sashikant Mehta	200	Negligible
7.	Mr. Bhalchandra Sitaram Bhalerao <sup>(1)</sup>	200	Negligible
8.	Ms. Veena Rao	200	Negligible
<b>Total</b>		<b>1,80,37,050</b>	<b>100.00%</b>

<sup>(1)</sup> Mr. Bhalchandra Sitaram Bhalerao expired on September 03, 2018 and his shares are in the process of transmission.

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

Sr. No.	Particulars	No. of Shares	% of Shares then Share Capital
1.	KDU Enterprises Private Limited	1,20,77,500	70.307%
2.	Mr. Venkatesh Krishinappa Uchil	50,99,500	29.686%
3.	Mr. Vinay Krishnappa Uchil	200	Negligible
4.	Mrs. Tanuja Deepak Pudhierkar	200	Negligible
5.	Mr. Vilas Mahadeo Kulkarni	200	Negligible
6.	Mr. Kalpesh Sashikant Mehta	200	Negligible
7.	Mr. Bhalchandra Sitaram Bhalerao	200	Negligible
8.	Ms. Veena Rao	200	Negligible
<b>Total</b>		<b>1,71,78,200</b>	<b>100.00%</b>



5. Neither the Company, nor its Promoters, 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.
6. There are no safety net arrangements for this public issue.
7. None of our Directors or Key Managerial Personnel holds Equity Shares in the Company, except as stated in the chapter titled "*Our Management*" beginning on page no. 132 of this Prospectus.
8. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed under "*Basis of Allotment*" in the chapter titled "*Issue Procedure*" beginning on page no. 258 of this Prospectus. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 43 (4) of SEBI (ICDR) Regulations, as amended from time to time.
9. An investor cannot make an application for more than the number of Equity Shares issued in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
10. An over-subscription to the extent of 7% of the Issue can be retained for the purpose of rounding off to the nearest multiple of minimum allotment lot, while finalising the Basis of Allotment. Consequently, the actual Allotment may go up by a maximum of 7% 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 our Promoters and subject to lock-in shall be suitably increased; so as to ensure that a minimum of 20% of the post Issue paid-up capital is locked in.
11. Under-subscription in the net issue, if any, in any category, would be allowed to be met spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and the Emerge Platform of National Stock Exchange of India Limited.
12. No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoters to the persons who receive allotments, if any, in this Issue.
13. As on date of this Prospectus, the entire issued share capital of our Company is fully paid-up. The Equity Shares issued through this Public Issue will be fully paid up.
14. As on date of this Prospectus, there are no outstanding financial instruments or any other rights that would entitle the existing Promoters or shareholders or any other person any option to receive Equity Shares after the Issue.
15. There shall be only one denomination of Equity Shares of our Company unless otherwise permitted by law. Our Company shall comply with disclosure and accounting norms as may be specified by SEBI from time to time.
16. Since the entire application money is being called on application, all successful Bidders, shall be issued fully paid up shares only. Also, as on the date of this Prospectus the entire pre-issue share capital of the Company has been made fully paid up.
17. Except as disclosed in the Draft Red Herring Prospectus, our Company presently does not have any intention or proposal to alter its capital structure for a period of six months commencing from the date of opening of this Issue, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares or securities convertible into Equity Shares, whether on a preferential basis or issue of bonuses or rights or further public issue of specified securities or Qualified Institutional Placement.
18. We have not issued any Equity Shares out of revaluation reserves. We have not issued any Equity Shares for consideration other than cash except as stated in this Prospectus.



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19. As on date of this Prospectus, there are no outstanding ESOP's, warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares, nor has the Company ever allotted any equity shares pursuant to conversion of ESOP's till date.
  20. Our Company shall ensure that transactions in the Equity Shares by our Promoters and our Promoter Group between the date of this Prospectus and the Bid/ Issue Closing Date shall be reported to the Stock Exchange within 24 hours of such transaction.
  21. The Book Running Lead Manager and its associates do not directly or indirectly hold any shares of the Company.
  22. Our Company has eight (8) shareholders, as on the date of this Prospectus.
  23. Our Company has not made any public issue (including any right issue to the public) since its incorporation.
  24. Our Promoters and the members of our Promoter Group will not participate in this Public Issue.



## 25. Shareholding Pattern of the Company

The following is the shareholding pattern of the Company as on the date 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	4	1,80,36,250	-	-	1,80,36,250	99.99%	1,80,36,250	-	1,80,36,250	99.99%	-	99.99%	-	-	-	-	1,80,36,250
(B)	Public	4	800	-	-	800	0.001%	800	-	800	0.001%	-	0.001%	-	-	-	-	-
(C)	Non Promoter Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares Underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>8</b>	<b>1,80,37,050</b>	<b>-</b>	<b>-</b>	<b>1,80,37,050</b>	<b>100.00%</b>	<b>1,80,37,050</b>	<b>-</b>	<b>1,80,37,050</b>	<b>100.00%</b>	<b>-</b>	<b>100.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,80,36,250</b>

## 26. Public Shareholders holding more than 1% of the pre-issue paid-up capital of our Company

Sr. No.	Particulars	No. of Shares	% of Shares Pre-Issue Share Capital
1	Nil	Nil	Nil



## SECTION IV – PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

The objectives of the issue is to raise funds for:

- (a) Working Capital Requirements and;
- (b) General Corporate Purposes

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

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 our Company through the Present Issue.

### Issue Proceeds

Particulars	(₹ in lakhs)
Gross Proceeds from the Issue	4,287.36
Less: Issue Expenses	200.00
<b>Net Proceeds from the Issue</b>	<b>4,087.36</b>

### Requirement of Funds and utilization of Issue proceeds

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 utilize the Net Proceeds of the Issue ("Net Proceeds") of ₹ 4,087.36 lakhs for financing the objects as set forth below:

Sr. No.	Particulars	(₹ in lakhs)
1.	Working Capital Requirements	3,200.00
2.	General Corporate Purposes	887.36
<b>Total</b>		<b>4,087.36</b>

The above utilization of funds is expected to complete in FY 2018-19.

### Means of Finance

The entire fund requirements are to be financed from the Net 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.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue.

If surplus funds are unavailable or in case of cost overruns, we expect that the shortfall will be met from internal accruals and/or entering into funding arrangements as required. Any variation in the objects of the Issue shall be undertaken in accordance with the terms of the Companies Act and the rules framed thereunder.

In case of delays in raising funds from the Issue, our Company may deploy certain amounts towards any of the above mentioned Objects through a combination of Internal Accruals or Unsecured / Bridge Loans and in such case the Funds raised shall be utilized towards recouping of Internal Accruals. However, we confirm that except as mentioned below no unsecured / bridge financing has been availed as on date for the above mentioned objects, which is subject to being repaid from the Issue Proceeds.

The fund requirement and deployment is based on internal management estimates and have not been appraised by any bank or financial institution. Our management, in response to the competitive and dynamic nature of the industry, will



have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may also change. This may, subject to compliance with applicable laws and regulations, also include rescheduling the proposed utilization of Issue Proceeds and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Issue Proceeds.

For further details on the risks involved in our proposed fund utilization as well as executing our business strategies, please see “*Risk Factors*” beginning on page no. 17 of this Prospectus.

## Details of Fund Requirements

### 1) Working Capital Requirements

Our Company is a growing Integrated Electrical and Automation Solution Provider dealing in comprehensive electrical solution across industries with significant presence in Marine sector (Indian Navy, Commercial Shipbuilding) and Non Marine sector (Data Centre, Building Management Systems, Industrial etc).

Our business is working capital intensive and we fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals, share capital and financing from banks by way of working capital facilities. Accordingly, we have proposed to use ₹ 3,200 lakhs out of the issue proceeds to meet the increase in working capital requirements.

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

Our Company’s existing working capital requirement and funding on the basis of our Restated Standalone Financial Statements as of March 31, 2018 are as set out in the table below:

(₹ in lakhs)

Particulars	Holding Levels (days)	Fiscal 2017	Holding Levels (days)	Fiscal 2018	Holding Levels (days)	Fiscal 2019
<b>Current Assets</b>						
Inventories	37	1,545.13	42	2,665.05	35	2,841.00
Debtors	134	7,787.39	183	14,626.05	117	11,650.00
Short Term Loans and Advances & Other Current Assets		935.77		2,405.77		3,332.49
<b>Total Current Assets (A)</b>		<b>10,268.79</b>		<b>19,696.87</b>		<b>17,823.49</b>
<b>Less: Current Liabilities</b>						
Trade Payables	126	4,546.34	217	12,544.49	104	7,653.83
Other Current Liabilities (Including Provisions)		2,409.45		4,192.17		2,501.49
<b>Total Current Liabilities (B)</b>		<b>6,955.79</b>		<b>16,736.66</b>		<b>10,155.32</b>
<b>Working Capital Gap (A-B)</b>		<b>3,313.00</b>		<b>2,960.21</b>		<b>7,668.17</b>
<b>Funded By:</b>						
Bank Borrowings		<b>1,977.22</b>		<b>2,905.54</b>		<b>2,900.00</b>
Owned Funds and Internal Accruals		1,335.78		54.67		1,568.17
IPO Funding		-		-		3,200.00

### Justification for holding period levels

Particulars	Details
<b>Current Assets</b>	
Inventories	Inventories days are computed from the historic Restated Standalone Statements and are adjusted for future expected. We are expecting reduction through better inventory management and automation of our systems Hence, we estimated decrease in projected Inventories days as 35 days of Cost of goods sold for the Financial Year 2019





Particulars	Details
Trade Receivables	Trade Receivables days are computed as a function of revenue from operations from the Restated Financial Statements and are adjusted for future estimates. Our Company has estimated the holding level for Trade Receivable as 117 days of revenue from operations for the Financial Year 2018-19, considering normal credit period.
<b>Current Liabilities</b>	
Trade Payables	Trade Payables are computed from the historic Restated Standalone Statements and are adjusted for future expected. We propose to reduce credit period asked from our suppliers by using the available Net Proceeds of the Issue and hence the trade payables estimated holding period is projected as 104 days of cost of goods sold for the Financial Year 2018-19. Through reducing the trade payables days, our Company will be in a better position to negotiate the prices with the vendors.

### General Corporate Purposes

We propose to deploy ₹ 887.66 lakhs, aggregating to 21.72% of the Net Proceeds of the 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 general expenses of the Company 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 this Issue.

### ISSUE RELATED EXPENSES

The total estimated Issue Expenses is ₹ 200.00 lakhs, which is 4.66% of the total Issue Size. The details of the Issue Expenses are tabulated below:

Item	Estimated expenses (₹ in lakhs)	As a % of the estimated Issue expenses	As a % of the total Issue size
Fees payable to the BRLM & Registrar to the Issue, etc.	50.00	25.00	1.17
Brokerage and selling commission for Registered Brokers, RTAs and CDPs, Commission/ processing fee for SCSBs	5.00	2.50	0.12
Advertisement, Printing & Stationery, Marketing Expenses, etc.	135.00	67.50	3.15
Listing Fees, Market Making, Market Regulatory & Other Expenses	10.00	5.00	0.23
<b>Total Estimated Issue Expenses</b>	<b>200.00</b>	<b>100.00</b>	<b>4.66</b>

- 1) *Selling commission payable to the SCSBs and to the members of the Syndicate (including their sub-Syndicate members) on the portion for Retail Individual Bidders and Non-Institutional Bidders, which are directly procured by them would be as follows:*

<i>Portion for Retail Individual Bidders<sup>#</sup></i>	<i>0.01% of the Amount Allotted (plus GST)</i>
<i>Portion for Non-Institutional Bidders<sup>#</sup></i>	<i>0.01% of the Amount Allotted (plus GST)</i>

*# 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 and to the members of the Syndicate (including their sub-Syndicate members) on the Bid cum Application Forms directly procured by them. The selling commission payable to them will be determined on the basis of the bidding terminal ID as captured in the Bid book of NSE.*

- 2) *Syndicate Members (including their sub-Syndicate members), Registered Brokers, RTAs and CDPs will be entitled to a commission of ₹ 10 (plus applicable GST) per valid Bid cum Application Form directly procured by them from Retail Individual Investors and Non-Institutional Bidders and submitted to the SCSBs for processing. The*



commission payable to them will be determined on the basis of the bidding terminal id as captured in the Bid Book of NSE.

- 3) Further SCSBs will be entitled to a processing fee of ₹ 10 (plus applicable GST), per valid ASBA Form, subject to total ASBA processing fees being maximum of ₹ 1 lakh (plus applicable GST), for processing ASBA Forms procured by Members of the Syndicate (including their sub-Syndicate members), Registered Brokers, RTAs or CDPs for Retail Individual Bidders and Non-Institutional Bidders and submitted to the SCSBs for blocking of funds in the ASBA Accounts. In case the total ASBA processing charges payable to SCSBs exceeds ₹ 1 lakh, the amount payable to SCSBs would be proportionately distributed based on the number of valid applications such that the total ASBA processing charges payable does not exceed ₹ 1 lakh.
- 4) 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 of the Issue and deployment of Issue funds 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 Issue Proceeds.

### **Year wise Deployment of Funds / Schedule of Implementation**

As on the date of this Prospectus, no funds have been deployed on these objects. The entire Issue size is proposed to be deployed in the Financial Year 2018 – 19.

### **Monitoring of Utilization of Funds**

There is no requirement for a monitoring agency as the Fresh Issue size is less than ₹ 10,000 lakhs. Pursuant to Regulation 32(3) of the SEBI (LODR) Regulations, 2015, our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the Net Fresh Issue Proceeds. Until such time as any part of the Net Proceeds remains unutilized, our Company will disclose the utilization of the Net Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Net Proceeds have been utilized so far, and details of amounts out of the Net Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Net Proceeds.

In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds in a fiscal, we will utilize such unutilized amount in the next fiscal. Further, in accordance with Regulation 32(1)(a) of the SEBI (LODR) Regulations, 2015, our Company shall furnish to the Stock Exchanges on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Net Proceeds for the objects stated in this Prospectus.

### **Interim Use of Funds**

Pending utilization of the Issue Proceeds for the purposes described above, our Company will deposit the Issue Proceeds with scheduled commercial banks included in schedule II of the RBI Act. Our Company confirms that it shall not use the Issue 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.



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**Other Confirmations**

No part of the Issue Proceeds will be paid by our Company as consideration to our Promoter, Promoter Group, 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 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 ₹ 66 per Equity Share and is 6.6 times of the face value. Investors should read the following basis with the sections titled “Risk Factors” and “Financial Information” and the chapter titled “Our Business” beginning on page nos.17, 164 and 98 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:

- Specialized Business Model with High Entry Barriers
- Promoter with sound technical background
- In-house Engineering Capabilities
- Client Ownership/ Strong Track Record
- Well Strategized Growth Plan

For further details regarding some of the qualitative factors, which form the basis for computing the Issue Price, please see “Our Business – Our Strengths” on page no. 98 of this Prospectus.

### Quantitative Factors

Information presented in this chapter is derived from our Restated Financial Statements prepared in accordance with Indian GAAP. Investors should evaluate our Company taking into consideration its earnings and based on its growth strategy.

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

#### 1) Earnings per Share (EPS)

Year ended March 31,	Basic & Diluted	
	EPS (in ₹) <sup>(1)</sup>	Weight
2018	8.67	3
2017	5.95	2
2016	5.36	1
<b>Weighted Average</b>		<b>7.21</b>

<sup>(1)</sup> Based on Consolidated Restated Financials of our Company

Year ended March 31,	Basic & Diluted	
	EPS (in ₹) <sup>(1)</sup>	Weight
2018	6.66	3
2017	5.01	2
2016	4.61	1
<b>Weighted Average</b>		<b>5.77</b>

<sup>(1)</sup> Based on Standalone Restated Financials of our Company

#### 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.

**2) Price Earnings Ratio (P/E) in relation to the Issue price of ₹ 66 per share of ₹ 10 each**

Particulars	Consolidated Restated Financials	Standalone Restated Financials
P/E ratio based on Basic & Diluted EPS as at March 31, 2018	7.61	9.91
P/E ratio based on Weighted Average EPS	9.15	11.44

Industry P/E <sup>(1)</sup>	
Highest – V-Guard Industries Limited	63.4
Lowest – RTS Power Corporation Limited	5.9
Industry Average	40.5

<sup>(1)</sup> Source: Capital Market, Vol. XXXIII/14, August 27-September 09, 2018; Segment – Electric Equipment

**3) Return on Net worth (RoNW)**

**Consolidated**

Year ended March 31,	RoNW (%)	Weight
2018	16.24	3
2017	13.66	2
2016	14.52	1
<b>Weighted Average</b>		<b>15.09</b>

**Standalone**

Year ended March 31,	RoNW (%)	Weight
2018	15.53	3
2017	14.65	2
2016	15.80	1
<b>Weighted Average</b>		<b>15.28</b>

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

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

**4) Minimum Return on Net Worth (RoNW) after Issue needed to maintain the Pre-Issue Basic & Diluted EPS (based on Restated Consolidated Financial) is 15.53% and pre-issue basic & Diluted EPS (based on Restated Standalone Financials) is 13.80%**

**Note:**

Net worth is the sum of the share capital, the reserves and the surplus less miscellaneous expenditure not written off.



## 5) Net Asset Value (NAV)

Financial Year	Consolidated NAV (in ₹)	Standalone NAV (in ₹)
NAV as at March 31, 2018	52.14	41.86
Post Issue NAV	55.81	48.25
Issue Price (₹)		66.00

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

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

## 6) Comparison with Industry Peers

Particulars	Face Value (₹)	Basic EPS (₹)	P/E Ratio	RONW (%)	NAV (₹)
ABB India Limited <sup>(1)</sup>	2.00	19.82	70.61	11.64	170.21
Schneider Electric Infrastructure Limited	2.00	(2.72)	N.A.	(123.10%)	2.20
Siemens Limited <sup>(2)</sup>	2.00	31.83	37.68	14.81	215.83
Source: Company Annual Report					
Marine Electricals (India) Limited	10.00	6.66	9.91	15.53%	41.86

<sup>(1)</sup> All calculation for ABB India Limited are based on the financials for the year ending December 31, 2017

<sup>(2)</sup> All calculation for Siemens Limited are based on the financials for the year ending September 30, 2017

All peer Comparisons are for Financials on Standalone basis

7) The Company in consultation with the Book Running Lead Manager believes that the Issue price of ₹ 66 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 6.6 times of the face value i.e. ₹ 66 per share.



## STATEMENT OF SPECIAL TAX BENEFITS

To,

The Board of Directors

**MARINE ELECTRICALS (INDIA) LIMITED**

Unit No. B-1, Udyog Sadan No. 3, MIDC

Marol Industrial Area, Andheri East, Mumbai - 400093

Dear Sirs,

**Sub: Statement of Possible Special Tax Benefits available to Marine Electricals (India) Limited and its shareholders prepared in accordance with the requirements under Schedule VIII – Clause (VII) (L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended (the ‘Regulations’).**

We hereby report that the enclosed annexure prepared by Marine Electricals (India) Limited, states the possible special tax benefits available to Marine Electrical (India) Limited (‘the Company’) and the shareholders of the Company under the Income Tax Act, 1961 (‘Act’), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company may or may not choose to fulfil.

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

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

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

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

Our views are based on facts and assumptions indicated to us and the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retrospective, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its Issue, which may have a material effect on the discussions herein.

This report including enclosed annexure are intended solely for your information and for the inclusion in the Red Herring Prospectus/ Prospectus or any other Issue related material in connection with the proposed initial public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For M/s. V. N. Purohit & Co.,**

Chartered Accountants

(Firm Registration No. 304040E)

**O. P. Pareek**

**Partner**

Membership No: 014238

Place: Mumbai

Date: September 07, 2018





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

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

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

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

NIL

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

NIL

#### **Note:**

1. All the above statements are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
3. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue.
4. 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

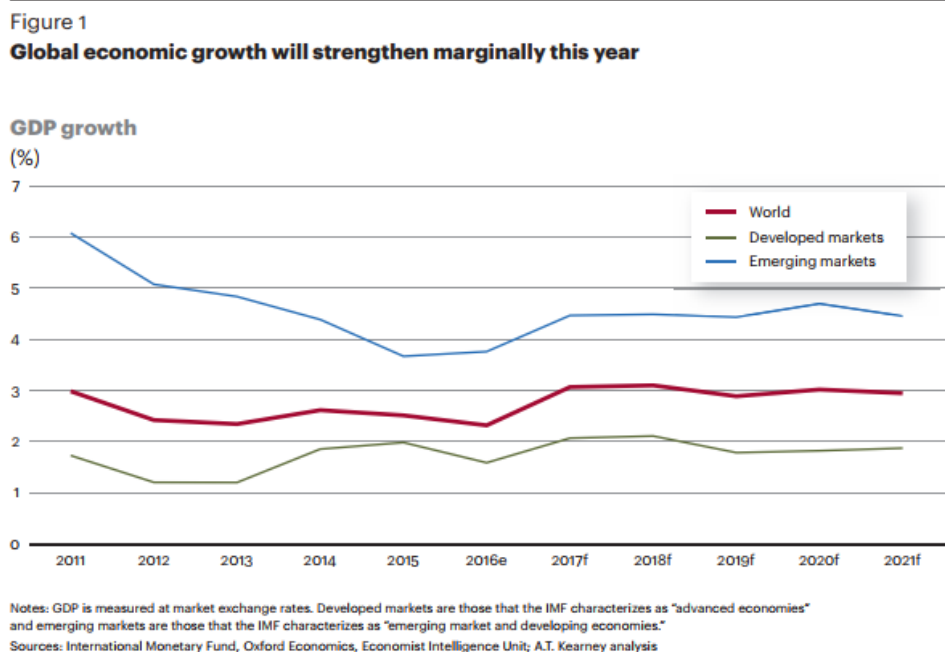
The information in this chapter has been extracted from the websites of and publicly available documents from various sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with this Issue has independently verified the information 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.

### OVERVIEW OF THE GLOBAL AND INDIAN ECONOMY

#### Global Scenario

The global economy remains sluggish heading into 2018, but the growth outlook is nevertheless somewhat stronger than in recent years. On the positive side, we anticipate a few bright spots in the global economy, such as the US and Indian economies, and the marginal recovery of the Brazilian and Russian economies in 2017. Much of this boost will only be short term, however, so the base case forecast is flat over the next five years, with average annual growth rate of 3% projected through 2021. This very modest recovery will be uneven. South Asia, Sub-Saharan Africa and East Asia will see the highest level of dynamism over the next five years. On the negative side, growth in the developed market regions will continue to be weak, and Latin America will underperform relative to other emerging market regions.

(Source: [https://www.atkearney.com/web/the-purchasing-chessboard/article/-/asset\\_publisher/9AutfSQfJm6Y/content/global-economic-outlook-2017-2021-the-all-too-visible-hand/236833](https://www.atkearney.com/web/the-purchasing-chessboard/article/-/asset_publisher/9AutfSQfJm6Y/content/global-economic-outlook-2017-2021-the-all-too-visible-hand/236833))



(Source: [https://www.atkearney.com/web/the-purchasing-chessboard/article/-/asset\\_publisher/9AutfSQfJm6Y/content/global-economic-outlook-2017-2021-the-all-too-visible-hand/236833](https://www.atkearney.com/web/the-purchasing-chessboard/article/-/asset_publisher/9AutfSQfJm6Y/content/global-economic-outlook-2017-2021-the-all-too-visible-hand/236833))

The pickup in growth projected in the April 2017 World Economic Outlook (WEO) is strengthening. The global growth forecast for 2017 and 2018—3.6 percent and 3.7 percent, respectively—is 0.1 percentage point higher in both years than in the April and July forecasts. Notable pickups in investment, trade, and industrial production, coupled with strengthening business and consumer confidence, are supporting the recovery. With growth outcomes in the first half of 2017 generally stronger than expected, upward revisions to growth are broad based, including for the euro area, Japan, China, emerging Europe, and Russia. These more than offset downward revisions for the United States, the United Kingdom, and India.



Growth prospects for emerging and developing economies are marked up by 0.1 percentage point for both 2017 and 2018 relative to April, primarily owing to a stronger growth projection for China. The country's 2017 forecast (6.8 percent, against 6.6 percent in April) reflects stronger growth outturns in the first half of 2017 as well as more buoyant external demand. For 2018, the revision mainly reflects an expectation that the authorities will maintain a sufficiently expansionary policy mix to meet their target of doubling real GDP between 2010 and 2020. Growth forecasts have also been marked up for emerging Europe for 2017, reflecting stronger growth in Turkey and other countries in the region, for Russia for 2017 and 2018, and Brazil in 2017.

The US economy is projected to expand at 2.2 percent in 2017 and 2.3 percent in 2018. The projection of a continuation of near-term growth that is moderately above potential reflects very supportive financial conditions and strong business and consumer confidence. The downward revision relative to the April WEO forecasts (of 2.3 and 2.5 percent for 2017 and 2018, respectively) reflects a major correction in US fiscal policy assumptions. Given the significant policy uncertainty, IMF staff's macroeconomic forecast now uses a baseline assumption of unchanged policies, whereas the April 2017 WEO built in a fiscal stimulus from anticipated tax cuts. Over a longer horizon, US growth is expected to moderate. Potential growth is estimated at 1.8 percent, reflecting the assumption of continued sluggish growth in total factor productivity and diminished growth of the workforce due to population aging. (Source: *World Economic Outlook –International Monetary Fund -October 2017 Report*)

### **Indian Scenario**

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships.. Indian economy is expected to grow at a rate of 6.7 per cent in the year 2017-18 and in the next financial year 2018-19 the economy is expected to grow at a rate of 7.2 per cent. 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.

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

During September 2017, eight core infrastructure industries grew by 5.2 per cent, as compared to 4.9 per cent growth in August 2017 and 5.3 per cent growth in September 2016. The growth of core industries during April-September 2017 was 3.3 per cent, as compared to 5.4 per cent growth during the same period last year.

Overall growth in the Index of Industrial Production (IIP) was 3.8 per cent in September 2017, as compared with 4.3 per cent growth in August 2017 and 5.0 per cent growth in September 2016. During April-September 2017, IIP growth was 2.5 per cent as compared to growth of 5.9 per cent during the same period last year.

Foreign exchange reserves were US\$ 398.8 billion as on October 27, 2017, as against US\$ 370 billion in March 2017. (Source: *Indian Economic Development and Growth Monthly Economic Report- www.ibef.org*)

Economic growth is projected to remain strong and India will remain the fastest growing G20 economy. The increase in public wages and pensions will support consumption. Private investment will recover gradually as excess capacity diminishes, and the landmark Goods and Services Tax and other measures to improve the ease of doing business are being implemented. However, large non-performing loans and high leverage of some companies are holding back investment. Monetary policy is projected to remain tight as inflation expectations have still not fully adjusted down. The need to reduce the relatively high public-debt-to-GDP ratio leaves little room for fiscal stimulus.

(Source: <http://www.oecd.org/eco/outlook/economic-forecast-summary-india-oecd-economic-outlook-june-2017.pdf>)

### **INTRODUCTION TO GLOBAL MARINE ELECTRONICS INDUSTRY**

Revenue generated by the global marine electronics market is estimated to exhibit a single digit CAGR, and hence, reach US\$ 7.7 Bn by 2028. On the basis of marine electronics component type, the hardware segment is estimated to hold the largest share in 2028 of the marine electronics market. However, the marine electronics software segment is expected to exhibit the highest CAGR. On the basis of application, the marine electronics merchant vessels segment is estimated to hold approximately 53.5% of the market share in 2028. On the basis of marine electronics hardware segment, the multifunction navigation segment is estimated to exhibit a CAGR of 7.3%, during the forecast period.

(Source: <https://futuremarketinsights.com/reports/marine-electronics-market>)



The marine electronics market in South East Asia is expected to witness the highest growth in the global market, owing to the increasing adoption of security and safety devices, and huge investments in the marine industry, complemented by the expansion of both the industries in the region.

The analysts forecast the global marine electronics market to grow at a CAGR of 4.77% during the period 2017-2021. (Source: <https://researchandmarkets.com/reports/4390849/global-marine-electronics-market-2017-2021#pos-4>)

## Market Overview

Marine electronic navigation system is defined as a navigation tool equipped with GPS navigator. Marine electronic navigation system displays high quality satellite imaging and it also provide navigation chart for better navigation. It helps to standardize maritime reporting and it increase safety & security.

## Market Size and Forecast

The global marine electronic navigation system market is expected to grow at a CAGR of 12.8% over the forecast period i.e. 2017-2024. Further, marine electronic navigation system market is riding on the back of growing adoption of innovative technology for navigation in sea. Likely, increasing global connectivity through satellite communication along with rising demand for electronic navigation system from marine are believed to foster the growth of marine electronic navigation system market.

The global marine electronic navigation system market is segmented into component, end-user and region. Further, electronic chart systems (ECS), raster chart display systems (RCDS) and electronic chart display and information systems (ECDIS). Among these segments, electronic chart display and information systems (ECDIS) segment is believed to be the largest segment in overall marine electronic navigation system by 2024.

In terms of regional platform, Asia-Pacific region captured the largest market of marine electronic navigation system in terms of revenue in 2016. Additionally, Asia-Pacific region is believed to continue its dominance over the forecast period owing to growing ocean trade activity. Moreover, China and India are projected to dominate the Asia-Pacific marine electronic navigation system market due to increasing marine infrastructure investment.

North America region accounted the second largest market of marine electronic navigation system aided by U.S. and Canada. Further, rising demand for electronic navigation system from defense sector in North America region is envisioned to flourish the growth of marine electronic navigation system market. Europe region is projected to show a tremendous growth by the end of 2024. Moreover, Western Europe countries such as Germany and others are witnessing the augmented demand for marine electronic navigation system due to growing adoption of innovative electronic navigation system.

(Source: <https://www.researchnester.com/reports/marine-electronic-navigation-system-market/527>)

## Dynamics

The factors driving the global marine electronics market are mandatory government regulations, increasing demand from the defense sector, growing concern for safety and security, and increasing globalization and ocean trade activities.

However, insecure mode of data transmission, incompetency of software, and lack of investments and infrastructure are some of the major challenges that hamper the growth of the marine electronics market.

(Source: <https://prnewswire.com/news-releases/marine-electronics-market-determine-to-grow-at-6-5-cagr-during-2018-2028-future-market-insights-816150890.html>)

## Components

- **Electric Propulsion**

Electrical propulsion technology is maturing at a fast pace for marine applications. This technology provides considerable advantages in terms of higher efficiency, increased flexibility in installation, improved survivability, lower noise signatures, reduced maintenance and manning requirements and considerable savings in through-life ownership costs. Due to these inherent advantages, commercial shipping has already adopted this technology extensively, and the technology is being increasingly adopted for warship applications. Advanced navies like the



US Navy, Royal Navy and French Navy already have in place major programmes for adoption of this technology, and in the not too distant future, this is expected to become the standard technology for naval propulsion packages. (Source: [https://ddpmod.gov.in/sites/default/files/INIP%20\(2015-2030\).pdf](https://ddpmod.gov.in/sites/default/files/INIP%20(2015-2030).pdf))

Based on type, the marine fully electric propulsion market can be segmented into AC electric type and DC electric type. The AC electric type propulsion systems utilize AC current as a source for propulsion in the water. While DC electric type propulsion systems utilize DC current as a source of power for movement in the water.

Based on propulsion type, the marine fully electric propulsion market can be classified into shaft line propulsion, pod propulsion, rotating propulsion, and azimuthing. In shaft line propulsion method, a shaft connected to the main driving motor rotates the propeller at the other end of the shaft. The pod propulsion system utilizes a device called pod, positioned below the stern of a boat, which houses an electric motor for propulsion purpose. In azimuthing, the electric propellers located in pods can be rotated to various horizontal angle as required, thus also performing the function of a rudder.

In terms of application, the marine fully electric propulsion market can be segregated into cargo ships, tankers, passenger ships, naval vessels, and others. Demand for electric propulsion systems in cargo ships is expected to rise significantly during the forecast period due to the rising trade activities among various countries and regions.

In terms of region, the marine fully electric propulsion market can be segmented into North America, Europe, Asia Pacific, Latin America, and Middle East & Africa. North America is projected to hold a substantial share of the global marine fully electric propulsion market during the forecast period. Europe is anticipated to follow North America during the forecast period. However, the market in Asia Pacific is likely to expand at a significant growth rate during the forecast period.

Key players operating in the marine fully electric propulsion market include ABB Group, Rolls-Royce Plc, Wärtsilä, YANMAR CO., LTD., Caterpillar, Oceanvolt, and Hyundai Heavy Industries Co., Ltd. (Source: <https://transparencymarketresearch.com/marine-fully-electric-propulsion-market.html>)

- **Marine Electronic Navigation**

### **Market Segmentation**

Our in-depth analysis segmented the global marine electronic navigation system market in the following segments:

#### **By Component**

- Electronic Chart Systems (ECS)
- Raster Chart Display Systems (RCDS)
- Electronic Chart Display and Information Systems (ECDIS).

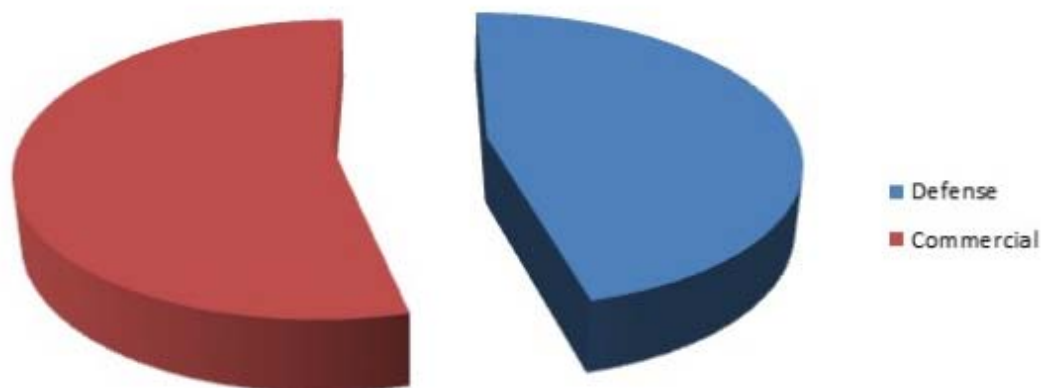
#### **By Application**

- Ships
- Boats
- Remotely operated underwater vehicle (ROVs)
- Autonomous underwater vehicle (AUVs)

#### **By End-User**

- Defense
- Commercial

## Marine Electronic Navigation System Market Share (%) By-End-User, (2024)



Source: Research Nester

(Source: <https://www.researchnester.com/reports/marine-electronic-navigation-system-market/527>)

### Growth Potential Components

- *Charging Stations for Electric Vehicles*

Since the introduction of modern electric vehicles, many governments at the local and national level have promoted electric vehicle charging infrastructure in recognition of the necessity of charging stations for a mature market. However, these plans vary widely in scope and focus, reflecting the uncertainty and pace of change in this industry. Here, we summarize major government programs promoting charging infrastructure in selected markets and highlight some emerging best practices. We focus on programs to increase the stock of public charging infrastructure through subsidies, grants, and public-private partnerships.

(Source: [https://www.theicct.org/sites/default/files/publications/EV-charging-best-practices\\_ICCT-white-paper\\_04102017\\_vF.pdf](https://www.theicct.org/sites/default/files/publications/EV-charging-best-practices_ICCT-white-paper_04102017_vF.pdf))





Country	Program	Budget	Mechanisms of support
China	<ul style="list-style-type: none"> <li>State Grid national fast charging corridors</li> <li>Regional investments by automakers</li> <li>City government-funded construction in pilot cities</li> </ul>		<ul style="list-style-type: none"> <li>State-owned utility programs</li> <li>Public-private partnership</li> <li>Grants to local governments</li> </ul>
France	<ul style="list-style-type: none"> <li>Funding given 3,000 cities for 12,000 charge points</li> <li>EDF power company building nationwide DC fast charging network</li> </ul>		<ul style="list-style-type: none"> <li>Local governments apply for grants</li> </ul>
Germany	<ul style="list-style-type: none"> <li>€300 million for 10,000 Level 2 and 5,000 DC fast charging stations</li> </ul>	€300 million (\$285 million)	<ul style="list-style-type: none"> <li>Subsidies for 60% of costs for all eligible businesses</li> </ul>
Japan	<ul style="list-style-type: none"> <li>Next Generation Vehicle Charging Infrastructure Deployment Promotion Project</li> <li>Nippon Charge Service government-automaker partnership</li> </ul>	Up to ¥100 billion (\$1 billion)	<ul style="list-style-type: none"> <li>Grants to local governments and highway operators</li> <li>Public-private partnership</li> </ul>
Netherlands	<ul style="list-style-type: none"> <li>"Green Deal" (curbside chargers on request)</li> </ul>	€33 million (\$31 million)	<ul style="list-style-type: none"> <li>Contracts tendered to businesses on project-by-project basis</li> </ul>
Norway	<ul style="list-style-type: none"> <li>Enova grant scheme from 2009 onward</li> </ul>		<ul style="list-style-type: none"> <li>Quarterly calls for proposals for targeted projects</li> </ul>
United Kingdom	<ul style="list-style-type: none"> <li>Curbside stations for residential areas</li> <li>Highways England building DC fast charging stations along major roads in England</li> </ul>	£2.5 million (\$2 million) £15 million (\$12 million)	<ul style="list-style-type: none"> <li>Municipalities apply for grants; installers reimbursed</li> <li>Grants and tenders administered by public body</li> </ul>
United States	<ul style="list-style-type: none"> <li>Grants for funding public charging stations through American Recovery and Reinvestment Act</li> </ul>	\$15 million	<ul style="list-style-type: none"> <li>Matching grants for local governments</li> </ul>

(Source: [https://www.theicct.org/sites/default/files/publications/EV-charging-best-practices\\_ICCT-white-paper\\_04102017\\_vF.pdf](https://www.theicct.org/sites/default/files/publications/EV-charging-best-practices_ICCT-white-paper_04102017_vF.pdf))

Despite the government support and falling costs, there are still a number of challenges to the further development of global electric vehicle charging networks. Charging infrastructure still suffers from fragmentation, inconsistent data availability, and a lack of consistent standards in most markets. Open standards for vehicle-charge point communication and payment may mitigate these issues by enabling interoperability between charging networks, increasing innovation and competition, and reducing costs to drivers. Led by successful efforts in the Netherlands, a number of public and private efforts promote these open standards and a more robust market. Governments may wish to mandate data collection and the use of open standards for publicly funded projects, an approach adopted in several programs. The success of such initiatives will be increasingly important as the market grows and smart charging develops.

### Segmentation & Forecast

To understand and assess the demand and opportunities in this market, the marine electronics market report is categorically split into three major sections, namely, marine electronics market analysis - by component type, by application type, and by region. On the basis of component type, the marine electronics market is segmented into hardware and software. The marine electronics hardware segment is expected to dominate the market throughout the forecast period, and enjoy a market share of 78.4% and 77.0% in 2018 and 2028, respectively. The marine electronics hardware segment is further segmented as GPS and radar systems, multifunction navigation, fish finders/ sonar modules, thermal and visible cameras, marine VHF communication devices, audio and video equipment, marine autopilots, analogue & digital instruments, and satellite TVs.

(Source: <https://prnewswire.com/news-releases/marine-electronics-market-determine-to-grow-at-6-5-cagr-during-2018-2028-future-market-insights-816150890.html>)

### Growth Drivers and Challenges

Factors such as rising ocean trade activities, growing adoption of technologically advanced navigation system by defense sector for accurate navigation are expected to be the dynamic factor behind the rapid growth of marine





electronic navigation system market across the globe. Moreover, rising safety concern at sea and adoption of electronic navigation for reducing the usage of paper charts are believed to bolster the growth of marine electronic navigation system market by end of 2024.

Furthermore, implementation of regulations to adopt electronic navigation system by international maritime organization (IMO) and growing research and development activities related to marine electronic navigation system by major key players are believed to flourish the growth of marine electronic navigation system market. Likely, growing GDP figures of emerging economics such as India and China coupled with rapid urbanization are envisioned to flourish the growth of marine electronic navigation system market.

However, low adoption rate regarding marine electronic navigation system is expected to hinder the growth of marine electronic navigation system market during the forecast period.

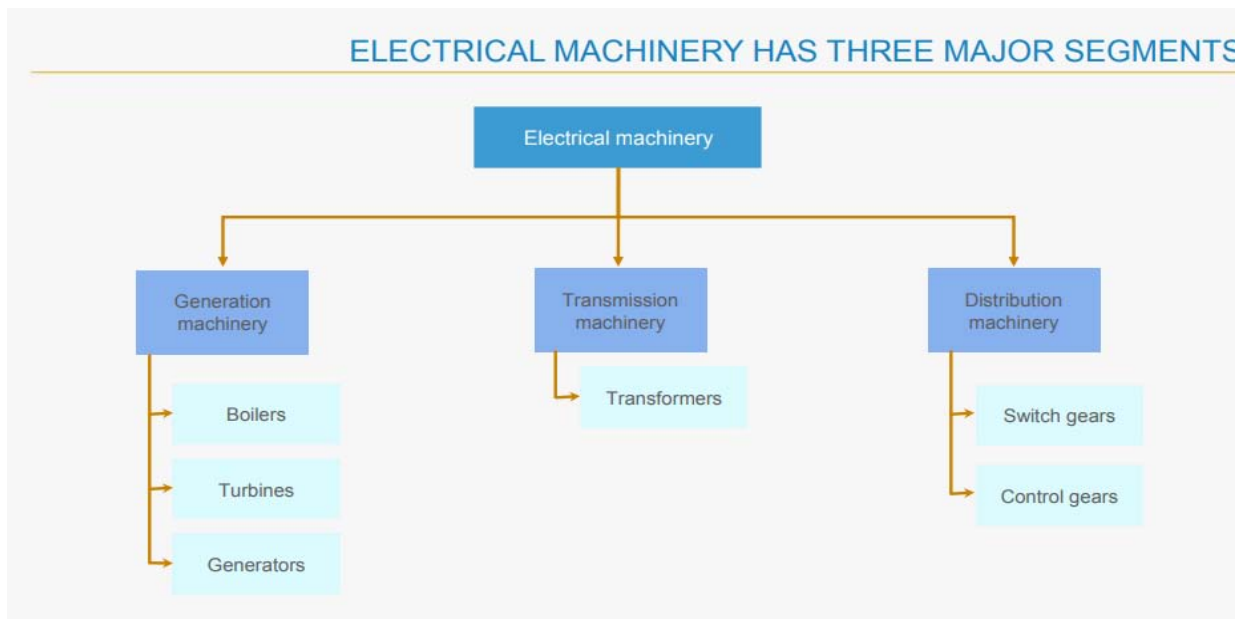
(Source: <https://www.researchnester.com/reports/marine-electronic-navigation-system-market/527>)

### Road Ahead

The marine electronics hardware segment is expected to dominate the market throughout the forecast period, and enjoy a market share of 78.4% and 77.0% in 2018 and 2028, respectively. The marine electronics hardware segment is further segmented as GPS and radar systems, multifunction navigation, fish finders/ sonar modules, thermal and visible cameras, marine VHF communication devices, audio and video equipment, marine autopilots, analogue & digital instruments, and satellite TVs.

(Source: <https://futuremarketinsights.com/press-release/marine-electronics-market>)

### OVERVIEW OF INDIAN MARINE ELECTRONICS INDUSTRY



(Source: <https://ibef.org/download/Electrical-Machinery-June-2017.pdf>)

### Market size

Exports of electrical machinery and equipment grew at a CAGR of 7.00 per cent during FY10-18 to reach US\$ 6.7 billion in FY18. The figure stood at US\$ 1.28 billion for Apr-May 2018.

The electrical equipment industry observed a witnessed a record seven-year high growth of 12.8 per cent in 2017-18, on the back of increase in government spending on rural and household electrification schemes and programmes to improve power distribution.

(Source: <https://ibef.org/industry/engineering-india.aspx>)

### Statistics

Electrical equipment industry broadly comprises of two segments: Generation Equipment (boilers, turbines, generators) and transmission & distribution (T&D) and allied equipment like transformers, cables, transmission lines, switchgears,



capacitors, energy meters, instrument transformers, etc. The T&D equipment sector, dominates the sector making up for 85% of the industry whereas generation equipment sector accounts for the rest 15%.

Major export markets for the sector are United States of America, United Arab Emirates, Germany and United Kingdom. And, India is a major exporter of Switchgear and Controlgear, Transformers & Parts, Industrial Electronics, Cables, Transmission Line Towers, Conductors, Rotating Machines (Motors, AC Generators, and Generating Sets) & Parts, within the sector.

(Source: <http://makeinindia.com/article/-/v/electrical-machinery>)

### ***Integrated Platform Management System***

The Integrated Platform Management Systems (IPMS) is a sophisticated control system solution for naval vessels such as frigates, aircraft carriers and submarines. Our IPMS incorporates propulsion, electrical, HVAC, auxiliary and damage control systems into one integrated solution. The integration of the system also eliminates standalone third party control equipment reducing space, weight and cabling and providing increased supportability through commonality.

#### **Key Benefits of the Integrated Platform Management System:**

- Flexible modular design
- Reduce cost with condition based maintenance
- Commercial Off The Shelf (COTS) based solutions
- Quick response and complete awareness with high definition displays
- Integrated turn-key solutions
- Cost effective with high levels of automation

(Source: <http://sperrymarine.com/integrated-plaform-management-system>)

### ***Blokset***

The Blokset system is designed to provide a high level of reliability and safety, thus reinforcing the protection of life and property. Blokset offers all the essential guarantees:

1. Compliance with international standards, notably IEC 60439-1, IEC 60529 and IEC 60947.
2. Compliance with local standards, thus meeting local legal and technical requirements.
3. A system implementing tested Schneider switchgear components to ensure optimum operation.

(Source: <http://directindustry.com/prod/ningbo-tianan-group-co-ltd/product-161499-1713064.html>)

Low voltage switchboards for power distribution and motor control up to 7000 A

High dependability low voltage switchboards for power distribution and motor control

#### **Features**

More than 500,000 Blokset cubicles installed worldwide.

#### **High performance**

- Power feeder up to 6300 A
- Motor control up to 250 kW
- Main busbar up to 7000 A
- Rated voltage up to 690 V

#### **iPMCC by Blokset, the smart and advanced TVDA solutions**

- Optimize motor performance, energy efficiency, and fault prevention
- Local/ remote real-time access, and automatic restarting

#### **Compliance and certification**

- Type tested as per IEC 61439-1 and -2

#### **Protection and safety**

- Isolated live parts up to IPxxD
- Thermal monitoring



- Type 2 coordination

#### **Internal arc protection**

- Compliant as per IEC TR 61641 edition 3, up to 100 kA / 0.4 s

#### **Reliability in harsh environments**

- Protection degrees up to IP54
- SO<sub>2</sub>/H<sub>2</sub>S resistant versions
- 2G resistant versions

#### **Optimized architecture and footprint**

- Compatibility with medium voltage equipment and Canalis power busways
- Rear/ front access, top/ bottom connection, double-front access
- Withdrawable, disconnectable, and fixed functional units
- Linergy horizontal and vertical busbars

#### **Benefits**

Blokset switchboard solutions contribute to:

- Safety of persons, as well as reliability and continuity of service of the electrical installation
- Return on investment by helping make electrical networks reliable, while improving energy efficiency
- Performance and intelligence for safety, reliability, and energy efficiency.
- Worldwide services and localized support: training, maintenance, troubleshooting, etc.

#### **Applications**

- Low voltage switchboards for large industrial sites, commercial buildings, and infrastructure.
- Mining, Minerals, Metals & Cement industries
- Airport, railway, and subway infrastructure
- Oil & Gas, Chemicals industries
- Water & Wastewater industry
- Energy production and distribution
- Industry
- Commercial buildings
- Data centers infrastructure
- Healthcare infrastructure

(Source: <https://schneider-electric.com/en/product-range-presentation/820-blokset/>)

### **RENEWABLE INDUSTRY – Solar Energy**

#### **Introduction**

Power sector in India is witnessing a radical change on account of government's move towards power generation via renewable energy resources. Increasing electricity consumption and surging awareness towards environment are together helping the country towards utilization of green energy resources, especially solar. Moreover, solar inverter market is exhibiting immense growth over the past few years owing to surging implementation of solar energy projects in the country. Additionally, National Solar Mission, aiming to achieve 100 GW of solar energy by 2022 has further fueled the solar inverter adoption and is anticipated to increase the market in proportion with uprising solar industry in India.

India Solar Inverter Market is projected to grow at a CAGR over 25% during 2018-2024. The market is dominated by utility sector owing to its large scale solar projects deploying large number of solar inverters. Further, commercial segment is anticipated to exhibit highest growth rate during the forecast period. The high growth is attributed to growing solar installations across educational institutes, offices, factories, hospitals, and warehouses. In addition, residential segment is also registering significant growth with focus on sustainable development and to overlay the rising power cost in the country. Government initiatives such as Smart City project, development of solar parks, and solar energy subsidy scheme would further accelerate the adoption of solar installations across residential and commercial segments.



Moreover, among system types, on grid systems dominated the market in 2017 owing to huge adoption across different verticals, whereas, off grid systems are majorly limited to rural electrification applications only.

(Source: <https://researchandmarkets.com/reports/4539914/india-solar-inverter-market-2018-2024-market>)

## Highlights

Economic growth, increasing prosperity, a growing rate of urbanization and rising per capita energy consumption has led to increased demand for energy in the country

- **Biggest ever Solar Power capacity addition of 5525.98 MW in 2017-18.** During 2017-18, a total 4323.1 MW (including 207.92 MW Solar Roof Top) capacity has been added till 30.11.2017, making cumulative achievement 16611.73 MW (including 863.92 MW Solar Roof Top).
- So far, ₹ **1.42 lakh Solar Pump have been installed** in the Country as on 30.11.2017 including 1.31 lakh during last three and half year.
- **Solar projects** of capacity 23656 MW have been tendered and LoI for 19,340 MW issued.
- 6<sup>th</sup> Largest solar power capacity in the world. Highest ever solar power capacity addition of 5.5 GW in 2016-17
- World's largest ground based solar power and world's largest rooftop solar plant are both in India
- In accordance with the COP21 Paris accords, the Government of India has set a target of adding 175 GW of renewable power in the country by 2022, which will offer massive investment opportunities across the value chain.
- The target of National Solar Mission has been up-scaled to 100 GW from 20 GW of grid connected solar power by 2022, which creates a positive environment among investors keen to tap into India's renewable energy potential.
- India has an estimated renewable energy potential of about 1096 GW from commercially exploitable sources viz. Wind – 302 GW (at 100-meter mast height); Small Hydro – 21 GW; Bio-energy – 25 GW; and 750 GW solar power, assuming 3% wasteland

## FDI Policy

Foreign Direct Investment (FDI) up to 100% is permitted under the automatic route for renewable energy generation and distribution projects subject to provisions of The Electricity Act, 2003

## Statistics

- Biggest ever Solar Power capacity addition of 5.5 GW in 2016-17. During 2017-18, a total 4.3 GW capacity has been added till November 2017, making cumulative achievement 16.6 GW (including 863.92 MW Solar Roof Top)
- 142,000 Solar Pump have been installed in the Country as on November 2017, including 131,000 installed during last three and half year
- Solar projects of capacity 23.6 GW have been tendered

## Sector Policy

- Amendments in Tariff Policy to promote Renewable Energy
- Enhancement in Solar Renewable Power Obligation (RPO) to 8% by March 2022.
- Introduction of Renewable Generation Obligation (RGO) for New coal/lignite based thermal plants after specified date.
- Ensuring affordable renewable power through bundling of renewable power.
- No inter-state transmission charges and losses to be levied for solar and wind power.
- Notification of the long term growth trajectory of RPO for solar and non-solar energy for next 3 years from 2016-17, 2017-18 and 2018-19;
- Development of Solar Parks and Ultra Mega Solar Power Projects;



- Development of power transmission network through Green Energy Corridor project;
- Making roof top solar as a part of housing loan provided by banks;
- Supporting research and development on various aspects of renewable energy including with industry participation;
- Financial incentives for off-grid and decentralized renewable energy systems and devices for meeting energy needs for cooking, lighting and productive purposes

### Investment Opportunities

USD 5.8 billion Green Energy Corridor being set up to ensure evacuation of Renewable Energy in the next 3-4 years

Scheme for Development of Solar Parks and Ultra Mega Solar Power Projects has an approved capacity of 40,000 MW, which entails setting up of atleast 50 solar parks, each with a capacity of over 500 MW. Planned Central Government financial support of USD 1.2 Billion.

Upcoming 100 Smart City projects will have huge scope for being powered by Renewable Energy.

As on 30.11.2017, Solar Energy Projects with an aggregate capacity of over 16611.73 MW including 863.92 MW from Solar Roof Top projects has been installed in the country.

### Government Initiatives

In order to achieve the targets, various initiatives have been taken by the Government which inter alia include:

- Announced a **cumulative target of 175 GW** renewable energy based electric installed capacity of 100 GW solar power installed capacity;
    - Issued **guidelines** for procurement of solar and wind power through tariff based competitive bidding process;
    - Declared **Renewable Purchase Obligation (RPO)** up to the year 2018-19;
    - Declare Renewable Generation Obligation on **new coal/lignite based thermal plants**;
    - Notified **standards for deployment of solar photovoltaic systems/devices**;
  - Issued order for **waiving the Inter State Transmission System charges** and losses for inter-state sale of solar and wind power for projects to be commissioned by March 2019;
    - Launched **Atal Jyoti Yojna for Solar LED Street Lights in five States**; and
    - Setting up of exclusive **solar parks**;
    - Identification of large government complexes/ buildings for rooftop projects;
  - Provision of roof top solar and 10 percent renewable energy as mandatory under Mission Statement and Guidelines for development of smart cities;
    - **Amendments in building bye-laws** for mandatory provision of roof top solar for new construction or higher FAR;
    - **Infrastructure status for solar projects**;
    - Raising **tax free solar bonds**;
    - Making **roof top solar a part of housing loan** by banks/NHB
- (Source: <http://pib.nic.in/PressReleaseIframePage.aspx?PRID=1514215>)

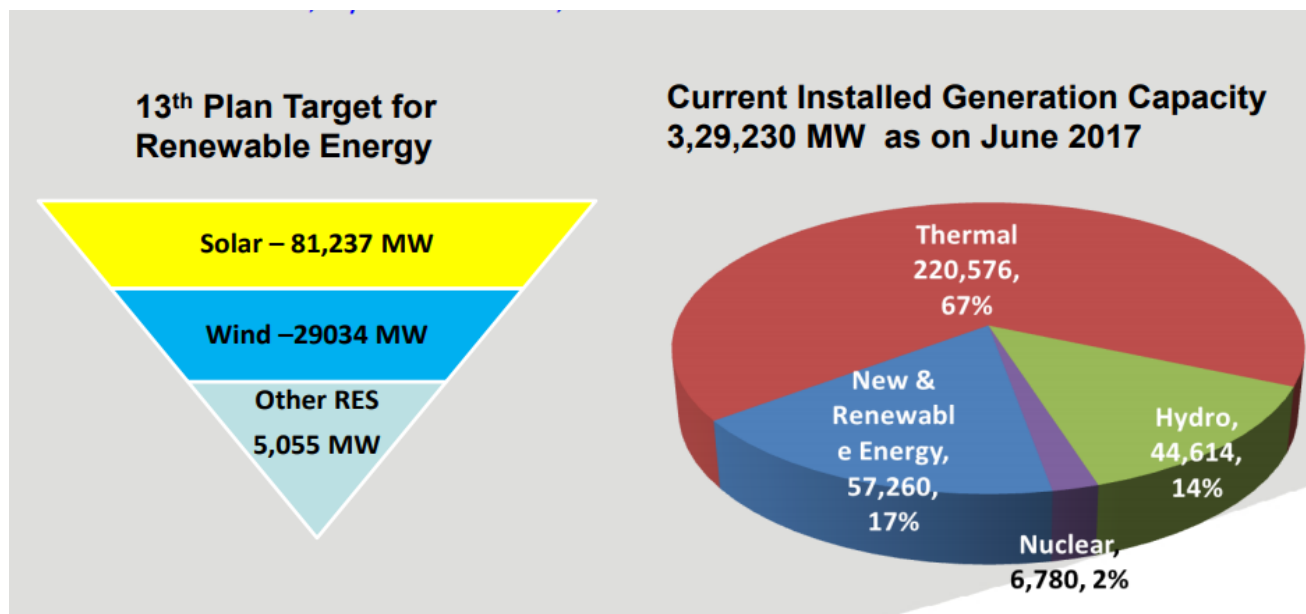
The government is playing an active role in promoting the adoption of renewable energy resources by offering various incentives, such as generation-based incentives (GBIs), capital and interest subsidies, viability gap funding, concessional finance, fiscal incentives etc. The National Solar Mission aims to promote the development and use of solar energy for power generation and other uses, with the ultimate objective of making solar energy compete with fossil-based energy options. The objective of the National Solar Mission is to reduce the cost of solar power generation in the country through long-term policy, large scale deployment goals, aggressive R&D and the domestic production of critical raw materials, components and products. Renewable energy is becoming increasingly cost-competitive as compared to fossil fuel-based generation.

In order to achieve the renewable energy target of 175 GW by the year 2022, the major programmes/ schemes on implementation of Solar Park, Solar Roof Top Scheme, Solar Defence Scheme, Solar scheme for CPUs Solar PV



power plants on Canal Bank and Canal Tops, Solar Pump, Solar Rooftop etc have been launched during the last two years.

(Source: <http://makeinindia.com/sector/renewable-energy>)



(Source: [http://ieema.org/wp-content/uploads/2017/08/Indian-Electrical-Equip-Ind-Overview\\_upto-June-17.pdf](http://ieema.org/wp-content/uploads/2017/08/Indian-Electrical-Equip-Ind-Overview_upto-June-17.pdf))

## Road Ahead

- *Charging Stations for Electric Vehicles*

## Initiatives

Government of India is promoting the use of Electric Vehicles (EVs) in India and has ambitious to convert all vehicles into electric powered by 2030. Karnataka has become the first state in India to issue state wide “**Karnataka Electric Vehicles & Electric Storage Policy 2017**” to develop the ecosystem for EVs.

This is first of its kind electric vehicle policy issued by the state and aims to develop Bengaluru as the EVs capital of India. Government of Karnataka (GoK) approved the policy on 13 September 2017. The key objective of the Policy is to maintain the lead share of Karnataka as a preferred destination for attracting investments in manufacture of Electric Vehicle. Further, the policy aims to attract an investment of US\$ 4.75 billion (INR 310 billion) and will create about 55,000 jobs in the state.

## Some of the salient features of the policy are:

1. The government will establish EVs manufacturing zones and clusters. The government will give incentives to manufacturers for producing modular design lithium-ion batteries with higher mileage per charge.
2. The policy encourages subsidies for charging infrastructure in all public and private properties, including airports, railway stations, metro stations, high-rise buildings, malls, information technology (IT) parks, and apartment complexes. The government will make amendments to building by-laws for providing mandatory charging infrastructure in all high-rise buildings.
3. The government will also create a special purpose vehicle involving Bruhat Bengaluru Mahanagara Palike (BBMP), Bengaluru Metropolitan Transport Corporation (BMTCL), Bangalore Electricity Supply Company (BESCOM), Karnataka Renewable Energy Development Ltd (KREDL), Karnataka Industrial Area Development Board (KIADB) and other agencies to create more charging infrastructure in Bengaluru and Karnataka.
4. EVs will exempt from payment of taxes from KMVT (Karnataka Motor Vehicle Taxation) Act 1957. Karnataka has one of the highest rates of motor tax in the country.
5. The government will setup Karnataka Electric Mobility Research and Innovation Centre to promote the research in the state. Further, it proposes to set up an EV skill development centre in collaboration with the industry for upskilling the work force to augment the manpower required for the EV industry. Currently, there are many





companies in Karnataka which are working on electric mobility – Mahindra Electric, ANI Technologies (Ola), Bosch, Delphi and various others.

6. The policy also proposes to establish working groups with supporting grants for development of necessary technologies from concept to market in the areas of Drive technologies; Battery technologies; Charging infrastructure and network integration; standards and certification; materials and recycling; quality and training etc.
7. The government will provide incentives and concessions for EV manufacture sector, battery manufacturing, and charging equipment enterprises throughout the State including Bengaluru District in line with the Industrial Policy 2014-19.
8. The government will encourage the startup to develop a business model for EVs.  
(Source: <http://www.india.uitp.org/news/Karnataka-electric-vehicle-and-energy-storage-policy>)

- **Railways**

Indian Railways' revenues increased at a CAGR of 9.66 per cent during FY07-FY18 to US\$ 27.71 billion in FY18. Earnings from the passenger business grew at a CAGR of 9.90 per cent during FY07-FY18 to reach US\$ 7.55 billion in 2017-18P. Freight revenue rose at a CAGR of 9.83 per cent during FY07-FY18 to reach US\$ 18.16 billion in 2017-18.

## Investments

Foreign Direct Investment (FDI) inflows into Railways related components from April 2000 to December 2017 were US\$ 897.09 million.

Following are some of the major investments and developments in India's railways sector:

- In March 2018, Alstom completed production of the first all-electric locomotive at the manufacturing facility in Madhepura, Bihar.
- In May 2018, Parcel Cargo Express Train (PCET) commenced operations. The train connects the North-Eastern region with the coast as its initial and penultimate stops are New Guwahati in Assam and Kalyan in Maharashtra.  
(Source: <https://www.ibef.org/industry/indian-railways.aspx>)

- **Metro Rails**

The metro rail network in the country is increasing with the mass rapid transit system emerging as one of the best solutions for urban transportation. Even as eight metro rail networks covering a length of 370 km are operational in the country, over two dozen more projects are lined up.

Out of the two dozen projects, around 15 are lined up with the urban development ministry. The cities that have lined up their plans include Pune, Nagpur, Ahmedabad, Chennai, Vijayawada, Kozhikode, Indore, Bhopal, Patna, Guwahati, Kanpur and Varanasi.

However, officials from states like Punjab and Madhya Pradesh, which are yet to get approval for the first metro projects in their states, said that there has been a huge delay from the Centre for their projects. Some of these states are ready for the PPP route too.

In the last three years, from 2014-2017, the urban development ministry sanctioned Rs30,653.78 crore, out of which only Rs12,345.33 crore was released to various metro rail companies in the country. Similarly, in the current fiscal year, the ministry allocated around Rs17,960 crore for metro rail companies and till the first quarter ending June only Rs4,650 crore was spent. The figures are for Uttar Pradesh, Maharashtra, Gujarat, Rajasthan, Tamil Nadu, Kerala, Karnataka, Maharashtra and Delhi-NCR region.

(Source: <https://www.ibef.org/news/how-metro-rail-networks-are-spreading-across-india>)





## OUR BUSINESS

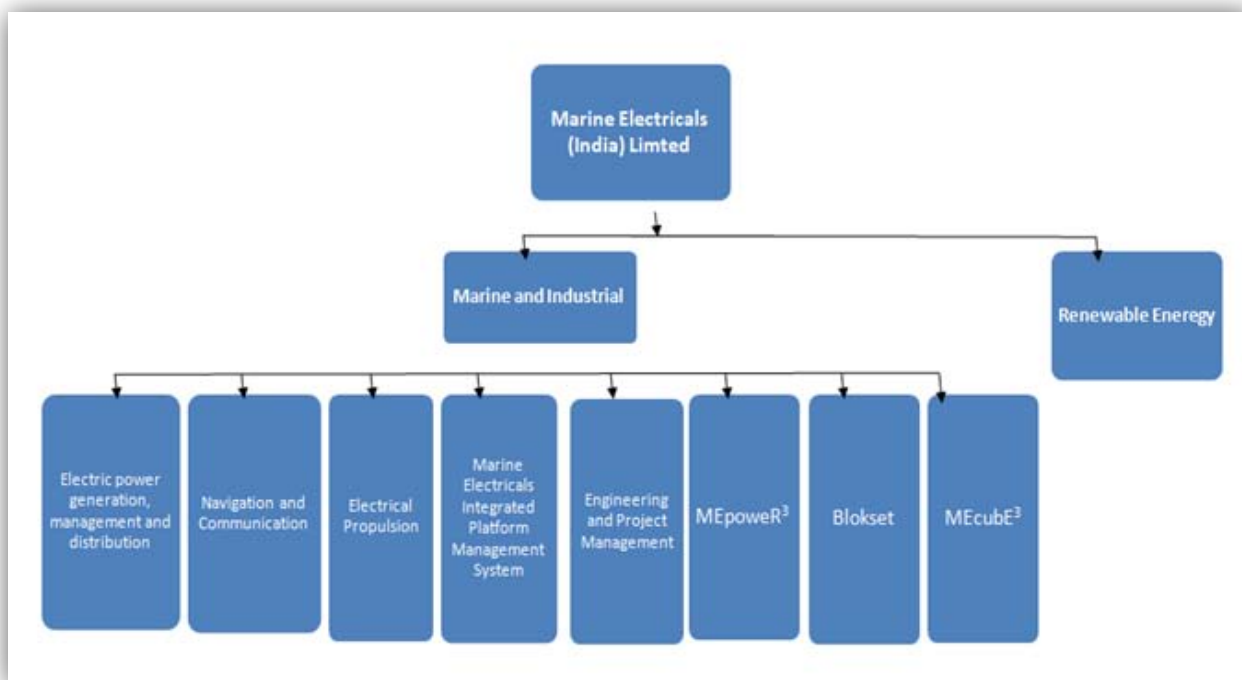
*This chapter should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the sections titled 'Risk Factors' and 'Financial Information' and the chapter titled 'Management Discussion and Analysis of Financial Condition and Results of Operations' beginning on page nos. 164 and 209 respectively, of this Prospectus.*

*Unless otherwise indicated, the financial information included herein is based on our Restated Financial Statements for Financial Year 2014, 2015, 2016, 2017 and 2018 included in this Prospectus. For further information, see "Financial Statements" on page no. 164 of this Prospectus. Unless the context otherwise requires, in this section, reference to "we", "us", "our", "Company" or "Our Company" refers to Marine Electricals Limited.*

### OVERVIEW

Our Company is a growing Integrated Electrical and Automation Solution Provider dealing in comprehensive electrical solution across industries with significant presence in Marine sector (Indian Navy, Commercial Shipbuilding) and Non Marine sector (Data Centre, Building Management Systems, Industrial etc).

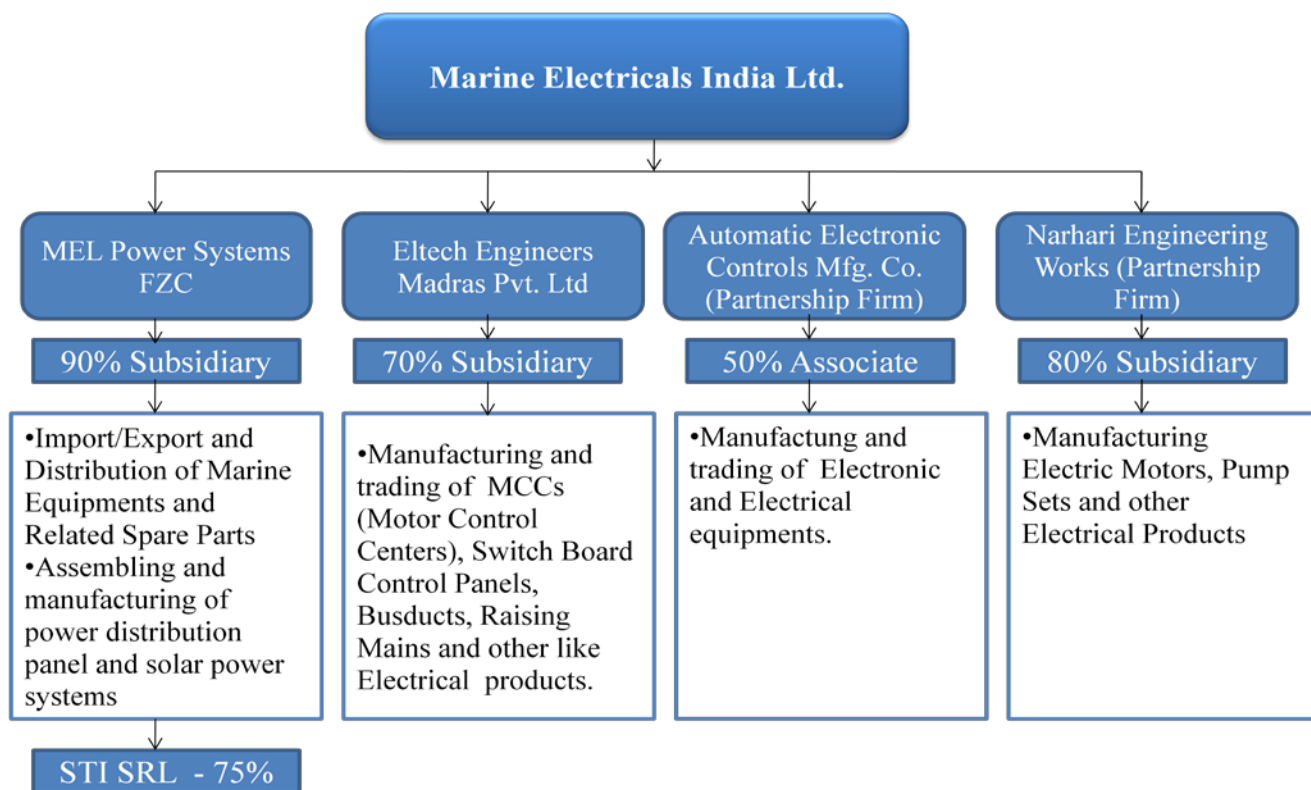
Our Company provides solution in Low Voltage, Medium Voltage and Industrial Automation backed by In-house Product Design & Development, Manufacturing, Installations and after sale service. Our Company has business relationships with global electrical players like Schneider Electric, Siemens, GE. Such strategic tie ups give us the competitive edge over our competitors. Further, we have entered into an agreement with NLC India Limited to provide Solar Power Evacuation system, thus venturing into the renewable energy segment. Our business model is as summarised below:



We have the competence and facilities to provide these state of the art panels starting from design and development to prompt after sales support. Our manufacturing facilities are certified as per ISO 9001, ISO 14001, and OHSAS 18001 for the Quality Management system, Environmental Management System and Occupation Health & Safety Management System respectively. Our manufacturing facilities have all the latest CNC bending and turret punching machines to deliver equipment within the demanding tolerances to meet the requirements of this latest globally offered panels, this is also supported by our pre-treatment and painting facilities.



We have national and international presence through our subsidiaries. The structure is illustrated as below:



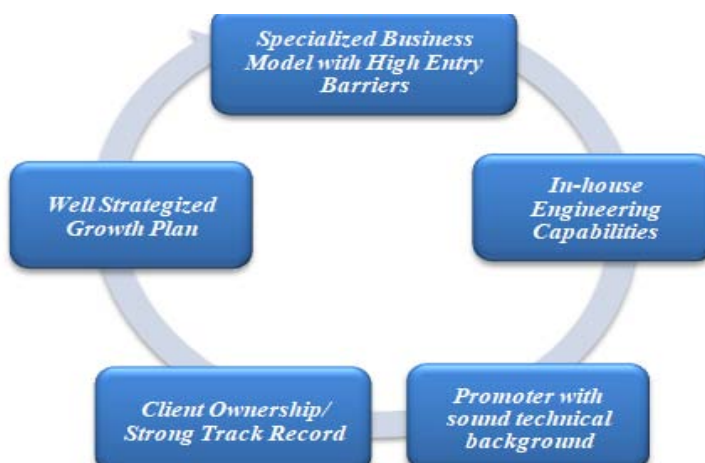
We ensure the quality of our products through rigorous testing including testing of sub system before integration and followed by testing of the entire system when assembled. We provide a combination of engineering, manufacturing, testing facilities and after sales support that provides customer delight to the equipment offered by us.

Our Managing Director and Promoter Mr. Venkatesh Uchil is actively involved in procurement, production and technical areas of the Company. He actively participates in timely execution of the Industry Orders and is the guiding force behind the growth and business strategy of our Company. Mr. Vinay Uchil, the Chairman & Whole-time Director & also Promoter of our Company is instrumental in expanding the business of the Company to a new height by diversification of the business into difference verticals i.e. Marine & Non- Marine Sectors & Renewable Energy.

Our Company's revenue from operation have increased at a CAGR of 15.84% from 15,975.08 lakhs in FY 2013-14 to ₹ 28,766.39 lakhs in FY 2017-18; EBITDA has increased at a CAGR of 16.88% from ₹ 1,405.27 lakhs in FY 2013-14 to ₹ 2,622.68 lakhs in FY 2017-18.



## STRENGTHS



### 1. *Specialized Business Model with High Entry Barriers*

Electrical and Automation solutions have significant importance in Marine and Industrial application. In Marine, as electricity is generated, distributed and consumed in the ship only, electrical products used in Marine needs to be high quality and most reliable. The products and manufacturer has to be registered with respective authority. In Industrial and Building segments, the numbers of devices using electricity are increasing and various devices have different electrical inputs. Hence, designing system becomes very complex and requires expertise and experience to do so. We have developed expertise with our 40 years of experience in providing electrical solutions.

There are multiple entry barriers for a new entrant in our industry, such as prior experience, registration with authorities, and customer stickiness to established players. As a result, we are one of the few large players in this industry. This provides us with a significant advantage over new entrants, as they would need to invest a great deal of resources to gain a foothold in the markets in which we compete. Our products are required to meet exacting standards of quality in which they are sold, as set by the requirements our customers. We believe the high barriers to entry enable us to obtain better profit margins for our products compared to other manufacturing industries where barriers to entry are lower.

### 2. *In-house Engineering Capabilities*

We have commenced our business as provider of switchgear and other small products. Over a period of time, we have built engineering capabilities through organic as well as inorganic ways to become Integrated Solution Provider. We have acquired Nahari Engineering, Automatic Electric Control, STI S.R.L., Italy, Eltech Engineers Madras. We have worked in various prestigious vessels which helped in strengthening our engineering capabilities.

Our Company has a large pool of experienced engineers. We continuously train our employees which we believe enables us to serve the technical and commercial demands of our customers. We believe that our employees are instrumental to our success including for the quality of our products and services and our ability to operate in a cost-efficient manner, helping us achieve continuous profit margins, efficient operations, short delivery schedules, relatively lower attrition and fewer employee disputes.

We have an all-encompassing strength in electrical & electronic components and across the value-chain offering. Our Company provides marine electrical and electronic switch-gears, control-gears, electronic and electrical components including its accessories. Further, we also provide consultancy services in designing, fabricating, installing and repairing all types of electrical and electronic installations. We leverage this unique positioning for further growth and expansion.

### 3. *Promoter with strong technical background*

The Promoter and the senior management team of our Company have significant industry experience and have been instrumental in the consistent growth of our Company's performance. The management team has vast experience and technical know-how to help the development of the Company. Our Promoters Mr. Venkatesh Uchil and Mr. Vinay



Uchil have been the main guiding force behind the growth and business strategy of our Company. We believe that our management team's experience and their understanding of our business will enable us to continue to take advantage of both current and future opportunities. It is also expected to help us on addressing and mitigating various risks inherent in our business, including significant competition. For further details on education, experience and other details of our Management and our Key Managerial Personnel, kindly refer to the Chapter titled “*Our Management*” beginning on page no. 132 of this Prospectus.

#### **4. *Client Ownership/ Strong Track Record***

We have developed a strong client base for our product and services and enjoy certain level of an established relationship with them. Our business and growth are significantly depending on our ability to maintain the client relationship. We have gained significant experience and have established track record and reputation for efficient and timely delivery of our product and services

### **STRATEGIES**

The key elements of our strategies are as follows:

#### **1. *Expand our Total Installed Production Capacity and Product Range***

We will be taking over operation of the facility in the near future. We have proposed to increase our manufacturing capability through proposed manufacturing plants in Goa which is spread across approximately 9000 square meter. We have already entered into lease agreements with GIDC for the procurement of the land. Further, the location of the proposed plant is nearer to our existing plant, thereby giving us strategic business advantages. For further details, please refer to the “Property/Land details” of this chapter on page 98 of this Prospectus. Expanding our manufacturing unit will lower the manufacturing costs, enable cheap labour costs, cut lead times and higher the production capabilities and hence result in production efficiency.

#### **2. *Increasing Operational efficiency***

We continue to invest in increasing our operational efficiency throughout the organization. Our Company constantly endeavors to improve its productivity levels by optimum resource utilization, improvement in manufacturing process, skill up-gradation of our workers, modernization of machineries to achieve better asset turnover. We will continue to further improve our manufacturing processes to identify the areas of bottlenecks and correct them. This would help us in improving efficiency and putting resources to optimal use. Further, we are addressing the increase in operational output through continuous process improvement, QC / QA activities, customer service, consistent quality and technology development. Alignment of our people to ‘process improvement’ through change management and upgrading of skills as required for customer satisfaction is a continuous activity. Awareness of this quality commitment is wide spread among all the employees

#### **3. *Competitive Pricing:***

Our Company provides solution in Low Voltage, Medium Voltage and Industrial Automation backed by In-house Product Design & Development, Manufacturing, Installations and after sale service. Price is an important aspect of our business' marketing mix and changing the price can drastically affect the marketing tactics necessary for success. To remain aggressive and capitalize a good market share, we believe in offering competitive prices to our customers. This helps us to sustain the cut-throat competition and withhold a strong position in the market. Further it helps us to prevent loss in Company's market share.

#### **4. *Increase scope of offering and entering new emerging segments***

We intend to diversify our services and solution categories into other industries or marketplaces. Although our focus has always been marine control panels and other related electronics equipments. We are now venturing into the renewable energy segment. We intend to participate into growth opportunities arising out of the renewable energy sector in India. Further, such expansion will enable us to manage the overall business risks. We intend to continuously identify and introduce new solution categories into marketplaces in order to diversify and de-risk our business profile and provide potential for further growth.



## 5. Well Strategized Growth Plan

We have well strategized and focused growth plan in place which includes enhancing our solution offerings, geographical expansion and strengthening of our management bandwidth. This plans helps us to establish realistic objectives and goals that are in line with our long term vision in place with constant focus on quality and innovation. To keep sailing on it, we stress on and constantly strive to improve the quality of our products. We have a qualified team which constantly works for product management, improving the quality.. We are expanding our marketing team to enhance our geographic presence. We are strengthening our management bandwidth with induction of senior and experience people regularly

### DETAILS OF OUR BUSINESS

#### Location

##### Registered Office and Manufacturing facility:

Our Registered office is located at B-1, Udyog Sadan-3, M I D C, Andheri East, Mumbai, Maharashtra 400093.

##### Manufacturing unit – I:

Our manufacturing unit is located at Plot No. 17 & 18, Verna Industrial Estate, Verna Taluka Salcete, South Goa

##### Manufacturing unit – II:

Our manufacturing unit is located at N-51, N-52, N-59 and N-60, Verna Industrial Estate, Survey No. 33 of Verna Village, Verna Taluka Salcete, South Goa

For further details of ownership / lease of the above locations, please refer to “Our Business – Properties” beginning on page no. 112 of this Prospectus

### PRODUCTS AND SERVICES

#### *Electric power generation, management and distribution*

Our Company offers the entire power systems starting from the generators right up the lighting distribution panels and sockets thus offering a complete system responsibility, using the latest engineering tools we ensure that individual components forming part of the complete system comply with the requirements (short circuit levels, discrimination, cascading, harmonic distortion, failure mode effect analysis, vibration etc.). We have delivered solutions to a variety of vessels like bulk carriers, container vessels, luxury yachts, offshore vessels, dredgers, frigates, corvettes, fast attack crafts, offshore patrol vessels etc.

#### Power Supply:

- Main switchboards
- Emergency switchboards
- Generator panels
- Motor starter panels
- Consumer panels
- Uninterrupted power supply (UPS)
- Rectifier units and battery chargers

#### Power Management:

- Various power management systems

#### Power Distribution:

- Distribution boxes
- Motor starter boxes







- Shore connection boxes
- Test panels
- Lighting distribution panel
- Emergency switch-off panel

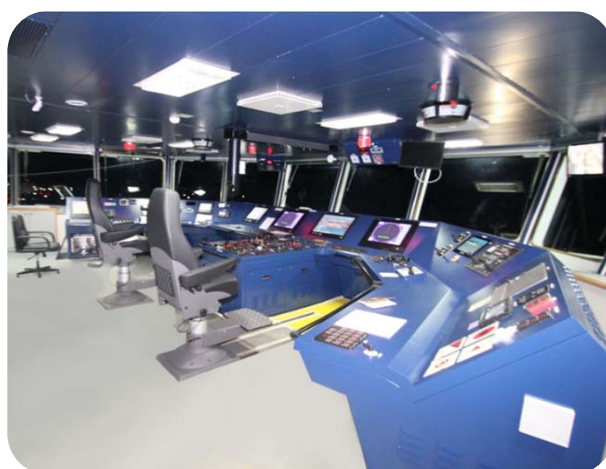
#### **Consoles:**

- Engine control room (ECR) consoles
- Cargo control consoles
- Individually designed bridge consoles
- Ceiling consoles
- Chart tables
- Wing consoles

#### ***Navigation and Communication***

Marine Electricals offers a choice of sophisticated navigation and communication products to meet demands of enhanced efficiency required by the shipping industry today. We are able to provide customized products and solutions by leading electronic manufacturers in the fields of Communication and Navigation. This can be based on a modular bridge concept, composed of renowned brands or a fully integrated bridge system specifically tailored to your requirements.

We work with the shipyards and ship owners at an early stage in the project to supply to provide the appropriate electronics equipping the vessels to meet its customized requirements and maritime regulations. Our business is to supply, integrate, install, commission and maintain the electronic equipment for new build or retrofit of a variety of ocean going vessels, offshore vessels and naval vessels.



#### ***Electrical Propulsion***

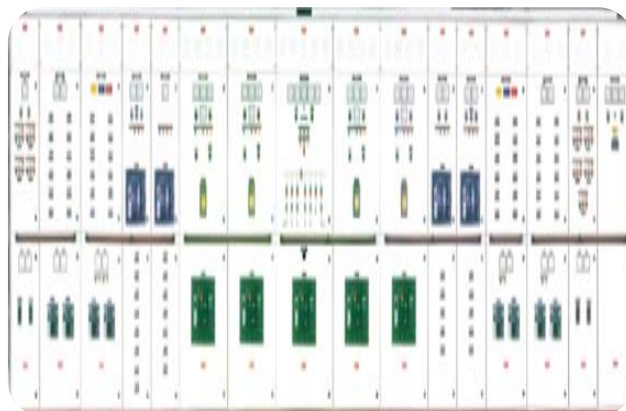
Electrical propelled vessels provide a large number of advantages making it the preferred choice of propulsion solution in the future. Electric ships require a single source of power for all ships functions including propulsion; this provides a great deal of flexibility in designing the ships layout.

Marine Electricals Electrical Propulsion and Drive systems division with its broad based expertise is able to provide individual solutions matching the ships specifications and applicable classification and regulations.

#### ***Marine Electricals Integrated Platform Management System***

The Marine Electricals Integrated Platform Management System MEACOS 3000 is a redundant, high speed, sophisticated and highly automated monitoring and control system. The IPMS is a customized automation system tailored to customer and class requirements. It controls and monitors virtually every mechanical system on a ship. All operator tasks are performed on configurable multifunctional Integrated Workstations, which are placed in the Engine Control Room, on the Bridge or at any other station required.

The IPMS communicates on an redundant Fiber Optic / Ethernet backbone. On the platform side, the system consists of Local Processing Units (LPUs) to which the





ship's systems are connected. Decentralized automation units facilitate graceful degradation, whilst maintaining optimum functionality. To ensure a high level of reliability gateways, central networks and client stations are connected redundantly.

### ***Information Technology***

Information networks have become indispensable and also more complex, on any ship. Marine Electricals has gathered the expertise for designing a stable and efficient IT backbone for proper data management and data sharing, a network infrastructure which saves on cabling and is ready for running multiple services over the same network such as IPTV, CCTV and telephony. We advise on the network topology and services and will provide you with the design and installation of the best and most efficient IT-solution network and integrate it with all the systems that need to be connected to this network. We have successfully completed network installations on complicated high technology Research Vessels.

### ***Engineering and Project Management***

- Customer support during the realization of the ship's technical specification
- Definition and specification of the systems and their technical data.
- Making out the electrical load balance and the measuring point list
- Calculation of short circuit currents and selective responsiveness of system
- Selection and integration of all electrical and electronic systems, including the clarification of interfaces, in order to achieve an optimized complete system
- Antenna arrangement
- Consideration of all national and international regulations and rules of the respective classification societies
- Design of the drawings for electrical equipment and supply of documents with up-to-date electronic data processing
- Cable engineering and routing
- Lighting equipment arrangement

### ***MEcubE<sup>3</sup>***

#### **a) Low Voltage Power Control Centers**

MEcubE3 Low - Voltage Power Control Centers cover a wide range of switchboards suited for the demanding needs of various industries such as Oil & Gas, Life Science, Chemicals, Power Plants, Data Centers as well as Residential and Commercial applications.

MEcubE3 Low - Voltage Power Control Centers are engineered and manufactured in accordance to IEC 61439 with normal ratings tested up to 6300A 100kA 690V, with installed feeder sections and bus-coupler arrangements also at your disposal. Alongside that, Bus duct arrangements to transformers or interval panel sections are also fabricated.

- Freedom of choice in the selection of electrical equipment with regard to type and manufacturer of breakers for fixed, and withdrawable versions offering a degree of separation up to Form 4b
- Robust, modular and compact construction with Ingress Protection class to IEC 529: IP 30 to 54
- Busbar Design available in Copper & Aluminium sourced from Oriental Copper & Hindalco respectively
- Option of RAL 7032 colors finish or clients choice of finish
- Type Tested Assembly to IEC 61439







- Outgoing feeders are available in fully withdrawable, plug-in or fixed versions with a flexibility of modification /augmentation at any stage in the ordering process as well as at site
- Rated frequency 50/60 Hz
- Rated current up to 6300A
- Rated voltage 690VAC
- Rated short time withstand current: Up to 100kA
- Rated impulse withstand current: Up to 220kA
- Rated insulation voltage 1000V

### ***Blokset:***

Blokset switchboards have long guaranteed the durability and availability of several tens of thousands of installations the world over. Tried and tested reliability, overall performance and an attractive TCO (Total Cost of Ownership) have caused Blokset to become, the reference switchboard for a large number of panel-builders, industrial site managers and maintenance managers, in a few years. Manufactured under License by Schneider Electric France, ensuring the best delivered quality.

Throughout all these years, Blokset technology has never ceased to satisfy end-users in their search for optimized solutions for better, faster and more economic production and panel-builders in their search for equipment that is more reliable and easier to install and maintain.

Today this evolution assumes concrete form with the emergence of a new column dedicated to motor control known as "Mw2".

### ***MEpower<sup>3</sup>***

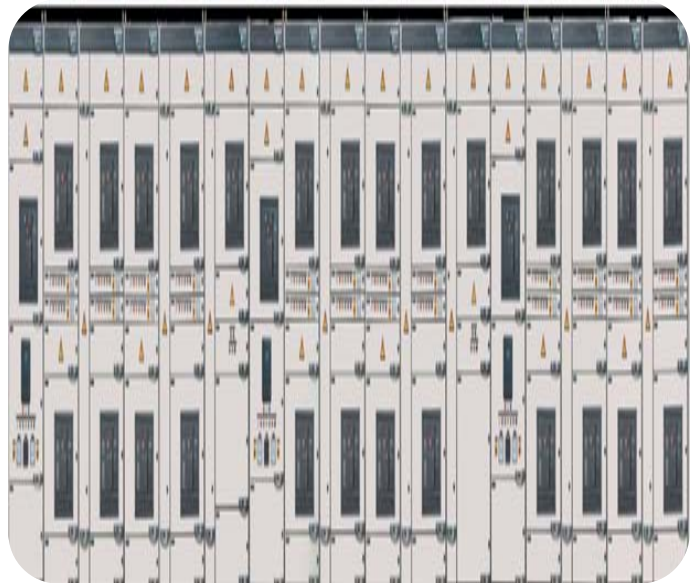
MEpower3 is Marine Electricals medium voltage offering as a alliance partner with Schneider Electric completely designed in house in consultation with Schneider Electric. Marine Electricals manufactures 12KV/ 24KV/ 36KV metal clad switchgear panels with the VCB & SF6 circuit breakers supplied by Schneider Electric.

MEpower3 compiles with the main international standards:

IEC 62271-200 Standard for high A.C. Metal enclosed switchgear and control gear for rated Voltages above 1kV up to and including 52 kV

### **Range of Products**

- Indoor Metal Clad Vacuum Circuit Breaker, Rating : 6.6 to 12 kV
- Outdoor Metal Clad Vacuum Circuit Breaker Rating : 6.6 to 12 kV
- Earthing Truck & Breaker Trolley





## Features

- Compact design, Available in Both Indoor and Outdoor version. Simple Construction, Floor mounting, free standing & simple installation type
- Fully compartmentalized design / separate chambers for breaker, bus bar, cable & CT and PTs with Instruments & Relay compartment
- Fabricated sheet metal parts are pre-treated by eleven tank process before power coating of customer colour choice
- Extensible on both sides and Aesthetically Superior with Reliability & Continuity of Supply
- Minimum downtime, Safe, Easy to maintain and Transportable & Ready to Install
- Withdrawable truck assembly and Metal enclosed, No direct access to live parts, No fire hazard
- Horizontal draw out & horizontal isolation design, high electrical and mechanical life
- Easy interchangeability of breakers of same rating
- Service, Test & Isolated positions inside the cubicle with front door closed

## Construction:

- Application : Indoor / Outdoor / Kiosk with fully Bolted type Design
- Compartmentalized : Fully compartmentalized of LT Chamber Compartment, CTs & PTs Compartment Breaker Compartment Cable ( Outgoing ) Termination Compartment
- Future Extension : On Both Sides LHS & RHS
- Bus bar : Aluminum / Copper options
- Paint Shade : Pre - treatment & painting as per standard, Alkyd melamine epoxy based Powder Coating ( as per the requirements )

## Sheet Metal Details

Description	Thickness
Front Door LT Chamber	2.5 mm CRCA / GI
Front Door VCB Chamber	2.0 mm CRCA / GI
Structural members ( vertical & horizontal members )	2.0 mm CRCA / GI
Top cover ( explosion cover )	1.0 mm CRCA / GI
Bottom Sheet	2.0 mm CRCA / GI
Partition for LT Chamber	2.0 mm CRCA / GI
Partition cover between panels	2.0 mm CRCA / GI
Rear / Side cover	2.0 mm CRCA / GI
Barrier sheets between VCB's	
Bus bar and Cable Chamber	2.0 mm CRCA / GI
Shutter	1.0 mm CRCA / GI

## Interlocks

- Interlocks are provided such that breaker closing is prevented in intermediate position between service and test/isolated positions.
- Breaker can be inserted only when control plug & socket is in position and Control plug & Socket can be removed only in isolated position
- Adequate interlocks for the vacuum circuit breaker truck are provided to ensure total safety to the operating personnel. Mechanical Castle interlocks with upstream / downstream isolators can be provided on request.
- Emergency tripping arrangement can be provided outside the cubicle on request
- The operating Mechanism is either manual / motorized spring charged. The clearance between the phase to phase and to earth on the VCB truck as well as the bus connections are as per the relevant standards. The VCB is very robust and virtually maintenance free

## High Switching Life

- 100 Short circuit interrupting operation
- 20000 Load current Switching operations
- 30000 Mechanical Operations



## Renewable Energy

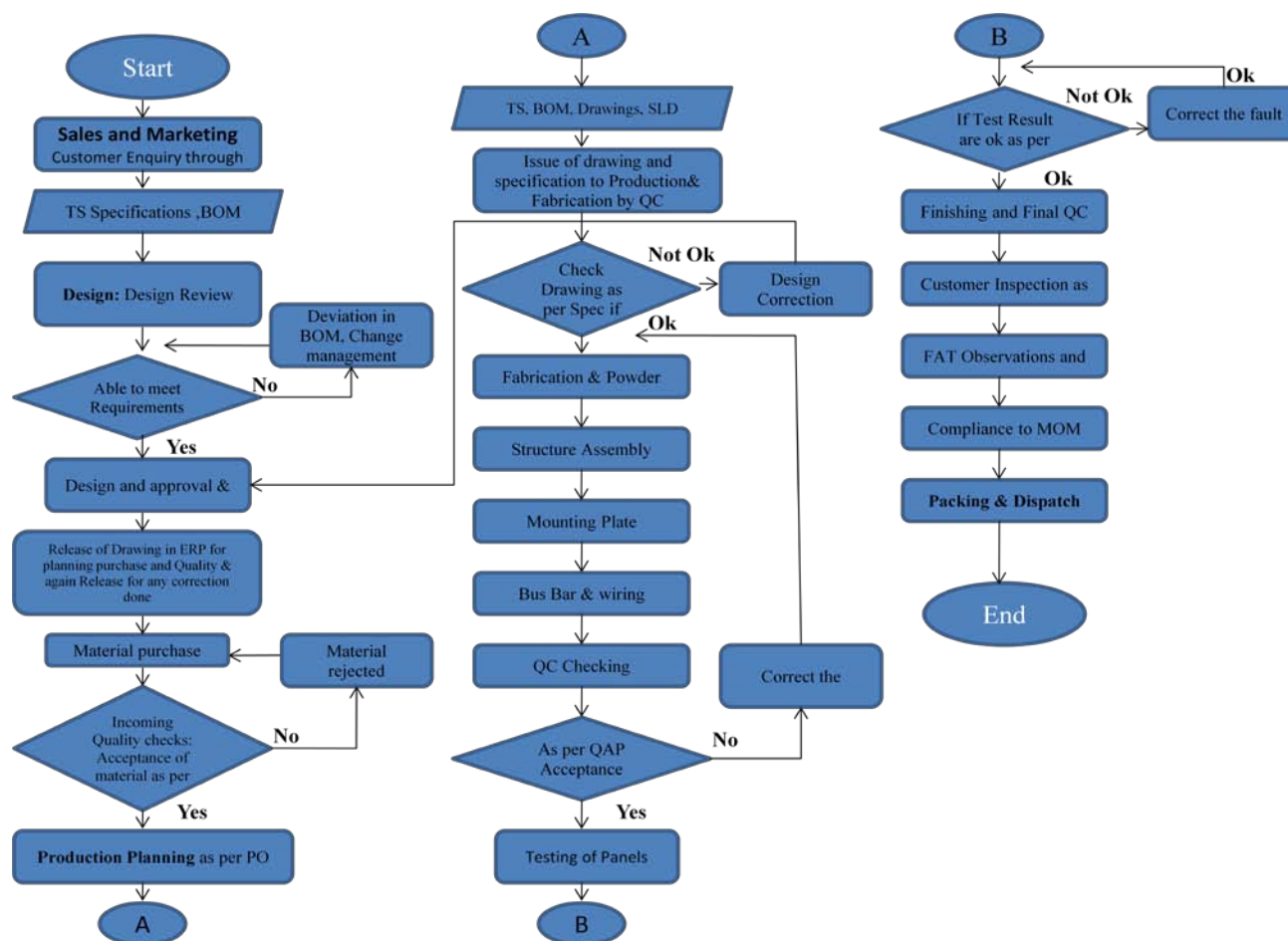
On June 08, 2017, we have entered into an agreement with NLC India Limited to provide Solar Power Evacuation system, thus venturing into the renewable energy segment in India. Our group Company, STI, Italy has rich experience in renewable energy, energy efficiency and energy management. STI has its own production facility to design and engineer suitable renewable energy solutions as per the clients' requirements. As a leading EPC (Engineering, Procurement and Construction) Company, STI provides outstanding design and engineering services, onsite project management, execution, installation, testing and commissioning as well as maintenance services across the world.

## BUSINESS PROCESSES

The manufacturing process of the Company initiates with the Technical Specification (TS), followed by Bill of Material (BOM), Drawings and Single Line Diagram (SLD) and further requirements are sent to purchase department. Issue of the drawings and specification to production and fabrication is done by Quality Control Department followed by development of the design.

The next step is Fabrication of the mechanical design including sheet scanning through Computer Numerical Control (CNC), punching, binding, fabrication, welding, drilling, powder coating, baking. Once the outer body of the product is prepared, assembly of the structure is done followed by mounting plate, bus bar and wiring. The panel is checked by quality control before offering it for testing as per Quality Assurance Plan.

This process starts can be divided broadly into the following phases:





## PROCUREMENT OF RAW MATERIALS:

Our major raw material for this process comprises of air circuit breaker, CR steel sheet, copper bus bars, switchgears, etc. Raw materials required for the production are procured locally as well as imported depending upon the final product specification. Our raw material supplier goes through extensive evaluation and assessment process.

## PLANT & MACHINERY

Our manufacturing units at Mumbai and Goa is equipped with state-of-the-art machines, installed to provide the best quality with latest technology and accurately tested products. Some of the key plant and machineries are listed below:

- MIG Welding Machine
- Bench Drilling Machine
- Air Compressor
- Bus Bar Cutting Machine
- Hydraulic Press Brake
- Electric Hoist
- Hydraulic Busbar Bending & Punch Press
- Oven
- Powder Coating Gun / Motor
- Air Dryers
- Power Press
- Spot Welding Machine
- Hydraulic Shearing Machine
- Electrical Impact wrench
- CNC Amada Turret Punch Press-1&2

## UTILITIES

### *Raw Materials:*

1	<b>Circuit Breaker</b>	A circuit breaker is an automatically operated electrical switch designed to protect an electrical circuit from damage caused by excess current from an overload or short circuit. Its basic function is to interrupt current flow after a fault is detected. The modern power system deals with huge power network and huge numbers of associated electrical equipments. During short circuit fault or any other types of electrical fault these equipment as well as the power network suffer a high stress of fault current in them which may damage the equipment and networks permanently.
2	<b>Cr Steel Sheet</b>	The Panels is of cubical type construction, fabricated from angles/formed channels of mild steel to the required profile by welding to form rigid structure suitable for direct mounting. The doors and covers shall be fabricated from sheet steel. The complete Panels is designed to form rigid structure meeting best required Standards.
3	<b>Copper Bus Bars</b>	In electric power distribution, a busbar (also <i>bus bar</i> ) is a metallic strip or <i>bar</i> , typically housed inside switchgear, panel boards, and busway enclosures for local high current power distribution.
4	<b>Switchgears</b>	In an electric power system, <i>switchgear</i> is the combination of electrical disconnect switches, fuses or circuit breakers used to control, protect and isolate electrical equipment. This type of equipment is directly linked to the reliability of the electricity supply.
5	<b>Cables</b>	All wiring carried out by using flexible copper conductor panel wiring FRLS type cable of 1000V grade. Wiring will run in approved trunking or alternatively laced to form neat looms and secured to prevent dislocation damage under the specified operating
6	<b>Relays</b>	A relay is an electrically operated switch. Many relays use an electromagnet to mechanically operate a switch, but other operating principles are also used, such as solid-state relays. Relays are used where it is necessary to control a circuit by a



		separate low-power signal, or where several circuits must be controlled by one signal.
7	<b>Transformer</b>	A transformer is a static electrical device that transfers electrical energy between two or more circuits through electromagnetic induction
8	<b>Alluminium Busbars</b>	The busbar formed from rectangular cross section, hard drawn, high conductivity, electrolytic grade copper adequately rated for the thermal, mechanical and electromagnetic condition likely to be experienced. All copper work will be supported by insulated mount and clamps of non-hygroscopic materials
9	<b>Variable Frequency Drive</b>	A variable-frequency drive is a type of adjustable-speed drive used in electro-mechanical drive systems to control AC motor speed and torque by varying motor input frequency and voltage
10	<b>Push Button</b>	A <i>push-button</i> (also spelled <i>pushbutton</i> ) or simply <i>button</i> is a simple <i>switch</i> mechanism for controlling some aspect of a machine or a process. <i>Buttons</i> are typically made out of hard material, usually plastic or metal.
11	<b>Contact Block</b>	The <i>contact block</i> rating of a switching device is the electrical load that the device is capable of switching. Although <i>contact blocks</i> are usually rated for maximum conditions, there is a practical low load limit that the <i>contacts</i> will switch in a reliable manner.
12	<b>Indicating Lamp</b>	These indicating lamps are the preferred choice for hazardous area indication. They offer standard indicating lamp size, (22.5mm hole), and a short mounting depth. Most of all, they are intrinsically safe. This means that the connections may be accessed in a hazardous area and no bulky EExe junction boxes are required.

### **Water**

Water is required both for manufacturing process and domestic purposes, which is met from the present bore well.

### **Power**

Our manufacturing plant and registered office have adequate power supply position from the public supply utilities. Our manufacturing unit I has an approval of 125KVA and manufacturing unit II has an approval of 315KVA from the Office of the Executive Engineer, Electricity Department, Verna Plateau, Goa.

### **Effluent treatment**

The Company is having effluent treatment plant. The Company is having Consent for Operation Certificate from Goa State Pollution Control Board through consent order no- 5/4984/10PCB/11831 for manufacturing unit I and consent order no- 5/4585/10-PCB/11735 for manufacturing unit II.

### **CAPACITY UTILIZATION**

Capacity utilization details of the company cannot be ascertained considering the products and the manufacturing process followed. The Company is engaged in manufacturing of Marine and Industrial Control panels as per specific customer requirement. The manufacturing process of products initiates with preparation of the outer body of the product followed by assembly of the structure, mounting of plates/bus bar and wiring.

### **MARKETING**

Our Company believes that the quality of their product and services are up to the mark and that's the major reason for being awarded with the orders. Our Company has a skilled team for marketing which personally indulges in formation of marketing strategies apt for the right promotion of the products manufactured by us. Our marketing team through their vast experience and good networking with clients owing to timely and quality delivery of service plays an instrumental role in creating and expanding a work platform for our Company. To retain our customers, our team, which comprises of people with vast experience regularly interacts with them and focuses on gaining an insight into the additional needs of customers.

Since the target industries and customers are known to us, the sales teams approach them and solicit business for various verticals. We believe that the quality of service we offer is one of our most effective marketing tools.





## COLLABORATIONS

We have not entered into any technical collaboration agreements with any party

## SEASONALITY

Our business is not seasonal in nature.

## EXPORT AND EXPORT OBLIGATIONS

The total exports of the Company for the last three fiscal years i.e. 2017-18, 2016-17 and 2015-16 are Rs. 2321.40, Rs.3968.64 lakhs and Rs.3857.53 lakhs respectively.

There are no Export Obligations as on date of this Prospectus

## CLIENT BASE

The following table illustrates the concentration of our revenues among our top customers

(₹ in lakhs)

Particulars	FY 2017-18		FY 2016-17		FY 2015-16	
	Revenue	% of Total Revenue	Revenue	% of Total Revenue	Revenue	% of Total Revenue
Revenue From Top 10 Customer	17,164.72	59.67%	8,180.66	39.06%	19,344.95	45.12%

## HUMAN RESOURCES

Our Company believes that our ability to maintain growth depends on our strength in attracting, training, motivating and retaining employees. As on June 30, 2018, we have 305 employees (including two executive director) on our payroll as mentioned below.

Sr. No	Category	Number of employees
1.	Executive Director	2
2.	Key Managerial Personnel (KMP)	9
3.	Other Employees (Registered Office, Unit I and Unit II) (including office and administration staff )	294
	<b>Total</b>	<b>305</b>

Apart from this, we also engage contract labourers to facilitate our manufacturing operations. We have also obtained the contract labourers' certificate dated October 10, 2017 from Government of Goa-Office of the registering officer.

## QUALITY CONTROL

The ability to deliver consistently high quality steel products to customers is critical to our business. Quality control is ensured by strict adherence to work protocols, from the procurement of raw materials through the stages of production. Work procedures and instructions are upgraded or amended based on mutually agreed quality parameters between different departments. The quality parameters are tested, recorded and monitored by our Quality Assurance Team, as well as our customer and supplier departments. Quality control starts by testing raw materials, process materials and semi-finished products, and ends at the testing and certification of finished products. All components and equipments employed in manufacture of the Panels are suitable for Marine Installation and are either of classification approved components of known quality or components selected during the design of the Panels to customers specification.

## COMPETITION

We face competition from various local domestic and international players. Some of our competitors include Siemens , L&T, Schindler etc. We intend to continue competing vigorously to capture more market share and adding more management personnel to manage our growth in an optimal way. We believe that the principal factors affecting competition in our business include client relationships reputation, the abilities of our management and operating team



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and market focus. Our success also depends on our ability to understand the preferences of our existing and prospective customers. Our competencies are however in delivering timely executions well within the quality parameters.





## PROPERTIES / LAND DETAILS

Details of our leased properties are as below:

Sr. No.	Premises leased	Name of Lessor	Purpose
1.	Unit No. B-1, Udyog Sadan No. 3, MIDC, Marol Industrial Area, Andheri East, Andheri East, Mumbai, Maharashtra 400093 <sup>(1)</sup>	Maharashtra Industrial Development Corporation	Manufacturing Facility / Registered Office
2.	Plot No. 16, Road No. 9, MIDC, Marol, Andheri (East), Mumbai – 400 093 <sup>(2)</sup>	Maharashtra Industrial Development Corporation.	Let out property
3.	Plot No. N-51, N-52, N-59 and N-60, Verna Industrial Estate, Survey No. 33 of Verna Village, Verna Taluka Salcete, South Goa	Goa Industrial Development Corporation	Factory Plant
4.	Plot No 17 & 18 Verna Industrial Estate, Phase 1, Verna Taluka Salcete, South Goa	Goa Industrial Development Corporation	Factory Plant
5.	Plot No N-54 & N-57, Verna Industrial Estate, Phase- IV, Salcete, South Goa. <sup>(3)</sup>	Goa Industrial Development Corporation	Proposed Plant
6.	Plot No N-55 & N-56, Verna Industrial Estate, Phase- IV, Salcete, South Goa. <sup>(4)</sup>	Goa Industrial Development Corporation	Proposed Plant
7.	Unit No. B - 2, B – 3, C – 1, C – 2 and D – 1, Udyog Sadan No. 3, M.I.D.C., Andheri (East), Mumbai – 400 093	M/s. KDU Enterprises Pvt. Ltd. <sup>(5)</sup>	Additional office
8.	Shed No. C1B 71 and 72, Ichchhapore – Bhatpore Industrial Estate, Revenue Block No. 755/P, Choryasi, Surat	Gujarat Industrial Development Corporation	Workshop
9.	Unit No. A-2, Udyog Sadan No. 3 M.I.D.C, Andheri (East), Mumbai – 400 093	M/s. Philins Industrial Corporation <sup>(5)</sup>	Additional office
10.	Villa Number 5, Gulmohur Park, Chicalim, Airport Road, Vasco-da-Gama, Goa	1. Mr. Sadananda Deshpande 2. Mrs. Vijayalakshmi Srinivasan	Company Guest House
11.	Plot No. 93, 1 <sup>st</sup> Main Road, Nehru Nagar, Rajiv Gandhi Salai (OMR), Chennai – 600 041	Mr. T. Upendra Rao	Additional office
12.	Flat No. 908, 9 <sup>th</sup> floor, Emerald building, Vasant Oasis, Borosil Plot, off Andheri Kurla Road, after Marol Fire Brigade Signal, Makwana Road, Marol, Andheri (East), Mumbai- 400059.	Mrs Rashmi Uchil <sup>(5)</sup>	Site Engineer Residential Purpose

*Note 1: For unit No. B-1, Udyog Sadan No. 3 standing on Plot Nos. F-4, F-5 and F-6, Udyog Sadan No. 3, Marol Industrial Area, Andheri was initially executed in favour of Shri. K.D. Uchil, Proprietor of M/s. Marine Electricals for 99 years as per agreement dated 14<sup>th</sup> May, 1982 which got transferred in the favour of Smt. Premlata K. Uchil and Shri Venkatesh Uchil, partners of M/s. Marine Electricals as per letter dated 28<sup>th</sup> July, 2006 which further transferred in the favour of M/s. Marine Electricals (India) Pvt. Ltd. on 1<sup>st</sup> September 2010*



Note 2: Plot No. 16, Road No. 9, MIDC, Marol, Andheri (East), Mumbai – 400 093 was initiated allotted to M/s Kripil Products and Packaging Pvt Limited by MIDC for 95 years commencing from March 01, 1975 at the yearly rent of Rs 1/- through lease agreement dated July 12, 1985, which was then transferred to Aurobindo Pharma Limited through agreement dated October 18, 2003 and subsequently transferred to our Company on July 05, 2009.

Note 3: Plot No N-54 & N-57 was initially executed in favour of Matrix IT Enabled Services Private Limited on 23<sup>rd</sup> November, 2006 which was then taken by M/s. Marine Electricals (India) Pvt. Ltd. on 27<sup>th</sup> February 2018 for 30 years

Note 4: Plot No N-55 & N-56 was initially executed in favour of M/s Maheshwari Corporation on 29<sup>th</sup> January, 2007 which was then taken by M/s. Marine Electricals (India) Pvt. Ltd. on January 29, 2018 for 30 years.

Note 5: Unit no B-2/B-3/C-1/C-2/D-1 Udyog Sadan No. 3, M.I.D.C.(leased from M/s. KDU Enterprises Pvt. Ltd), Unit No. A-2, Udyog Sadan No. 3 M.I.D.C. (leased from M/s. Philins Industrial Corporation and Flat No. 908, 9th floor, Emerald building, Vasant Oasis, Borosil Plot, off Andheri Kurla Road (leased from Mrs Rashmi Uchil) are leased from related parties. Please refer to refer to Annexure XXVIII Statement Of Related Party Transactions mentioned under Chapter titled “Financial Statements” on pages no. 205 of this Prospectus

Note 6: Apart from the Properties as mentioned above, we have also taken many properties on lease basis for the Site Engineer / Workers residential purpose from third parties. Further we confirm that apart from above, none of the properties have been taken from any related parties.

## INSURANCE

Details of our Insurances taken are given below:

Sr. No.	Name of the Insurance Company	Details of Assets /Goods covered under the policy	Policy No.	Validity Period	Sum Insured	Premium p.a.
1.	SBI General Insurance	Standard fire & special perils (material damage) policy	000000008208919	From 18.01.2018 to 17.01.2019	₹ 3,04,82,6613	₹ 28,542
2.	The New India Assurance Co. Ltd	Money in transit	14060048170300000161	From 26.02.2018 to 25.02.2019	₹ 24,00,000	₹ 5,665
3.	The New India Assurance Co. Ltd	Fire Insurance- Office Premises	17080011170100002094	From 27.10.2017 to 26.10.2018	₹ 75,34,800	₹ 2,840
4.	SBI General Insurance	Standard Fire & Special Perils Insurance	000000008208780	From 18.01.2018 to 17.01.2019	₹ 21,25,00,000	₹ 85,977
5.	SBI General Insurance	Standard Fire & Special Perils Insurance	000000008208848	From 18.01.2018 to 17.01.2019	₹ 60,00,000	₹ 3,250
6.	SBI General Insurance	Burglary Insurance Insurance	000000008208995	From 18.01.2018 to 17.01.2019	₹ 60,00,000	₹ 1,463
7.	SBI General Insurance	Burglary Floater Insurance	000000008209070	From 18.01.2018 to 17.01.2019	24,40,00,000	₹ 25,842
8.	SBI General Insurance	Standard Fire & Special Perils	000000008199749	From 01.12.2017 to	₹ 1,33,84,217	₹ 7,758




Sr. No.	Name of the Insurance Company	Details of Assets /Goods covered under the policy	Policy No.	Validity Period	Sum Insured	Premium p.a.
		Insurance		30.11.2018		
9.	SBI General Insurance	Standard Fire & Special Perils Insurance	0000000008199682	From 01.12.2017 to 30.11.2018	₹ 1,12,91,501	₹ 9,196
10.	TATA AIG Insurance	Domestic Sales & CIF Exports	083001455003	From 01.09.2018 to 31.08.2019	₹ 10,00,00,000	₹ 64,901

Ensuring the safety of our products i.e. control panels is critical for end user satisfaction hence we also ensure our goods in transit.

### INTELLECTUAL PROPERTY

We do not have any trademark or intellectual property rights for our business operations. For further details, please see the chapter “Risk Factors” on page 17 of this Prospectus. However our Company uses the following logo on its products and for corporate communications:

Sr. No.	Logo	Legal Status
1.		Unregistered

### CERTIFICATIONS OBTAINED

Sr. No.	Particulars of License	Issuing Authority	Licensee	Validity	License No
1.	<p><b>ISO9001 :2015</b></p> <ul style="list-style-type: none"> <li>Design, Manufacture, Supply, Installation &amp; Service of Switchboards, Distribution Boards, Panels, Alarm Monitoring ft Control Systems; Navigation &amp; Communication Systems, Integrated Bridge Systems and Integrated Platform Management Systems Development of Software for Automated</li> <li>Power Management Systems, Alarm Monitoring ft Control Systems and Related Electrical Control Systems</li> <li>Procure, Supply, Install ft Service of Navigation ft Communication Systems and SRT Survey</li> </ul>	IRCLASS Systems and Solutions Private Limited	Marine Electricals (India) Pvt. Ltd.	24.11.2017 to 23.11.2020	IRQS/1710992



Sr. No.	Particulars of License	Issuing Authority	Licensee	Validity	License No
2.	<b>ISO 14001: 2015</b> Manufacture and Supply of Switchboards, Distribution Boards, Panels, Alarm Monitoring and Control Systems	IRCLASS Systems and Solutions Private Limited	Marine Electricals (India) Pvt. Ltd.	16/07/2018 to 25/11/2018	IRQS/1530916
3.	<b>OHSAS18001:2007</b> Manufacture and Supply of Switchboards, Distribution Boards, Panels, Alarm Monitoring and Control Systems	IRCLASS Systems and Solutions Private Limited	Marine Electricals (India) Pvt. Ltd.	26/11/2015 to 25/11/2018	IRQS/1540917
4.	<b>IEC 61439</b> Strength of material and parts <ul style="list-style-type: none"> <li>• Degree of protection of enclosures</li> <li>• Clearances</li> <li>• Creepage distances</li> <li>• Protection against electric shock</li> <li>• No verification by testing required</li> <li>• Dielectric properties</li> <li>• Temperature-rise limits</li> <li>• Short-circuit withstand strength</li> <li>• Electromagnetic compatibility (EMC)</li> <li>• Mechanical operation</li> </ul>	Electrical Research & Development Association	Marine Electricals (India) Pvt. Ltd	N.A.	21442



## KEY INDUSTRIAL REGULATIONS & POLICIES

*The following description is a summary of the relevant regulations and policies that are applicable to our business, as prescribed by the Government of India and other regulatory bodies. The information detailed below has been obtained from 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 set below may not be exhaustive, are intended only to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. For details of government approvals obtained by us, please refer to section titled "Government and Other Approvals" beginning on page 233 of this Prospectus.*

*Except as otherwise specified in this Prospectus, taxation statutes including the Income Tax Act, 1961, Central Sales Tax Act, 1956, Central Excise Act, 1944, Service Tax under the Finance Act, 1994, applicable local sales tax statutes and other miscellaneous regulations and statutes may apply to us as they do to any other Indian Company. With effect from July 1, 2017, Goods and Services Tax Laws (including Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, States Goods and Services Tax Act, 2017 and Union Territory Goods and Services Tax Act, 2017) are applicable to our Company. The statements below are based on the current provisions of Indian law and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Set forth below are certain significant Indian legislations and regulations which are generally adhered to by the industry that we operate in.*

### 1. **Legal Metrology Act, 2009 ("Legal Metrology Act")**

The Legal Metrology Act has repealed and replaced the Standards of Weights and Measures Act, 1976 and the Standards of Weights and Measures (Enforcement) Act, 1985. The Legal Metrology Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto.

### 2. **Batteries (Management and Handling) Rules, 2001 ("Batteries Rules")**

The Batteries Rules have been notified by the Central Government under sections 6, 8 and 25 of the EPA and are applicable to every manufacturer, importer, re-conditioner, assembler, dealer, recycler, auctioneer, consumer and bulk consumer involved in manufacture, processing, sale, purchase and use of batteries or components thereof. The Batteries Rules, *inter alia*, list out the registration requirements and responsibilities of manufacturers, importers, assemblers, re-conditioners and dealers. The Batteries Rules have been amended pursuant to the Batteries (Management and Handling) Amendment Rules, 2010 to provide greater clarity in the definition of bulk consumers and to enable State PCB to monitor compliance with the Batteries Rules more efficiently.

### 3. **The Electricity Act, 2003 ("Electricity Act")**

The Electricity Act consolidates the laws relating to generation, transmission, distribution, trading and use of electricity. It lays down provisions in relation to transmission and distribution of electricity. It states that the State Government can specify suitable measures for specifying action to be taken in relation to any electric line or electrical plant, or any electrical appliance under the control of a consumer for the purpose of eliminating or reducing the risk of personal injury or damage to property or interference with its use.

## **Environmental Laws**

The major statutes in India which seek to regulate and protect the environment against pollution related activities in India are the Water (Prevention and Control of Pollution) Act 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Environment Protection Act, 1986 and the rules and regulations thereunder and The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008. Pollution Control Boards ("**PCBs**"), which are vested with diverse powers to deal with water and air pollution, have been set up in each state to control and prevent pollution. The PCBs are responsible for setting the standards for the maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking investigations to ensure that industries are functioning in compliance with the standards prescribed. All industries and factories are required to obtain consent orders from the PCBs, and these orders are required to be renewed annually.



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

The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set down by the State Pollution Control Board ("*State PCB*"). The Water Act also provides that the consent of the State PCB must be obtained prior to opening of any new outlets or discharges, which are likely to discharge sewage or effluent.

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

The Air Act requires that any individual, industry 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 PCB prior to commencing any activity. The consent may contain conditions relating to specifications of pollution control equipment to be installed. Within a period of four (4) months after the receipt of the application for consent the State PCB shall, by order in writing and for reasons to be recorded in the order, grant the consent applied for subject to such conditions and for such period as may be specified in the order, or refuse consent.

- **Environment Protection Act, 1986 ("EPA")**

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

- **Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 ("*Hazardous Waste Rules*")**

The Hazardous Waste Rules define the term "hazardous waste" and any person who has control over the affairs of a factory or premises or any person in possession of the hazardous or other waste is classified as an "occupier". In terms of the Hazardous Waste Rules, occupiers have been, *inter alia*, made responsible for safe and environmentally sound handling of hazardous wastes generated in their establishments and are required to obtain license/ authorisation from the respective State PCB for generation, processing, treatment, package, storage, transportation, use, collection, destruction, conversion, offering for sale, transfer or similar activities in relation to hazardous waste. The Hazardous Waste Rules also prescribe the hierarchy in the sequence of priority of prevention, minimization, reuse, recycling, recovery and co-processing. Further, State PCBs are mandated to prepare an inventory of the waste generated, waste recycled, recovered and utilized including co-processed, re-exported and disposed, based on annual returns received from occupiers and operators, and submit it to the Central Pollution Control Board on an annual basis.

- **Water (Prevention & Control of Pollution) Cess Act, 1977 ("*Water Cess Act*") and Water (Prevention & Control of Pollution) Cess Rules, 1978 ("*Water Cess Rules*")**

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

### **Industrial and Labour Laws:**

1. **Factories Act, 1948 ("*Factories Act*")**

Factories Act defines a 'factory' to cover any premises which employs ten or more workers on any day of the preceding twelve months and in which manufacturing process is carried on with the aid of power or any premises where at least twenty workers are employed in a manufacturing process.

Each state government has enacted rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act provides that an occupier



of a factory i.e. the person who has ultimate control over the affairs of the factory and in the case of a Company, any one of the directors, must ensure the health, safety and welfare of all workers. There is a prohibition on employing children below the age of fourteen years in a factory. The Factories Act also provides for imposition of fines and imprisonment of the manager and occupier of the factory in case of any contravention of the provisions of the Factories Act.

In addition to the Factories Act, the employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The following is an indicative list of labour laws which may be applicable to our Company due to the nature of our business activities:

1. Contract Labour (Regulation and Abolition) Act, 1970;
2. Employees' Compensation Act, 1923;
3. Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
4. Employees' State Insurance Act, 1948;
5. Industrial Disputes Act, 1947;
6. Industrial Employment (Standing orders) Act 1946;
7. Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996;
8. Child Labour (Prohibition and Regulation) Act, 1986
9. Maternity Benefit Act, 1961;
10. Minimum Wages Act, 1948;
11. Payment of Bonus Act, 1965;
12. Apprentices Act, 1961;
13. Payment of Gratuity Act, 1972;
14. Payment of Wages Act, 1936;
15. Equal Remuneration Act, 1976.

#### **Intellectual Property Laws:**

##### **1. Trade Marks Act, 1999**

The Indian law on trademark is enshrined in the Trade Marks Act of 1999. Under the existing Act, a trademark is a mark used in relation to goods and/or services so as to indicate a connection between the goods or services being provided and the proprietor or user of the mark. A 'Mark' may consist of a word or invented word, signature, device, letter, numeral, brand, heading, label, name written in a particular style, the shape of goods other than those for which a mark is proposed to be used, or any combination thereof or a combination of colours and so forth. The trademark once it is applied for is advertised in the trademarks journal, oppositions, if any, are invited and after satisfactory adjudication of the same, is given a certificate of registration. The right to use a mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is ten years, which may be renewed for similar periods on payment of prescribed renewal fees.

#### **Regulations regarding foreign investment**

1. Foreign investment in Indian securities is governed by the provisions of the Foreign Exchange Management Act, 1999 ("FEMA") read with the applicable FEMA Regulations. FEMA replaced the erstwhile Foreign Exchange Regulation Act, 1973. Foreign investment is permitted (except in the prohibited sectors) in Indian companies, either through the automatic route or the government approval route, depending upon the sector in which foreign investment is sought to be made. The Department of Industrial Policy and Promotion ("DIPP"), Ministry of Commerce & Industry, Government of India makes policy pronouncements on FDI through press notes and press releases which are notified by the RBI as amendments to the FEMA Regulations. In case of any conflict, the FEMA Regulations prevail. Therefore, the regulatory framework, over a period of time consists of acts, regulations, press notes, press releases, clarifications among other amendments. The DIPP issued the consolidated FDI policy circular of 2017, dated August 28, 2017 (the "FDI Circular") which consolidates the policy framework on FDI issued by DIPP, in force on August 28, 2017 and reflects the FDI Policy as on August 28, 2017. The FDI Circular consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DIPP.





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Capital instruments are required to be issued within a period of 180 days from the date of receipt of the inward remittance received from non-resident investor. In the event that, the capital instruments are not issued within a period of 180 days from the date of receipt of the inward remittance, the amount of consideration so received is required to be refunded immediately to the non-resident investor by outward remittance. Non-compliance with the aforementioned provision shall be considered as a contravention under FEMA and would attract penal provisions.

**Other laws:**

In addition to the above, our Company is also required to, *inter alia*, comply with the provisions of the companies Act, the Shops and Establishments Legislations of the relevant State, the Electricity Act, 2003 and the Bureau of Indian Standards Act, 2016.



## HISTORY AND CERTAIN CORPORATE MATTERS

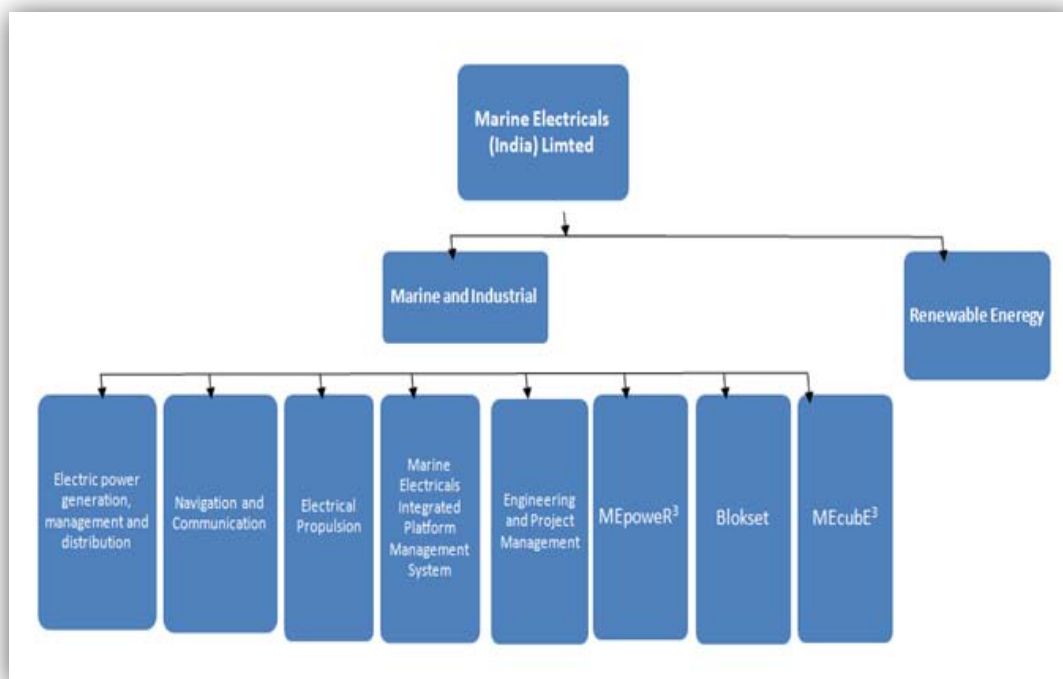
Late Mr. Krishnappa Uchil had started a business via a Proprietary concern in the year 1978, which was engaged in the manufacturing of Switch Gears for the Indian Navy. After he expired in the year 2004, the running business of Proprietary firm has been taken over by his family members via M/s Marine Electricals (a Partnership Firm). Later, the said Partnership Firm was converted to a private Company as “Marine Electricals (India) Private Limited” on December 04, 2007 under the Companies Act, 1956 with the Registrar of Companies, Mumbai at Maharashtra bearing Registration No. 176443. The Status of our Company was changed to public limited Company and the name of our Company was changed to Marine Electricals (India) Limited consequent to conversion of Private Limited Company into Public Limited Company by a special resolution passed on July 25, 2018. A fresh Certificate of Incorporation consequent to the change of name was granted to our Company on August 01, 2018 by the Registrar of Companies, Mumbai, Maharashtra, bearing CIN U31907MH2007PTC176443.

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 “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Industry Overview” on pages nos. 98, 209 and 85, respectively of this Prospectus.

## ABOUT OUR COMPANY

Our Company is a growing Integrated Electrical and Automation Solution Provider dealing in comprehensive electrical solution across industries with significant presence in Marine sector (Indian Navy, Commercial Shipbuilding) and Non Marine sector (Data Centre, Building Management Systems, Industrial etc).

Our Company provides solution in Low Voltage, Medium Voltage and Industrial Automation backed by In-house Product Design & Development, Manufacturing, Installations and after sale service. Our Company has business relationships with global electrical players like Schneider Electric, Siemens, GE. Such strategic tie ups give us the competitive edge over our competitors. Further, we have entered into an agreement with NLC India Limited to provide Solar Power Evacuation system, thus venturing into the renewable energy segment. Our business model is as summarised below:

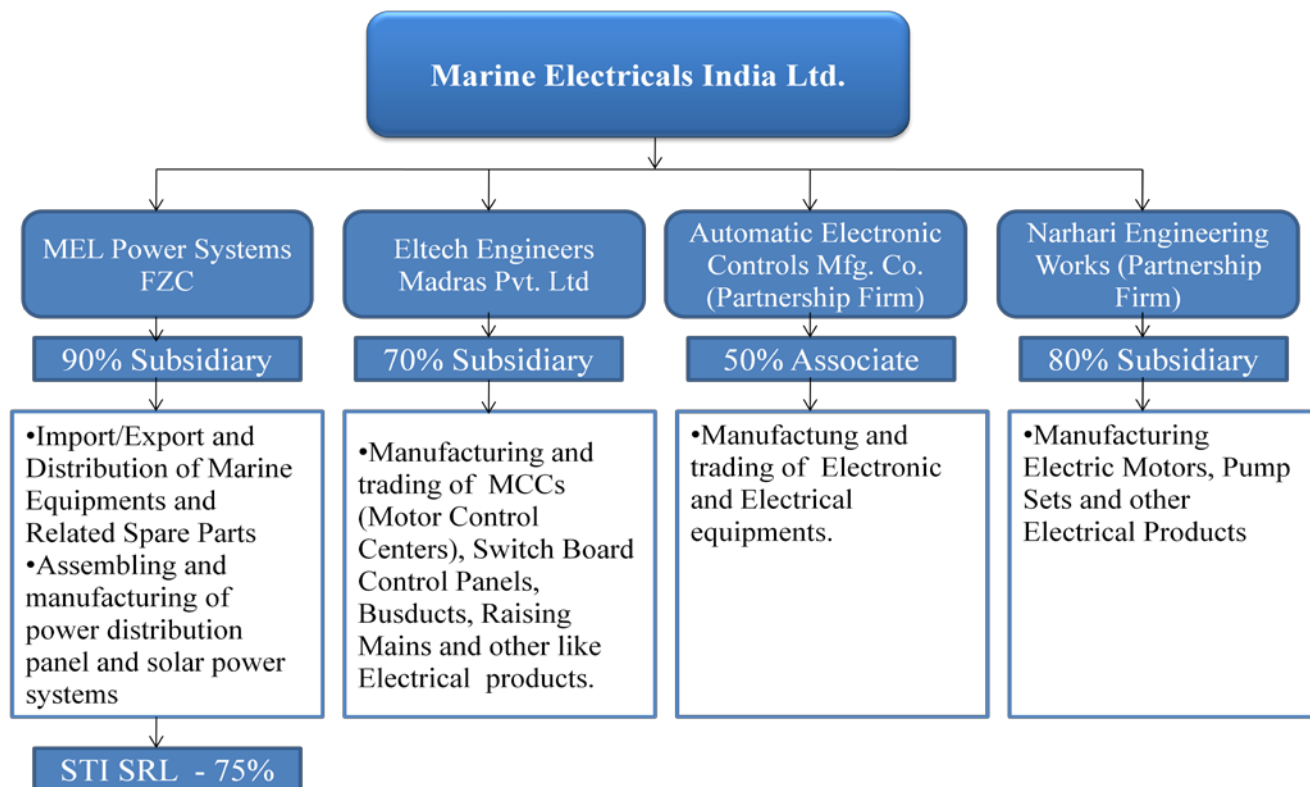


We have the competence and facilities to provide these state of the art panels starting from design and development to prompt after sales support. Our manufacturing facilities are certified as per ISO 9001, ISO 14001, and OHSAS 18001 for the Quality Management system, Environmental Management System and Occupation Health & Safety



Management System respectively. Our manufacturing facilities have all the latest CNC bending and turret punching machines to deliver equipment within the demanding tolerances to meet the requirements of this latest globally offered panels, this is also supported by our pre-treatment and painting facilities.

We have national and international presence through our subsidiaries. The structure is illustrated as below:



We ensure the quality of our products through rigorous testing including testing of sub system before integration and followed by testing of the entire system when assembled. We provide a combination of engineering, manufacturing, testing facilities and after sales support that provides customer delight to the equipment offered by us.

Our Managing Director and Promoter Mr. Venkatesh Uchil is actively involved in procurement, production and technical areas of the Company. He actively participates in timely execution of the Industry Orders and is the guiding force behind the growth and business strategy of our Company. Mr. Vinay Uchil, the Chairman & Whole-time Director & also Promoter of our Company is instrumental in expanding the business of the Company to a new height by diversification of the business into difference verticals i.e. Marine & Non- Marine Sectors & Renewable Energy.

Our Company’s revenue from operation have increased at a CAGR of 15.84% from 15,975.08 lakhs in FY 2013-14 to ₹ 28,766.39 lakhs in FY 2017-18; EBITDA has increased at a CAGR of 16.88% from ₹ 1,405.27 lakhs in FY 2013-14 to ₹ 2,622.68 lakhs in FY 2017-18.

Our Company has Eight (8) shareholders, as on the date of this Prospectus.

#### MAJOR EVENTS IN THE HISTORY OF OUR COMPANY

Financial Year	Major Events / Achievements
1978	Started as a Proprietary firm manufacturing Switch Gears for the Indian Navy
1998	Started Supplies into commercial ships for both private shipyards like ABG, BSL, Tebma and govt shipyards.
2000	Set up Our first manufacturing Plant in Goa situated at plot 17-18, Verna Industrial Estate, Verna Taluka, Salcete, South Goa.
2001	Involved in a large retrofit project of refurbishment of Aircraft carrier INS Viraat electrical equipment.



Financial Year	Major Events / Achievements
2003	Started exports of our equipment to UAE and other countries in the Middle East.
2004	Incorporated McGeoch Marine Electricals Pvt. Ltd. in association with Mcgeoch Technology UK, specialists in Lighting solutions for Royal Navy UK to manufacture these products in India for Indian Navy and Royal Navy.
2004	The running business of Proprietary firm has been taken over by M/s Marine Electricals (a Partnership Firm).
2005	Entry in to Non – Marine Segments – Partnering with Schneider Electric for offering solutions in western region
2006	Set up our Second manufacturing plant in Goa situated at N-51, N-52, N-59 & N-60, Verna Industrial Estate, Survey No. 33, of Verna Village, Verna Taluka, Salcete, South Goa.
2007	Conversion of our Company i.e. “M/S Marine Electricals” from a partnership firm to private limited Company as “Marine Electricals (India) Private Limited” under Companies Act, 1956.
2007	Acquired Automatic Electronic Controls Mfg. Co., a partnership firm involved in manufacturing of specialized Electronic solutions for Indian Navy.
2008	Started export of our equipment into Europe and subsequently into USA
2010	Started Marine Electricals FZC (currently known as MEL Power Systems FZC) to supply competitive IBS solutions to our shipyard customers in India.
2010	Entered into a non-exclusive re-seller agreement with Northrop Grumman Sperry Marine B. V. for their purchase and re-sale of their products
2011	Marine Electricals (India) private limited acquired controlling stake in Marine Electricals FZC (currently known as MEL Power Systems FZC), making it our subsidiary.
2012	Became a partner in M/s. Narhari Engineers, a Partnership firm involved in manufacturing of specialized shock graded motors for the Indian Navy
2012	Largest Partner for Schneider Blokset in India a position we have retained till date
2014	Our Subsidiary Marine Electricals FZC (currently known as MEL Power Systems FZC) appointed resellers and service representatives of Northrop Grumman Sperry Marine for UAE
2015	Appointed as a Franchise Partner for Medium voltage solutions upto 33KV by Schneider Electric.
2016	Subsidiary Marine Electricals FZC acquires 75% of an electrical and automation Company STI SRL in Italy.
2017	Acquired Eltech Engineers Madras Pvt. Ltd., Chennai to increase foot print of electrical equipment in the South.
2017	Awarded order for 50MW Solar Power plant EPC by NLC India Ltd.
2018	Conversion of our Company from private to public i.e. from “Marine Electricals (India) Private Limited” to “Marine Electricals (India) Limited”.
2018	Set up Goa plant situated at Plot No N-54 & N-57, Verna Industrial Estate, Phase- IV, Salcete, South Goa.

## MAIN OBJECTS AS PER MEMORANDUM OF ASSOCIATION

Our Company’s main object as per the Memorandum of Association is as follows:

1. *“To carry on the business as manufacturers, producers, processors, contractors, repairs, exporters, importers, representatives, agents, traders in all types of marine electricals and electronics switch-gears, control-gears, electricals and electronics components, its accessories and to provide consultancy services in designing, fabricating, installing and repairing all types of electrical and electronic installations in India or abroad.*
2. *To carry on in India or elsewhere, business as manufacturer, exporter, importer, consultant in designing, installing, maintenance and repair, contractor, sub-contractor, distributor, stockiest, dealer, seller, buyer, agent and to undertake and also to carry out annual maintenance contracts, and any such other related business, service for photovoltaic/solar power panel, solar power plants, solar farms, solar power projects, solar rooftop systems, solar home power systems, solar water pumps, solar water heaters, solar cookers, solar home lighting, solar lanterns, solar gadget kits including solar mobile charger, solar bags, solar lights, solar lamps, wind turbines, generators, rotor, shaft, hydroelectric generator, turbine blade and any such other equipment related to renewable energy.*



*To convert the existing partnership firm M/S. MARINE ELECTRICALS into a private limited Company under chapter IX of the companies Act, 1956 along with all its assets & liabilities & on such takeover, the said firm shall stand dissolved.”*

## CHANGES IN REGISTERED OFFICE OF OUR COMPANY

Our Company operates its business from B/1, Udyog Sadan No.3, MIDC, Andheri (E), Mumbai - 400 093. As on the date of this Prospectus, there are no changes in the registered office of our Company.

## AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION

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

Date	Nature of Amendment
March 24, 2008	Increase in authorised share capital from ₹ 5,00,000 (Rupees Five Lakhs) divided into 50,000 (Fifty Thousand) Equity shares of ₹ 10/- (Rupees Ten) each to ₹5,00,00,000/- (Rupees Five Crores) divided into 50,00,000 (Fifty Lakhs) Equity Shares of ₹ 10/- (Rupees Ten) each.
April 14, 2011	Increase in authorised share capital from ₹5,00,00,000 (Rupees Five Crores) divided into 50,00,000 (Fifty Lakhs) Equity shares of ₹ 10/- (Rupees Ten) each to ₹ 20,00,00,000/- (Rupees Twenty Crores) divided into 2,00,00,000 (Two Crores) Equity Shares of ₹ 10/- (Rupees Ten) each.
January 04, 2017	The Main Object clause of the MOA of our Company was amended by inserting Clause No. 1 A as under: “To carry on in India or elsewhere, business as manufacturer, exporter, importer, consultant in designing, installing, maintenance and repair, contractor, sub-contractor, distributor, stockiest, dealer, seller, buyer, agent and to undertake and also to carry out annual maintenance contracts, and any such other related business, service for photovoltaic/solar power panel, solar power plants, solar farms, solar power projects, solar rooftop systems, solar home power systems, solar water pumps, solar water heaters, solar cookers, solar home lighting, solar lanterns, solar gadget kits including solar mobile charger, solar bags, solar lights, solar lamps, wind turbines, generators, rotor, shaft, hydroelectric generator, turbine blade and any such other equipment related to renewable energy.”
July 10, 2018	Increase in authorised share capital from ₹ 20,00,00,000 (Rupees Twenty Crores) divided into 2,00,00,000 (Two Crores) Equity shares of ₹ 10/- (Rupees Ten) each to ₹ 25,00,00,000/- (Rupees Twenty-five Crores) divided into 2,50,00,000 (Two Crores and Fifty Lakhs) Equity Shares of ₹ 10/- (Rupees Ten) each.
August 01, 2018	The name of our Company was changed from “Marine Electricals (India) Private Limited” to “Marine Electricals (India) Limited” due to conversion from Private Limited to Public Limited.

## ADOPTION OF NEW ARTICLES OF ASSOCIATION

Our Company has adopted a new set of Articles of Association of our Company, in the Extra-Ordinary General Meeting of our Company held on July 25, 2018

## SUBSIDIARY

As on the date of this Prospectus we have 5 (Five) subsidiaries, including 2 step-down subsidiaries namely 1) MEL power Systems FZC 2) Eltech Engineers Madras Pvt. Ltd. 3) M/s. Narhari Engineering Works. 4) STI S.R.L. and 5) Technology Ventures Middle East (FZC). Further, we also have an Associate, namely M/s. Automatic Electronic Controls Manufacturing Co.

### 1. MEL POWER SYSTEMS FZC (MPSF)

#### *History and Brief Description:*

MEL Power Systems FZC is a Free Zone Company with limited Liability registered with Sharjah Airport International Free Zone in accordance with the Provisions of Saif Zone, United Arab Emirates on October 26, 2010. There was a change of name from “Marine Electricals FZC” to “MEL Power Systems FZC” on August 04, 2016 vide Fresh Certificate of Incorporation consequent on change of name issued by the Government of Sharjah.

**Registered Office:**

The registered office of MPSF is situated at Saif Zone, Sharjah, United Arab Emirates, P.O Box – 122041.

**Main Object:**

The main object of MPSF is to:

- Import/Export & Distribution of Marine Equipment & Related Spare Parts under the Original Commercial License No. 08664 issued on 26.10.2010 and Company has also obtained an Industrial License No. 17408 on 19.12.2016 for the activities such as Assembling and Manufacturing of power distribution panel, control panels and solar power systems.

**Board of Directors:**

- Mr. Vinay Uchil

**Capital Structure:**

Particulars	1 share of AED 1500
Authorised Share Capital	1,50,000
Paid- up Share Capital	1,50,000

**Shareholding Pattern:**

MEL Power Systems FZC is a Subsidiary of our Company, which holds 90 Shares of AED 1,500 each in MPSF.

**Financial Information:**

The brief financial details of “MPSF” derived from its audited financial statements for Fiscals 2018, 2017 and 2016 are set forth below:

(Amount in Lakhs AED)

Particulars	As at March 31		
	2018	2017	2016
Shares Capital Fully Paid (F. V. AED 1,500)	1.50	1.50	1.50
Reserves and Surplus	114.86	90.70	78.94
Networth	116.36	92.20	80.44
Income including Other Income	371.29	190.26	248.91
Profit/ (Loss) After Tax	24.16	11.76	7.96
Earnings Per Share (AED)	24,164.22	11,762.85	7,963.63
Net Asset Value (NAV per share of AED 1,500)	1,16,369.68	92,205.46	80,442.61

**Other disclosures:**

- The equity shares of MPSF are not listed on any stock exchange;
- MPSF is neither a sick Company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up. MPSF neither has a negative net-worth nor has made losses in the immediately preceding two years out of three years;
- No application has been made to Sharjah Airport International Free Zone for striking off the name of MPSF;

**2. M/S. NARHARI ENGINEERING WORKS**

<b>Year of Formation</b>	M/s. Narhari Engineering Works (Partnership Firm) was formed on March 01, 1993
<b>Nature of Business</b>	Manufacturing Electric Motors, Pump Sets and Other Electrical Products or any other business or businesses which the parties herein may mutually decide upon from time to time.
<b>Details of Partners along with Profit</b>	1. M/s. Marine Electricals (India) Limited – 80% 2. Mr. Vinay Uchil – 10%



<b>Sharing Ratio</b>	3. Mr. Venkatesh Uchil – 10%
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**Financial Information:**

The brief financial details of M/s. Narhari Engineering Works derived from its audited financial statements for Fiscals 2018, 2017 and 2016 are set forth below:

(₹ in Lakhs)

Sr. No.	Particulars	As at March 31		
		2018	2017	2016
1	Total Revenue	605.66	836.64	785.96
2	Profit/ (Loss) After Tax	5.64	40.71	37.26
3	Partners' Capital Account	838.46	832.81	792.11

**Other disclosures:**

- M/s. Narhari Engineering Works is not prohibited from accessing the capital markets for any reasons by the SEBI or any other authorities.
- There are no defaults in meeting any statutory /bank/institutional dues. No proceedings have been initiated for economic offences against M/s. Narhari Engineering Works
- Except as mentioned in the Chapter titled “*Outstanding Litigations and Material Developments*” on pages no. 229 of this Prospectus, there are no Litigations or cases outstanding against M/s. Narhari Engineering Works (Partnership Firm).

**3. ELTECH ENGINEERS MADRAS PVT LTD (‘EEMPL’)**

<b>Incorporation</b>	EEMPL was incorporated on September 09, 1996 as ‘Eltech Engineers Madras Private Limited’ under the Companies Act, 1956 by Registrar of Companies.
<b>CIN</b>	U29142TN1996PTC036500
<b>Registration Number</b>	036500
<b>Registered Office</b>	No. 92, 1st Main Road, Nehru Nagar, Old Mahabalipuram Road, Chennai 600 041
<b>Nature of Business</b>	EEMPL carries on the business of manufactures, sellers, importers, exporters, suppliers, traders, lessors, lessees, and dealers of a MCCs (Motor Control Centers), Switch Board Control Panels, Busducts, Raising Mains and other Like Electrical Products.
<b>Registrar of Companies</b>	Registrar of Companies, Tamil Nadu at Chennai

**Board of Directors**

- Mr. Vinay Uchil
- Mr. Venkatesh Uchil
- Mr. Tekkate Rao
- Mr. Krishnamurthi Sriram

**Shareholding Pattern**

Our Company Holds 70% of the Share Capital of EEMPL.

**Financial Performance**

The brief financial details of EEMPL derived from its Audited Financial Statements for Fiscals 2018, 2017 and 2016 are set forth below:

(₹ in lakhs)

Particulars	As at March, 31		
	2018	2017	2016
Equity Share Capital (FV ₹ 10/-)	30.00	30.00	30.00
Reserves (excluding revaluation reserve) and Surplus	(185.05)	(197.85)	(95.84)





Particulars	As at March, 31		
	2018	2017	2016
Net-worth	(155.05)	(167.85)	(65.84)
Income including other income	657.22	328.96	556.16
Profit/ (Loss) after tax	12.80	(102.01)	(66.86)
Earnings per share (FV ₹ 10/-)	(34.00)	(22.29)	15.74
Net asset value per share	Negative	Negative	0.34

**Other disclosures:**

- The equity shares of EEMPL are not listed on any stock exchange;
- EEMPL is neither a sick Company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up. EEMPL has negative net-worth and has made losses in the immediately preceding two years out of three years;
- No application has been made to RoC for striking off the name of EEMPL;
- EEMPL is not prohibited from accessing the capital markets for any reasons by the SEBI or any other authorities.

**4. STI S.R.L. ('STI')**

<b>Incorporation</b>	STI is a limited liability Company registered on March 17, 1997 as 'STI S.R.L.'. STI commenced its operation since May 29, 1997
<b>REA Number</b>	AP-151748
<b>Registered Office</b>	Monteprandone (AP) Via Dell' Artigianato IV TR 5 CAP 63076
<b>Nature of Business</b>	Main activity is renewable energy production

**Board of Directors:**

- Mr. Vinay Uchil
- Mr. Stefano Piunti
- Mr. Franco De Santis
- Mr. Denis Di Buo'
- Mr. Andrea Cianchi
- Mr. Mauro Preziosa
- Mr. Bhakthavalsalan Unniparambath Madhavan Me

**Interest of our Promoters / Promoter Group:**

Our Promoter/Promoter Group do not hold any Share Capital of STI. However, MEL Power Systems FZC (Subsidiary) holds 75% of the Share Capital of STI.

**Financial Performance:**

The brief financial details of STI derived from its Audited Financial Statements for the financial year ended December 31, 2017, 2016 and 2015 are set forth below:

(Euro in lakhs)

Particulars	As at December, 31		
	2017	2016	2015
Share Capital	13.35	13.35	1.00
Reserves (excluding revaluation reserve) and Surplus	3.35	3.56	5.69
Net-worth	16.70	16.91	6.69
Income including other income	23.15	31.35	17.60
Profit/ (Loss) after tax	0.09	0.16	0.22

**Other disclosures:**

- The equity shares of STI are not listed on any stock exchange;



- STI is neither a sick Company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up. STI has negative net-worth and has made losses in the immediately preceding two years out of three years;
- No application has been made to Italian Registrar of Companies for striking off the name of STI;

#### 5. TECHNOLOGY VENTURES MIDDLE EAST (FZC) ('TVMEF')

<b>Incorporation</b>	"Technology Ventures Middle East (FZC)" is a Free Zone Company with limited liability, registered with Government of Dubai on October 23, 2004.
<b>License Number</b>	02608
<b>Registered Office</b>	250 M2 Warehouse, A3 018, P.O. Box 9252, Sharjah – U.A.E.
<b>Nature of Business</b>	General Trading

#### Board of Directors:

- Mr. Yousof Ahmed Mohammed Husain Almarzooqi
- Mr. Vinay Uchil

#### Interest of our Promoters / Promoter Group:

Our Promoter, Mr. Vinay Uchil holds 50.00% Shares of TVME.

#### Financial Performance:

The brief financial details of TVME derived from its Audited Financial Statements for the financial year ended December 31, 2017, 2016 and 2015 are set forth below:

(UAE Dirhams in lakhs)

Particulars	As at December, 31		
	2017	2016	2015
Equity Share Capital (F. V. AED 100)	1.50	1.50	1.50
Statutory Reserves & Retained Earnings	243.09	220.44	203.73
Shareholders Fund	194.91	221.94	205.23
Income including other income	214.87	305.33	329.92
Profit/ (Loss) after tax	22.64	16.71	36.07
Earnings Per Share (AED)	1,509.39	1,114.13	2,404.78
Net Asset Value (NAV per share of AED 100)	12,993.70	14,796.29	13,682.16

#### *FY 2017: Emphasis of Matter*

*We draw attention to note 23 in the financial statements regarding events subsequent to the date of statement of financial position, which describes that management has entered in to a memorandum of understanding to sale the company. Our opinion is not modified in respect of this matter.*

#### ASSOCIATES

##### 1. M/S. AUTOMATIC ELECTRONIC CONTROLS MANUFACTURING CO.

<b>Year of Formation</b>	M/s. Automatic Electronic Controls Manufacturing co. (Partnership Firm) was formed on April 01, 2009.
<b>Nature of Business</b>	Manufacturing and/ or Trading of Electronic and Electrical equipments, or any business as mutually agreed by the parties.
<b>Details of Partners along with Profit Sharing Ratio</b>	1. M/s. Marine Electricals (India) Private Limited – 50% 2. M/s. KDU Enterprises Private Limited – 50%

#### *Financial Information:*

The brief financial details of M/s. Automatic Electronic Controls Manufacturing Co. derived from its audited financial statements for Fiscals 2018, 2017 and 2016 are set forth below:



(₹ in Lakhs)

Sr. No.	Particulars	As at March 31,		
		2018	2017	2016
1	Total Revenue	-	43.41	75.52
2	Profit/ (Loss) After Tax	(0.50)	1.06	2.69
3	Partners' Capital Account	26.16	40.42	40.20

**Other disclosures:**

- M/s. Automatic Electronic Controls Manufacturing Co. is not prohibited from accessing the capital markets for any reasons by the SEBI or any other authorities.
- There are no defaults in meeting any statutory /bank/institutional dues. No proceedings have been initiated for economic offences against the M/s. Automatic Electronic Controls Manufacturing Co.
- There are no Litigations or cases outstanding against M/s. Automatic Electronic Controls Manufacturing Co. (Partnership Firm).

**HOLDING COMPANY**

As on the date of this Prospectus, KDU Enterprises Private Limited is our Holding Company. The details of our holding Company are as follows:

**KDU ENTERPRISES PRIVATE LIMITED (“KEPL”)**

**History and Brief Description:**

Our Corporate Promoter was incorporated as Sterling Stationary Industries Private Limited under the Companies Act, 1956 on July 22, 1982 with the Registrar of Companies, Mumbai. Subsequently, the name of our Company was changed to KDU Enterprises Private Limited pursuant to a Fresh Certificate of Incorporation Consequent on Change of Name dated September 19, 2008 bearing registration No. 027850 issued by the Deputy Registrar of Companies, Mumbai. Its registered office is situated at B-2, Udyog Sadan No.3, Marol Industrial Area, MIDC Opp. Seepz, Mumbai - 400093

Our Promoters and Promoter Group holds 100.00% equity shares of this Company. KEPL currently holds 1,26,81,375 Equity Shares of our Company which constitutes 70.31% of the Pre-Issue paid up capital of our Company. The Post-Issue Shareholding will be 51.69 %. For details of the build-up of KEPL's shareholding in our Company, please see “Capital Structure - Notes to Capital Structure” beginning on page no. 66 of this Prospectus. Further, we confirm that compliance with SEBI (SAST) Regulations and Listing Regulations was not applicable, since shares of our Company were not listed on any Stock Exchange in India at the time of the said acquisitions.

**Registered Office:**

The registered office of KEPL is situated at B-2, Udyog Sadan No.3, Marol Industrial area, MIDC Opp. Seepz, Mumbai – 93, Maharashtra, India.

**Main Object:**

The main object of KEPL is:

- *To acquire by purchase, lease, exchange, hire or otherwise develop, deal in or operate land, buildings, properties and here detements of any tenure or description including agricultural land, farms, gardens, orchards, groves, plantations and any estate or interest therein , and any right over or connected with such land and buildings so situated and develop or to turn the same to account as may seem expedient and in particular by preparing building sites and by constructing, reconstructing, altering, improving, decorating, furnishing buildings, works, and conveniences of all kinds and by leasing, hiring, or disposing of the same in any other manner in whole or in part to any person or association of persons, firm or body corporate or incorporated and to act as contractors for any person, firm, person, Company, body corporate and government and government bodies for construction of buildings, roads, bridges.*



- To carry on the business as manufacturers and dealers of playing, visiting, railway, festive, complimentary, greeting and fancy cards and valentines, dealers in parchment, dealers in stamps, agents for the payment of stamp and other duties, advertising agents, managers of newspapers, magazines, books publications and other literary or artists works and undertakings, designers, commercial artists, draughtsman, ink manufacturers, book sellers, and dealers in or manufacturers of stationery articles.
- To carry on the business of printing and publishing and dealing in newspapers and magazine proprietors, newsagents, journalists, literature agents, advertisement contractors and designers of advertisements and manufactures and dealers of advertisements and manufacturers and dealers in engraving prints, pictures drawings and any written engraved, printed or printed productions and stationers in all branches.
- To carry on the business as manufacturers, producers, processors, contractors, repairs, exporters, importers, representatives, agents, traders in all types of marine electricals and electronics switch-gears, control-gears, electrical and electronic components, its accessories and to provide consultancy services in designing, fabricating, installing and repairing all types of electrical and electronic installations in India or abroad.

**Board of Directors:**

- Mr. Vinay Krishna Uchil
- Mr. Venkatesh Krishnappa Uchil

**Capital Structure:**

(₹ in lakhs)

Particulars	Amount
Authorised Share Capital	500.00
Paid- up Share Capital	306.61

**Shareholding Pattern:**

As on the date of this Prospectus, the following are the Members of KEPL:

Sr. No.	Shareholders	No. of Shares held
1.	Mr. Vinay Uchil	25,27,480
2.	Mr. Venkatesh Uchil	2,88,640
3.	Mrs. Tanuja Pudhierkar	2,50,000
<b>Total</b>		<b>30,66,120</b>

**Financial Information:**

The brief financial details of KEPL 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
Shares Capital (F. V. ₹ 10/-)	306.61	306.61	306.61
Reserves and Surplus	1,471.20	1,359.54	1263.78
Networth	1,777.81	1,666.15	1570.39
Income including Other Income	266.63	217.98	211.86
Profit/ (Loss) After Tax	111.69	94.87	93.41
Earnings Per Share (F. V. ₹ 10/- each)	3.64	3.09	3.05
Net Asset Value (NAV) per Share	57.98	54.34	51.22

**Other disclosures:**

- The equity shares of KEPL are not listed on any stock exchange;
- KEPL is neither a sick Company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up. KEPL has negative net-worth and has made losses in the immediately preceding two years out of three years;



- No application has been made to RoC for striking off the name of KEPL;
- KEPL is not prohibited from accessing the capital markets for any reasons by the SEBI or any other authorities.

There are no defaults in meeting any statutory /bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

#### **CAPITAL RAISING ACTIVITIES THROUGH EQUITY OR DEBT**

For details of the equity capital raising by our Company, please refer to the chapter titled “*Capital Structure*” beginning on page no. 65 of this Prospectus.

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

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

#### **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 ACQUISITION OF BUSINESS / UNDERTAKINGS, MERGERS, AMALGAMATION, REVALUATION OF ASSETS ETC.**

There are no mergers, amalgamation, etc. with respect to our Company and we have not acquired any business/undertakings till date except as mentioned under the Major Events table forming part of this chapter.

#### **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. Also, there are no material agreements entered into more than 2 years before the date of this Prospectus.

#### **INJUNCTIONS OR RESTRAINING ORDERS**

There are no injunctions / restraining orders that have been passed against our Company as on date of this Prospectus.

#### **DEFAULTS OR RESCHEDULING OF BORROWINGS**

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

#### **NUMBER OF SHAREHOLDERS / MEMBERS**

Our Company has 8 (eight) shareholders as on the date of this Prospectus.

#### **CHANGES IN THE ACTIVITIES OF OUR COMPANY DURING THE LAST 5 YEARS**



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Our Company has entered into an agreement with NLC India Limited to provide Solar Power Evacuation system, thus venturing into the renewable energy segment in the year 2017 except that there has been no change in the activities of our Company during the last 5 years except that

#### **CHANGE IN MANAGEMENT**

There has been no change in the management in last 3 years.

#### **STRIKES AND LOCK-OUTS**

Our Company has, since incorporation, not been involved in any labour disputes or disturbances including strikes and lock-outs. As on the date of this Prospectus, our employees are not unionized.

#### **NON COMPETE AGREEMENT**

Our Company has not entered into any non-compete agreement as on the date of this Prospectus.

#### **TIME AND COST OVERRUNS**

As on the date of this Prospectus, there have been no time and cost overruns in any of the projects undertaken by our Company.

#### **LOCK-OUT OR STRIKES**

There has been no lock-out or strikes in our Company since inception.

#### **COMPETITION**

For details on the competition faced by our Company, please see “*Our Business*” beginning on page no. 98 of this Prospectus.

#### **TECHNOLOGY AND MARKET COMPETENCE**

For details on the technology and market competence of our Company, please see “*Our Business*” beginning on page no. 98 of this Prospectus.



## OUR MANAGEMENT

### Board of Directors

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

Name, Current Designation, Address, Occupation, Term and DIN	Nationality	Age	Other Directorships
<p><b>Mr. Venkatesh Uchil</b> (Managing Director)</p> <p><b>Address:</b> 502, Heritage Hiranandani Garden, Powai, Mumbai - 400076</p> <p><b>Date of appointment as Director:</b> December 04, 2007</p> <p><b>Date of appointment as Managing Director:</b> August 01, 2018</p> <p><b>Term:</b> Appointed as Managing Director for a period of 3 years</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b> 01282671</p>	Indian	41 years	<ul style="list-style-type: none"> <li>• KDU Enterprises Private Limited</li> <li>• Switch N Control Gears Private Limited</li> <li>• Eltech Engineers Madras Private Limited</li> <li>• Mcgeoch Marine Electricals Private Limited</li> <li>• KDU Worldwide Technical Services (Private) Limited</li> </ul>
<p><b>Mr. Vinay Uchil</b> (Chairman &amp; Whole – Time Director)</p> <p><b>Address:</b> 502, Heritage, Hiranandani Garden, Powai, Mumbai – 400 076.</p> <p><b>Date of Appointment as Executive Director:</b> December 04, 2007.</p> <p><b>Date of Appointment as Chairman &amp; Whole-Time Director:</b> August 01, 2018</p> <p><b>Term:</b> Appointed for a period of 3 years liable to retire by Rotation</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b> 01276871</p>	Indian	47 Years	<ul style="list-style-type: none"> <li>• KDU Enterprises Private Limited</li> <li>• Switch N Control Gears Private Limited</li> <li>• Eltech Engineers Madras Private Limited</li> <li>• Mcgeoch Marine Electricals Private Limited</li> <li>• Voks Ship Management Private Limited</li> <li>• MEL Power Systems FZC</li> <li>• KDU Marine Equipment Trading and Maintenance L.L.C</li> <li>• KDU Worldwide Technical Services FZC</li> <li>• KDU Worldwide Technical Services (Private) Limited</li> <li>• KDU Worldwide Technical Services Ghana Limited</li> <li>• KDU Worldwide Middle East Marine Services L.L.C</li> <li>• KDU Worldwide Services Nigeria Limited</li> <li>• STI S.R.L</li> <li>• WIN Marine Engineering Services</li> <li>• Technology Ventures Middle East (FZC)</li> </ul>
<p><b>Mrs. Tanuja Pudhierkar</b> (Non-Executive Non Independent Director)</p> <p><b>Address:</b> 501, Glen Croft, Cliff Avenue,</p>	Indian	45 Years	Nil





<b>Name, Current Designation, Address, Occupation, Term and DIN</b>	<b>Nationality</b>	<b>Age</b>	<b>Other Directorships</b>
Hiranandani Gardens, Powai, Mumbai – 400 076.  <b>Date of appointment as Non-Executive Non Independent Director:</b> August 01, 2018  <b>Term:</b> Liable to retire by rotation  <b>Occupation:</b> Professional  <b>DIN:</b> 08190742			
<b>Mr. Madan Pendse</b> ( <i>Non-Executive Independent Director</i> )  <b>Address:</b> D-201 Ameya Cooperative Housing Society, Opposite Marathe Udyog Bhavan New Prabhadevi Road, Prabhadevi, Mumbai 400 025  <b>Date of Appointment as Independent Director:</b> July 11, 2018  <b>Term:</b> Appointed for a term of 5 years  <b>Occupation:</b> Professional  <b>DIN:</b> 07650301	Indian	67 Years	Nil
<b>Mr. Nikunj Mishra</b> ( <i>Non-Executive Independent Director</i> )  <b>Address:</b> 363 Jal Vayu Towers, NGEF Layput, Sadanand Nagar, Indira Nagar, Bangalore - 560038  <b>Date of Appointment as Non Executive Independent Director :</b> July 11, 2018  <b>Term:</b> Appointed for a term of 5 years  <b>Occupation:</b> Professional  <b>DIN:</b> 03589730	Indian	62 Years	Nil

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

#### **RELATIONSHIP BETWEEN DIRECTORS**

Except as mentioned below, none of the Directors of our Company are related to each other:

- Mr. Vinay Uchil and Mr. Venkatesh Uchil are Brothers;
- Mrs. Tanuja Pudhierkar is Sister of Mr. Vinay Uchil and Mr. Venkatesh Uchil.

#### **OTHER DISCLOSURES:**

1. There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Directors were selected as a Director.



2. There is no service contracts entered into by the Directors with our Company providing for benefits upon termination of employment.
3. None of the Directors is or was a director of any listed Company during the last five years preceding the date of this Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such Company.
4. 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.
5. None of the Directors is categorized as a wilful defaulter, as defined under SEBI (ICDR) Regulations.

## **BRIEF BIOGRAPHIES OF OUR DIRECTORS**

### **Mr. Venkatesh Uchil**

Mr. Venkatesh Uchil, aged 41 years, is the Managing Director and Promoter of our Company. He completed his B.E (Electronics and Telecomm Engineering) from University of Mumbai in the year 1999. He has also Completed Post Graduate Diploma in Management from S.P Jain Institute of Management, Mumbai in the year 2002. He has 20 years of experience in this Sector. He joined “M/s. Marine Electricals”, a proprietorship concern by Late Krishnappa Uchil in 1999 and since then he was actively involved in procurement, production and technical areas of the entity. He played an instrumental role in strategising and expanding the proprietorship concern to partnership firm and later a Company form of organisation. He started focusing on the marketing Division of the Company and got the orders from various industry / offices / Banks for automation, power management systems & control centers and electrification areas. He has actively participated in timely execution of the Industry orders. He has been guiding force behind the growth and business strategy of our Company

### **Mr. Vinay Uchil**

Mr. Vinay Uchil, aged 47 years, is the Chairman & Whole-Time Director and also Promoter of our Company. He completed B.E. in Instrumentation from Swami Vivekananda College, Mumbai in the year 1992 and thereafter completed MBA (Finance) from Narsee Monjee Institute of Management, in the year 1994. He has 20 years of experience in this Segment. He joined “M/s. Marine Electricals”, a proprietorship concern by Late Krishnappa Uchil in 1999 and since then he is actively involved in Marketing, Finance and Administration functions of the Solar & Marine Division of the Organisation. Currently, He is involved in getting the orders from Defense and Public sector undertakings dealing in Shipping. His contribution was instrumental in expanding the business of the Company to a new height by diversification of the business into difference verticals i.e. Defense, Shipping, Marine & Non- Marine Sectors & Renewable Energy.

### **Mrs. Tanuja Pudhierkar**

Mrs. Tanuja Pudhierkar, aged 45 years, is the Non Executive Non-Independent Director of our Company. She is M.D in Obstetrics, & Gynaecology from University of Mumbai and has also undergone various Diploma Courses such as Diploma in Gynaecology& Obstetrics, Diploma in Artificial Reproductive Medicine, Diploma in Advanced Gynaecological Endoscopy, Diploma in Specialised Advanced Gynaecological Endoscopy. Further, she holds Bachelor’s Degree of Medicine & Bachelor’s Degree of Surgery (M.B.B.S.), from University of Mumbai. She has around two decades of experience in the field of Gynaecology& Obstetrics. She was associated with various hospitals such as K.E.M Hospital, Nowrosjee Wadia Maternity Hospital, Cooper Hospital and has been a consultant Obstetrician & Gynaecologist at Oma Hospital, Cozy Clinique & Nursing Home and Dr. Shankar’s Polyclinic.

### **Mr. Madan Pednse**

Mr. Madan Pednse, aged 67 years, is the Non Executive Independent Director of our Company. He completed Bachelor’s Degree in Commerce and a Master’s Degree in Business Administration. Mr. Pednse has around four decades of experience in Finance and Accounts functions including 28 years in Mazagon Dock Limited (now known as Mazagon Dock Shipbuilders Limited) at various post including General Manager (F&A) and 2 years in Reliance Defence Engineering Limited as CFO & Controller (Finance). During his tenure, he was also appointed as Director on the board of various subsidiaries of Reliance Defence and Engineering Limited. He currently, works as a freelancer finance and tax consultant.



### **Mr. Nikunj Mishra**

Mr. Nikunj Mishra, aged 62 years, is the Non Executive Independent Director of our Company. He has completed M Tech (Computer Science) from IIT Bombay and PG Diploma in Business Management from IGNOU. He has around 38 years of experience including about 34 years of experience in India Navy at various levels and 4 years of experience in Hindustan Shipyard Limited as Managing Director. Further, He has been accredited as the “Best Naval Cadet” from National Defence Academy, Pune and has Stood First in overall order of Merit at Naval Engineering Course and Advanced Electronics Engineering Course. He was also awarded “Nao Sena Medal” by the President of India for successful completion of Aircraft Carrier Modernisation in record time and was appreciated with many such awards in the year 2013-2014.

### **Borrowing Powers of our Board of Directors**

Our Company at its Extra-Ordinary General Meeting held on August 02, 2018 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 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 Crores Only.

### **Remuneration of Executive Directors**

#### **Mr. Vinay Uchil (Chairman & Whole -Time Director)**

The remuneration of the Chairman & Whole -Time Director, Mr. Vinay Uchil as per the resolution passed in the Shareholder’s Meeting held on August 02, 2018, is detailed hereunder:-

**Basic Salary:** 48 lacs p.a

**Benefits, Perquisites, Allowances:** Nil

Remuneration of 48 lacs p.a was paid to Mr. Vinay Uchil in Fiscal 2018.

#### **Mr. Venkatesh Uchil (Managing Director)**

The remuneration of the Managing Director, Mr. Venkatesh Uchil as per the resolution passed in the Shareholder’s Meeting held on August 02, 2018, is detailed hereunder:-

**Basic Salary:** 48 lacs p.a

**Benefits, Perquisites, Allowances:** Nil

Remuneration of 48 lacs p.a was paid to Mr. Venkatesh Uchil in Fiscal 2018.

### **Compensation of Non-Executive Directors by way of Sitting fees:**

Pursuant to a resolution passed at the Board of Directors Meeting held on August 06, 2018, the Non-Executive Directors will be paid ₹ 15,000/- for attending every meeting of Board of Directors and Committees thereof.

Further, no remuneration was paid to our Non-Executive Directors in Fiscal 2018 as well.

### **Shareholding of Directors**

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



Name of Directors	No. of Equity Shares held	% of Pre-Issue Paid Up Capital
Mr. Vinay Uchil	200	Negligible
Mr. Venkatesh Uchil	53,54,475	29.68%
Mrs. Tanuja Pudhierkar	200	Negligible
<b>Total Holding of Directors</b>	<b>53,54,875</b>	<b>29.68%</b>

### 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 for services rendered as an officer or employee of our Company.

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

Except as stated in this chapter titled “*Our Management*” and the chapter titled “*Annexure XXIII- Related Party Transactions*” under section titled “*Financial Statements*” beginning on page nos. 132 and page no. 205 respectively of this Prospectus, our Directors do not have any other interest in our business.

Except as disclosed in “*Properties*” within the section titled “*Business Overview*” beginning on page no. 112 of this Prospectus, our Directors have no interest in any property acquired by our Company 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.	Mrs. Tanuja Pudhierkar	August 01, 2018	Appointment as an Additional Non- Executive Non-Independent Director
2.	Mr. Vinay Uchil	August 01, 2018	Change in designation to Chairman & Whole - Time Director
3.	Mr. Venkatesh Uchil	August 01, 2018	Change in designation to Managing Director
4.	Mr. Madan Pednse	July 11, 2018	Appointment as an Additional Independent Director
5.	Mr. Nikunj Mishra	July 11, 2018	Appointment as an Additional Independent Director
6.	Mrs. Tanuja Pudhierkar	August 31, 2018	Regularisation as Non- Executive Non-Independent Director
7.	Mr. Madan Pednse	August 31, 2018	Regularisation as Independent Director
8.	Mr. Nikunj Mishra	August 31, 2018	Regularisation as 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.



Currently, our Board has five (5) Directors which are in compliance with the requirements of the Companies Act, we have one (1) Chairman & Whole –Time Director, one (1) Managing Director, one (1) one woman Director & Non-Executive Non-Independent Director and two (2) two Non-Executive Independent 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:

- a) Audit Committee
- b) Stakeholder’s Relationship Committee
- c) Nomination and Remuneration Committee
- d) Corporate Social Responsibility Committee

#### 1. Audit Committee

The Audit Committee of our Board was constituted by our Board of Directors *vide* resolution dated August 06, 2018 pursuant to section 177 of the Companies Act, 2013. The Audit Committee comprises of:

Name of the Member	Nature of Directorship	Designation in Committee
Mr. Madan Pendse	Non-Executive & Independent Director	Chairman
Mr. Nikunj Mishra	Non-Executive & Independent Director	Member
Mr. Venkatesh Uchil	Managing Director	Member

The Company Secretary of the Company will act as the Secretary of the Committee.

The scope of Audit Committee shall include but shall not be restricted to the following:

- 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.
- 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.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  1. 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
  2. Changes, if any, in accounting policies and practices and reasons for the same.
  3. Major accounting entries involving estimates based on the exercise of judgment by management.
  4. Significant adjustments made in the financial statements arising out of audit findings.
  5. Compliance with listing and other legal requirements relating to financial statements.
  6. Disclosure of any related party transactions.
  7. Qualifications in the draft audit report.
- Reviewing, with the management, the half yearly financial statements before submission to the board for approval
- 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/ 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.
- Review and monitor the auditor’s independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;



- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- 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.
- 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.
- To review the functioning of the Whistle Blower mechanism.
- 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.
- 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 Issuer 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:*

1. To investigate any activity within its terms of reference
2. To seek information from any employee
3. To obtain outside legal or other professional advice
4. To secure attendance of outsiders with relevant expertise if it considers necessary
5. 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.

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.

## 2. Stakeholder's Relationship Committee

The Stakeholder's Relationship Committee of our Board was constituted by our Board of Directors pursuant to section 178 (5) of the Companies Act, 2013 vide resolution dated August 06, 2018. The Stakeholder's Relationship Committee comprises of:

Name of the Member	Nature of Directorship	Designation in Committee
Mr. Nikunj Mishra	Non-Executive & Independent Director	Chairperson
Mr. Madan Pednse	Non-Executive & Independent Director	Member
Mrs. Tanuja Pudhierkar	Non-Executive & Non-Independent Director	Member

The Company Secretary of the Company will act as the Secretary of the Committee.

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.

The Company Secretary of our Company acts as the Secretary to the Committee.

## 3. Nomination and Remuneration Committee

The Nomination and Remuneration Committee of our Board was constituted by our Board of Directors pursuant to section 178 of the Companies Act, 2013 vide resolution dated August 06, 2018. The Nomination and Remuneration Committee comprises of:-

The Nomination and Remuneration Committee currently comprises of:

Name of the Member	Nature of Directorship	Designation in Committee
Mr. Madan Pednse	Non-Executive & Independent Director	Chairperson
Mr. Nikunj Mishra	Non-Executive & Independent Director	Member
Mrs. Tanuja Pudhierkar	Non-Executive & Non-Independent Director	Member





The scope of Nomination and Remuneration Committee shall include but shall not be restricted to the following:

- a) 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;
- b) Formulation of criteria for evaluation of Independent Directors and the Board;
- c) Devising a policy on Board diversity;
- d) 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.

The Company Secretary of our Company acts as the Secretary to the Committee.

#### **4. Corporate Social Responsibility Committee**

The Corporate Social Responsibility Committee of our Board was constituted on October 17, 2014 and was reconstituted by our Board of Directors pursuant to section 135 of the Companies Act, 2013 *vide* resolution dated August 06, 2018. The Corporate Social Responsibility Committee comprises of the following:

<b>Name of the Member</b>	<b>Nature of Directorship</b>	<b>Designation in Committee</b>
Mr. Vinay Uchil	Chairman & Whole - Time Director	Chairman
Mrs. Tanuja Pudhierkar	Non-Executive & Non- Independent Director	Member
Mr. Madan Pednse	Non-Executive & Independent Director	Member
Mr. Nikunj Mishra	Non-Executive & Independent Director	Member

The Company Secretary shall act as the secretary of the Corporate Social Responsibility Committee.

The terms of reference, powers and scope of the Corporate Social Responsibility Committee of our Company is in accordance with Section 135 of the Companies Act, 2013. The terms of reference of the Corporate Social Responsibility Committee include the following:

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII as amended from time to time;
2. To recommend the amount of expenditure to be incurred on the activities referred to in clause (a) subject to the limit provided under Section 135 of the Companies Act;
3. To monitor the corporate Social Responsibility Policy of our Company from time to time;
4. To institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company;
5. 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 quorum of the meeting shall be either two members or one third of the members of the committee whichever is greater.

#### **Policy on Disclosures & Internal procedure for prevention of Insider Trading**

The provisions of Regulation 8 and 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the Stock Exchange. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of our Equity Shares on stock



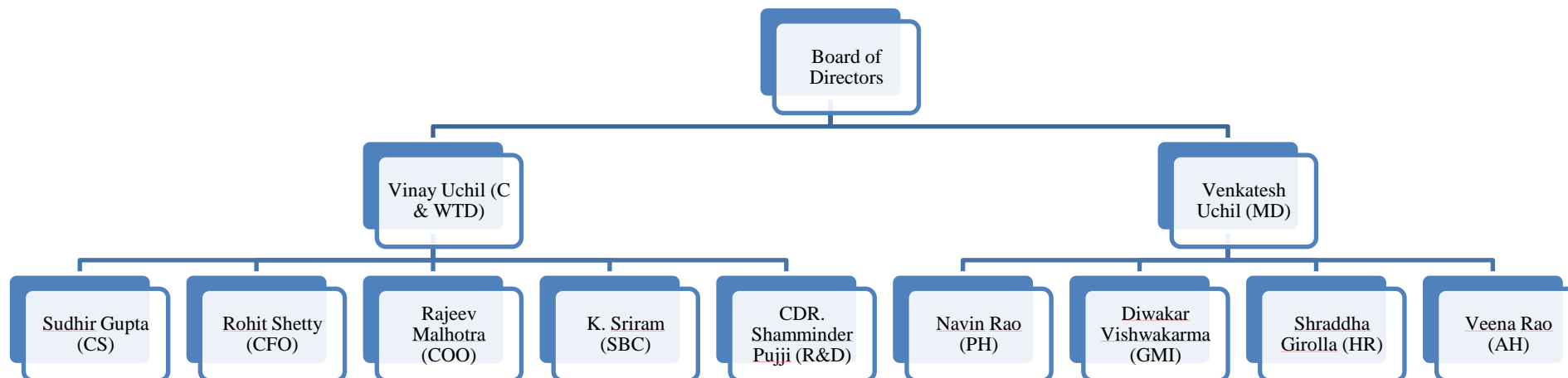
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exchange. Further, Board of Directors have approved and adopted the policy on insider trading in view of the proposed public issue.

Our Board is responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the code of conduct under the overall supervision of the board.



## Organization Chart



### Abbreviations and Keywords:

MD– Managing Director

C – Chairman

WTD – Whole-time Director

CS & CO – Company Secretary and Compliance Officer

COO – Chief Operational Officer

SBC – Solar Business Consultant

R& D – Research and Development

PH– Plant Head

HR – Human Resource Head

AH – Admin Head

GMI – General Manager (Industry)

CFO – Chief Financial Officer



## Key Managerial Personnel

The details of our key managerial personnel are as below –

Name of Employee	Designation & Functional Area	Date of Appointment	Compensation for Last Fiscal Year i.e. March 31, 2018 (₹ in lakhs)	Qualification	Name of Previous Employer(s)	Total years of Experience
Mr. Rajeev Malhotra (Marine Division)	Chief Operating Officer	April 01, 2007 <sup>(1)</sup>	14.32	Mech Tech- IIT Delhi	<ul style="list-style-type: none"> <li>• Sub Lieutenant in Indian Navy</li> <li>• Switch N Control Gears Pvt Ltd</li> </ul>	34 Years
Mr. K. Sriram (Solar Division)	Solar Business Consultant	December 01, 2016	42.48	PGDBM (IFMR, Chennai), (Madras University), Diploma in Electrical & Electronics Engineering.	<ul style="list-style-type: none"> <li>• Larsen &amp; Turbo Ltd.</li> <li>• Hindustan Unilever Ltd.</li> <li>• Siemens Ltd</li> <li>• Leitwind Shriram Manufacturing Ltd.</li> <li>• Schneider Electric India Pvt. Ltd</li> </ul>	28 Years
Mr. Navin Rao	Plant Head	October 01, 2010	9.86	B.E Electricals, Certified energy auditor from Bureau of energy efficiency	<ul style="list-style-type: none"> <li>• Crompton Greaves Ltd</li> <li>• IRS Inspection Services</li> </ul>	22 Years
CDR Shaminder Puji	General Manager – R&D and Product Development	May 01, 2014	9.6	B.Sc & B.E. (Elect & Comm)	<ul style="list-style-type: none"> <li>• Commander of Indian Navy</li> <li>• Motorola JV</li> <li>• Techdrive Software Private Limited</li> <li>• Amoeba Telecom</li> <li>• Philips Software</li> <li>• Oriole Electronics Pvt. Ltd</li> </ul>	37 Years
Diwakar Vishmakarma	General Manager - Industry	February 01, 2016	10.61	Be. Tech in Electrical Engineering	<ul style="list-style-type: none"> <li>• M/s. Control Engineers</li> <li>• M/s. IOT Design &amp; Engineering ltd</li> </ul>	11 Years
Mrs. Shradha Girolla	HR Head	February 12, 2018	0.80	B.com	<ul style="list-style-type: none"> <li>• Tata Consultancy Services Limited</li> <li>• Netgains Technologies Pvt Ltd</li> </ul>	8.2 Years



Name of Employee	Designation & Functional Area	Date of Appointment	Compensation for Last Fiscal Year i.e. March 31, 2018 (₹ in lakhs)	Qualification	Name of Previous Employer(s)	Total years of Experience
					• Dry Air India Pvt Ltd	
Mrs. Veena Rao	Admin Head	April 08, 1983 <sup>(1)</sup>	6.74	Undergraduate	N. A.	35 Years
Mr. Rohit Shetty	Chief Financial Officer	August 03, 2018 <sup>(2)</sup>	1.29	B.com, Chartered Accountant	<ul style="list-style-type: none"><li>• N. Sudhir Shetty &amp; co</li><li>• Positive Packaging Industries Ltd.</li><li>• Gitanjali Gems Ltd.</li><li>• Tara Jewels Ltd</li></ul>	17 Years
Mr. Sudhir Gupta	Company Secretary & Compliance Officer	August 01, 2018	N. A.	M.com, Company Secretary (ICSI)	MRM Associates	18 Months of training

<sup>(1)</sup> Appointment was made in the erstwhile Partnership Firm and the same was continued upon conversion of the Company

<sup>(2)</sup> Mr. Rohit Shetty originally appointed by our Company on March 12, 2018

#### **Other Notes**

The aforementioned KMPs is on the payrolls of our Company as permanent employees.

Also, they are not related parties as per the Accounting Standard 18.

#### **Relationship amongst the Key Managerial Personnel**

None of the KMPs is related to each other.

#### **Relationship amongst the Key Managerial Personnel and Directors**

None of the aforementioned KMP's are related to any of our Directors. Further, none of them have been selected pursuant to any arrangement / understanding with major shareholders / customers / suppliers.

#### **Shareholding of Key Managerial Personnel**

Except Mrs. Veena Rao who holds 200 Shares in our Company, none of our KMP's holds any shares of our Company as on the date of this Prospectus.



### **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**

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**

Except for loan of ₹ 0.94 lakhs outstanding as on March 31, 2018 of Mrs. Veena Rao, 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 of our Company.**

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

### **Details of Service Contracts of the Key Managerial Personnel**

Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not entered into any other contractual arrangements with our Company for provision of benefits or payments of any amount upon termination of employment.

### **Contingent or Deferred Compensation**

None of our KMPs has received or is entitled to any contingent or deferred compensation.

### **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:

<b>Sr. No.</b>	<b>Name of KMP's</b>	<b>Date of Change</b>	<b>Reason for change</b>
1.	Mr. Rohit Shetty	August 03, 2018	Appointment as Chief Financial Officer
2.	Mr. Sudhir Gupta	August 01, 2018	Appointment as Company Secretary and Compliance Officer
3.	Mrs. Rikita Shrivastava	April 05, 2017	Resignation of HR Head
4.	Mrs. Shradha Girolla	February 12, 2018	Appointment as HR Head
5.	Mr. Diwakar Vishwakarma	February 01, 2016	Appointed as General Manager - Industry
6.	Mr. K. Sriram	December 01, 2016	Appointed as Solar Business Consultant





## OUR PROMOTERS AND PROMOTER GROUP

### THE PROMOTERS OF OUR COMPANY ARE:

1. Mr. Vinay Uchil (Individual Promoter)
2. Mr. Venkatesh Uchil (Individual Promoter)
3. KDU Enterprises Private Limited (Corporate Promoter)

The details of our Individual Promoter are provided below:

	<b>Name</b>	Mr. Vinay Uchil
	<b>PAN</b>	AAAPU0912B
	<b>Passport Number</b>	Z4485690
	<b>Driving License</b>	NA
	<b>Voter's ID</b>	NA
	<b>Bank &amp; Branch</b>	Syndicate Bank, Marol
	<b>Bank A/c No.</b>	50333010014140
	<b>Other Interests</b>	<ul style="list-style-type: none"><li>• KDU Enterprises Pvt. Ltd.</li><li>• Switch N Control Gears Pvt. Ltd.</li><li>• Eltech Engineers Madras Pvt. Ltd.</li><li>• McGeoch Marine Electricals Pvt. Ltd.</li><li>• Philins Industrial Corporation</li><li>• Narhari Engineering Works</li><li>• Oma Hospital</li><li>• WIN Marine Consultancy Services</li><li>• MEL Power Systems FZC</li><li>• KDU WorldWide Technical Services FZC</li><li>• KDU WorldWide Technical Services Ghana Pvt. Ltd</li><li>• KDU WorldWide Middle East Marine Services L.L.C</li><li>• KDU WorldWide Technical Services Pvt. Ltd (Sri Lanka)</li><li>• KDU Marine Equipments Trading and Maintenance LLC</li><li>• WIN Marine Engineering Services</li><li>• Voks Ship Management Pvt. Ltd.</li><li>• Technology Ventures Middle East (FZC)</li><li>• Beneficiary in "Switch n Controlgears", a Trust</li></ul>
	<b>Name</b>	Mr. Venkatesh Uchil
	<b>PAN</b>	AAJPU7400P
	<b>Passport Number</b>	Z3395813
	<b>Driving License</b>	MH0320150016067
	<b>Voter's ID</b>	NA
	<b>Bank &amp; Branch</b>	Syndicate Bank, Marol
	<b>Bank A/c No.</b>	50322010014169
	<b>Other Interests</b>	<ul style="list-style-type: none"><li>• KDU Enterprises Pvt. Ltd.</li><li>• Switch N Control Gears Pvt. Ltd.</li><li>• McGeoch Marine Electricals Pvt. Ltd.</li><li>• Eltech Engineers Madras Pvt Ltd.</li><li>• Philins Industrial Corporation</li><li>• Narhari Engineering Works</li><li>• Oma Hospital</li><li>• DKM Precision Engineers</li><li>• KDU Worldwide Technical Services FZC</li><li>• KDU Worldwide Technical Services Ghana Pvt. Ltd.</li><li>• KDU Worldwide Technical Services Pvt. Ltd (Sri Lanka)</li><li>• Beneficiary in "Switch n Controlgears", a Trust</li></ul>





For additional details on the age, background, personal address, educational qualifications, experience, positions / posts and other Directorships held in the past for our Individual Promoter, please see the chapter titled “Our Management” beginning on page no. 132 of this Prospectus.

For details of the build-up of our Promoters’ shareholding in our Company, please see “Capital Structure –Notes to Capital Structure” on page no. 66 of this Prospectus.

The details of our Corporate Promoter are provided below:

#### **KDU Enterprises Private Limited (KEPL)**

<b>Name</b>	KDU Enterprises Private Limited
<b>PAN</b>	AAACS0776Q
<b>Company Registration Number</b>	027850
<b>CIN No.</b>	U31401MH1982PTC027850
<b>Date of Incorporation</b>	July 22, 1982
<b>Address of ROC with which the Company was registered</b>	Everest, 100, Marine Drive, Mumbai – 400 002.
<b>Bank &amp; Branch</b>	Syndicate Bank, Marol
<b>Bank A/c No.</b>	50321010006572

#### **Promoters of KEPL:**

- Mr. Vinay Uchil
- Mr. Venkatesh Uchil

We confirm that there has been no change in the Promoter of KEPL in the last 5 years.

For details of Mr. Vinay Uchil and Mr. Venkatesh Uchil, please see chapter titled “Our Management” and “Our Promoters and Promoter Group” on page nos. 132 and 146 of this Prospectus.

For further details of our Promoter Company, please refer details of our Holding Company under the chapter “History and Certain Corporate matters” on page no. 120 of this Prospectus.

#### **Other Undertakings and Confirmations**

We confirm that the Permanent Account Number, Bank Account number and Passport number of our Individual Promoters have been submitted to the Stock Exchange at the time of filing of the Draft Red Herring Prospectus with the Stock Exchange.

We further confirm that the details of the PAN, bank account numbers, the Company registration number and the addresses of the Registrar of Companies where the Corporate Promoter are registered have been submitted to Stock Exchange at the time of submission of the Draft Red Herring Prospectus with the Stock Exchange.

Our Promoters have confirmed that they have not been identified as wilful defaulters.

No violations of securities laws have been committed by our Promoters in the past or are currently pending against them. None of our Promoters are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

#### **Interests of Promoters**

None of our Promoters / Directors have any interest in our Company except to the extent of compensation payable / paid, rents on properties owned by their relatives but used by our Company and reimbursement of expenses (if applicable) and to the extent of any equity shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and / or trustee, and to the extent



of benefits arising out of such shareholding. For further details please see the chapters titled “*Capital Structure*”, “*Financial Information*” and “*Our Management*” beginning on page nos. 65, 164 and 132 of this Prospectus.

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

### **Common Pursuits with our Promoter Group and Group Companies**

Some of our Promoter Group and Group Companies have been authorized by its respective Memorandum of Associations to undertake activities which are similar to ours and are currently engaged in businesses similar to ours.

Following are the Promoter Group and Group Companies, whose main objects are similar to ours and this may result in potential conflicts of interest with our Company in the future:

- KDU Enterprises Private Limited
- Switch N Control Gears Pvt. Ltd
- MEL Power System FZC
- Eltech Engineers Madras Pvt. Ltd

Our Company has not adopted any measures for mitigating such conflict situations.

### **Companies with which the Promoters has disassociated in the last three years**

Except as mentioned below, our Promoters have not disassociated themselves from any companies, firms or entities during the last three years preceding the date of the Draft Red Herring Prospectus.

<b>Sr. No.</b>	<b>Name of the Promoters</b>	<b>Name of the Company</b>	<b>Date of Cessation / Disassociation</b>
1.	Mr. Venkatesh Uchil	Accpro Consulting Private Limited	March 30, 2017
2.	Mr. Vinay Uchil	Marine Electricals Pte Ltd	September 04, 2017
3.	Mr. Vinay Uchil	KDU Worldwide Technical Services Pte Ltd	June 01, 2018

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

Except as stated in “*Annexure XXVIII – Statement of Related Party Transactions*” on page no. 205 of this Prospectus, there has been no payment of benefits to our Promoters or Promoter Group during the two years preceding the date of the Draft Red Herring Prospectus.

### **Interest of Promoters in the Promotion of our Company**

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

### **Interest of Promoters in the Property of our Company**

Our Promoters have confirmed that they do not have any interest in any property acquired by our Company within two years preceding the date of this Prospectus or proposed to be acquired by our Company as on the date of this Prospectus. For details, please the chapter “*Our Business*” on page no. 98 of this Prospectus.

Further, other than as mentioned in the chapter titled “*Business Overview*”, our Promoters do not have any interest in any transactions in the acquisition of land, construction of any building or supply of any machinery.

Our Promoters may be interested in rent being paid by our Company to certain relatives who own these premises being occupied by the Company. For further details please see “*Our Business*” and “*Financial Information*” beginning on page nos. 98 and 164 of this Prospectus.



## Interest of Promoters in our Company other than as Promoter

Other than as Promoters, our Promoters are interested in our Company to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company. For details please see chapters titled “Our Management” and “Capital Structure” beginning on page nos. 132 and 65 respectively of this Prospectus.

Except as mentioned in this section and the chapters titled “Capital Structure”, “Our Business”, “History and Certain Corporate matters” and “Annexure XXVII – Statement of Related Party Transactions” on page nos. 65, 98 and 205 of this Prospectus, respectively, our Promoters do not have any interest in our Company other than as Promoters.

## Related Party Transactions

Except as stated in the “Annexure XXVII – Statement of Related Party Transactions” on page no. 205 of this Prospectus, our Company has not entered into related party transactions with our Promoters or our Group Companies.

## Shareholding of the Promoter Group in our Company

For details of shareholding of members of our Promoters Group as on the date of this Prospectus, please see the chapter titled “Capital Structure – Notes to Capital Structure” beginning on page no. 66 of this Prospectus.

## Other Confirmations

Our Company has neither made any payments in cash or otherwise to our Promoters or to firms or companies in which our Promoters are interested as members, directors or Promoters nor have our Promoters been offered any inducements to become directors or otherwise to become interested in any firm or Company, in connection with the promotion or formation of our Company otherwise than as stated in the “Annexure XXVIII – Statement of Related Party Transactions” on page no. 205 of this Prospectus.

## Outstanding Litigation

There is no outstanding litigation against our Promoters except as disclosed in the section titled “Risk Factors” and chapter titled “Outstanding Litigation and Material Developments” beginning on page nos. 17 and 229 of this Prospectus.

## Our Promoter Group

In addition to the Promoter named above, the following natural persons and entities form part of our Promoter Group in terms of Regulation 2 (1) (zb) (ii) of the SEBI (ICDR) Regulation, 2009.

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

Name of the Promoters	Name of the Relative	Relationship with the Promoter
Mr. Vinay Uchil	Mr. Krishnappa Deja Uchil	Father
	Mrs. Premlata Krishnappa Uchil	Mother
	Mrs. Rashmi Vinay Uchil	Wife
	Mr. Venkatesh Krishnappa Uchil	Brother(s)
	Mrs. Tanuja Deepak Pudhierkar	Sister(s)
	Master. Dhairyash Vinay Uchil	Son(s)
	Mr. Ramappa Aithappa Ail	Wife's Father
	Mrs. Pushpalata Ramappa Ail	Wife's Mother
	Mrs. Mamata Ayoor	Wife's Sister(s)
	Ms. Rakhi Ail	

Name of the Promoters	Name of the Relative	Relationship with the Promoter
Mr. Venkatesh Uchil	Mr. Krishnappa Deja Uchil	Father
	Mrs. Premlata Krishnappa Uchil	Mother



Name of the Promoters	Name of the Relative	Relationship with the Promoter
	Mrs. Reshma Venkatesh Uchil	Wife
	Mr. Vinay Krishnappa Uchil	Brother(s)
	Mrs. Tanuja Deepak Pudhierkar	Sister(s)
	Ms. Devashree Venkatesh Uchil	Daughter(s)
	Ms. Jaanvi Venkatesh Uchil	
	Mr. Mohan Koragappa Uchil	Wife's Father
	Mrs. Sarojini Mohan Uchil	Wife's Mother
	Mr. Prafuk Mohan Uchil	Wife's Brother(s)
	Mrs. Sushma Ravi Uchil	Wife's Sister(s)

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

As per Regulation 2(1)(zb)(iii), 2(1)(zb)(iv) and 2(1)(zb)(v) 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.	KDU Enterprises Pvt. Ltd
2.	Switch N Controlgears Pvt. Ltd
3.	Eltech Engineers Madras Pvt. Ltd
4.	Mcgeoch Marine Electricals Pvt. Ltd
5.	Philins Industrial Corporation
6.	Narhari Engineering Works
7.	Automatic Electronic Controls Mfg. Co.
8.	Oma Hospital
9.	DKM Precision Engineers
10.	Win Marine Consultancy Services
11.	MEL Power Systems FZC
12.	STI S.R.L.
13.	KDU Worldwide Technical Services FZC
14.	KDU Marine Equipment Trading and Maintenance L.L.C
15.	KDU Worldwide Middle East Marine Services L.L.C
16.	KDU Worldwide Technical Services Ghana Pvt. Ltd
17.	KDU Worldwide Technical Services Nigeria Pvt. Ltd
18.	KDU Worldwide Technical Services Pvt Ltd (Sri Lanka)
19.	Win Marine Engineering Services
20.	Voks Ship Management Private Limited
21.	Switch n Controlgears
22.	Technology Ventures Middle East (FZC)



## OUR GROUP COMPANIES

In accordance with the provisions of SEBI (ICDR) Regulations, for the purpose of identification of Group Companies, our Company has considered companies as covered under the applicable Accounting Standards, being Accounting Standard 18 issued by the Institute of Chartered Accountants of India (“AS 18”) as per the Restated Financial Statements and other companies as per the policy adopted by our Board. Our Board of Directors have considered a Company as Group Company only if (i) Company which are identified as related parties in accordance with Accounting Standards 18 as per the Restated Financial Statements except for our Promoter Company i.e. KDU Enterprises Pvt. Ltd.; and (ii) Company forming part of Promoter Group.

Our Group Companies based on the above are:

1. Eltech Engineers Madras Pvt. Ltd.
2. KDU Worldwide Technical Services FZC
3. KDU Marine Equipment Trading and Maintenance L.L.C
4. KDU Worldwide Middle East Marine Services L.L.C
5. KDU Worldwide Technical Services Ghana Pvt. Ltd
6. KDU Worldwide Technical Services Nigeria Pvt. Ltd.
7. KDU Worldwide Technical Services Pvt. Ltd (Sri Lanka)
8. McGeoch Marine Electricals Pvt. Ltd.
9. MEL Power Systems FZC
10. STI S.R.L.
11. Switch N Control Gears Pvt. Ltd.
12. Voks Ship Management Pvt. Ltd.
13. WIN Marine Engineering Services
14. Technology Ventures Middle East (FZC)

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

### I. DETAILS OF OUR GROUP COMPANIES:

#### 1. KDU MARINE EQUIPMENT TRADING AND MAINTENANCE L.L.C (‘KMETML’)

<b>Incorporation</b>	KMETML formerly known as “M E L Middle East Simulation Equipments & Maintenance L.L.C” is a limited liability Company, registered with Government of Dubai on December 28, 2014. In 2016, the name of the Company was changed to “KDU Marine Equipment Trading and Maintenance L.L.C”
<b>Registration Number</b>	1150714
<b>Registered Office</b>	90878, Dubai Maritime City – United Arab Emirates
<b>Nature of Business</b>	Telecommunications Equipment Trading, Wireless Equipment and Instruments Trading, Satellite Receiving Equipment Trading, Power Generation, Transmission and Distribution, Equipment Trading, Ship and Boats Spare Parts and Components Trading, Engines and Machinery Spare Parts Trading, Marine Equipment Installing and Repairing and Simulation Equipment and Systems Trading and Maintenance.

#### Board of Directors:

- Mr. Vinay Uchil

#### Interest of our Promoters / Promoter Group:

Our Promoter, Mr. Vinay Uchil holds 49.00% Shares of KMETML.

#### Financial Performance:

The brief financial details of KMETML derived from its Audited Financial Statements for the financial year ended December 31, 2017, 2016 and 2015 are set forth below:

(AED in lakhs)



Particulars	As at December, 31		
	2017	2016	2015
Equity Share Capital (FV AED 1,000/-)	3.00	3.00	3.00
Reserves (excluding revaluation reserve) and Surplus	19.20	8.79	3.42
Net-worth	22.20	11.79	6.42
Income including other income	150.00	99.72	62.17
Profit/ (Loss) after tax	10.41	5.37	3.42
Earnings per share (FV AED 1,000/-)	3,470.77	1,791.24	1,139.08
Net Asset Value	7,401.08	3,930.32	2,139.08

**Other disclosures:**

- The equity shares of KMETML are not listed on any stock exchange;
- KMETML is neither a sick Company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up. MMEPL neither has a negative net-worth nor has made a loss in the immediately preceding year;
- No application has been made for striking off the name of KMETML;

**2. MCGEOCH MARINE ELECTRICALS PVT. LTD. ('MMEPL')**

<b>Incorporation</b>	'MMEPL' was incorporated on July 02, 2004 as 'McGeoch Marine Electricals Pvt. Ltd.' under the Companies Act, 1956 by the Assistant Registrar of Companies.
<b>CIN</b>	U31909MH2004PTC147292
<b>Registration Number</b>	147292
<b>Registered Office</b>	A/16, Anand Mangal Industrial Estate, Satiwali, Walive Phata, Vasai (East), Thane-401208
<b>Nature of Business</b>	To carry on in India or abroad the business to manufacture, fabricate, alter, design, develop, export, import, exchange, install, lease, hire, maintain, modify, sell, purchase, resale, stock, repair, broker, collaborator, contractor, to deal in all shapes, sizes, capacities and kinds of electric electro- mechanic components, equipments, machineries etc.
<b>Registrar of Companies</b>	Registrar of Companies, Mumbai

**Board of Directors:**

- Mr. Vinay Uchil
- Mr. Venkatesh Uchil
- Mr. Nayyer Hussain
- Mr. Sohail Amer

**Interest of our Promoters / Promoter Group:**

Our Promoter holds 50.00% Equity Shares of this Company.

**Financial Performance:**

The brief financial details of "MMEPL" 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
Share Capital <sup>(1)</sup> (FV ₹ 10/-)	41.55	41.55	41.55
Reserves (excluding revaluation reserve) and Surplus	21.19	15.98	6.04
Net-worth	62.74	57.53	47.59
Income including other income	255.11	1182.47	850.22



Particulars	As at March, 31		
	2017	2016	2015
Profit/ (Loss) after tax	5.21	9.93	28.56
Earnings per share (FV ₹ 10/-)	52.10	99.33	286.00
Net asset value per share	627.39	575.29	475.96

<sup>(1)</sup> Includes 4,05,508 4% redeemable preference shares of ₹10/- each

#### Other disclosures:

- The equity shares of MMEPL are not listed on any stock exchange;
- MMEPL is neither a sick Company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up. MMEPL neither has a negative net-worth nor has made a loss in the immediately preceding year;
- No application has been made to RoC for striking off the name of MMEPL;
- MMEPL is not prohibited from accessing the capital markets for any reasons by the SEBI or any other authorities.

There are no defaults in meeting any statutory /bank /institutional dues. No proceedings have been initiated for economic offences against the Company.

### 3. MEL POWER SYSTEMS FZC ('MPSF')

<b>Incorporation</b>	MEL Power Systems FZC is a Free Zone Company with limited liability registered with Sharjah Airport International Free Zone Authority in accordance with the Provisions of Saif Zone, United Arab Emirates on October 26, 2010. There was a change of name from "Marine Electricals FZC" to "MEL Power Systems FZC" on August 04, 2016 vide Fresh Certificate of Incorporation consequent on change of name issued by the Government of Sharjah.
<b>Certificate of Incorporation / Registration No.</b>	5883
<b>Registered Office</b>	Saif Zone, Sharjah, United Arab Emirates, P.O Box – 122041
<b>Nature of Business</b>	Main activities of MPSF are import/export & distribution of Marine Equipment & related spare parts and assembling and manufacturing of power distribution panel, control panels and solar power systems

#### Board of Directors:

- Mr. Vinay Uchil

#### Interest of our Promoters / Promoter Group:

Our Promoter hold 10.00% Equity Shares of MPSF. Balance 90% is held by our Company.

#### Financial Information:

The brief financial details of "MPSF" derived from its audited financial statements for Fiscals 2018, 2017 and 2016 are set forth below:

(AED in lakhs)

Particulars	As at March 31		
	2018	2017	2016
Shares Capital	1.50	1.50	1.50
Reserves and Surplus	114.87	90.71	78.94
Networth	116.37	92.21	80.44
Income including Other Income	371.29	190.26	278.91
Profit/ (Loss) After Tax	24.16	11.76	7.69
Earnings Per Share (F. V. AED 100/- each)	24,164.22	11,762.85	7,963.63





Particulars	As at March 31		
	2018	2017	2016
Net Asset Value	1,16,369.68	92,205.46	80,442.61

**Other disclosures:**

- The equity shares of MPSF are not listed on any stock exchange;
- MPSF is neither a sick Company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up. MPSF neither has a negative net-worth nor has made losses in the immediately preceding two years out of three years;
- No application has been made to Sharjah Airport International Free Zone for striking off the name of MPSF;

**4. STI S.R.L. ('STI')**

Incorporation	STI is a limited liability Company registered on March 17, 1997 as 'STI S.R.L.'. STI commenced its operation since May 29, 1997
REA Number	AP-151748
Registered Office	Monteprandone (AP) Via Dell'Artigianato IV TR 5 CAP 63076
Nature of Business	Main activity is renewable energy production

**Board of Directors:**

- Mr. Vinay Uchil
- Mr. Stefano Piunti
- Mr. Franco De Santis
- Mr. Denis Di Buo'
- Mr. Andrea Cianchi
- Mr. Mauro Preziosa
- Mr. Bhakthavalsalan Unniparambath Madhavan Me

**Interest of our Promoters / Promoter Group:**

Our Promoter/Promoter Group do not hold any Share Capital of STI. However, our MEL Power Systems FZC (Subsidiary) holds 75% of the Share Capital of STI.

**Financial Performance:**

The brief financial details of STI derived from its Audited Financial Statements for the financial year ended December 31, 2017, 2016 and 2015 are set forth below:

(Euro in lakhs)

Particulars	As at December, 31		
	2017	2016	2015
Share Capital	13.35	13.35	1.00
Reserves (excluding revaluation reserve) and Surplus	3.35	3.56	5.69
Net-worth	16.70	16.91	6.69
Income including other income	23.15	31.35	17.60
Profit/ (Loss) after tax	0.09	0.16	0.22

**Other disclosures:**

- The equity shares of STI are not listed on any stock exchange;
- STI is neither a sick Company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up. STI has negative net-worth and has made losses in the immediately preceding two years out of three years;
- No application has been made to Italian Registrar of Companies for striking off the name of STI;



## 5. SWITCH N CONTROL GEARS PVT. LTD. ('SCGPL')

<b>Incorporation</b>	SCGPL was incorporated on December 09, 1988 as 'Switch N Control Gears Private Limited' under the Companies Act, 1956.
<b>CIN</b>	U99999MH1988PTC049991
<b>Registration Number</b>	049991
<b>Registered Office</b>	B-3, Udyog Sadan, MIDC, Marol (East), –Mumbai - 400093
<b>Nature of Business</b>	To Carry on the business of Electrical equipment, General Purpose and Special purpose Machinery & equipment, Transport equipment.
<b>Registrar of Companies</b>	Registrar of Companies, Mumbai

### Board of Directors:

- Mr. Vinay Uchil
- Mr. Venkatesh Uchil

### Interest of our Promoters / Promoter Group:

Our Promoter and Promoter Group hold 99.24% Equity Shares of SCGPL.

### Financial Performance:

The brief financial details of SCGPL 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 Share Capital (FV ₹ 10/-)	2.62	2.62	2.62
Reserves (excluding revaluation reserve) and Surplus	13.63	13.10	13.62
Net-worth	16.25	15.72	16.24
Income including other income	119.65	120.78	135.71
Profit/ (Loss) after tax	0.52	(0.52)	(0.28)
Earnings per share (FV ₹ 10/-)	19.88	(19.73)	(10.51)
Net asset value per share	620.19	600.07	619.91

### Other disclosures:

- The equity shares of SCGPL are not listed on any stock exchange;
- SCGPL is neither a sick Company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up.
- SCGPL neither has a negative net-worth nor has made a loss in the immediately preceding year.
- No application has been made to RoC for striking off the name of SCGPL;
- SCGPL is not prohibited from accessing the capital markets for any reasons by the SEBI or any other authorities.

There are no defaults in meeting any statutory /bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

## 6. TECHNOLOGY VENTURES MIDDLE EAST (FZC) ('TVME')

<b>Incorporation</b>	"Technology Ventures Middle East (FZC)" is a Free Zone Company with limited liability, registered with Government of Dubai on October 23, 2004.
<b>License Number</b>	02608
<b>Registered Office</b>	250 M2 Warehouse, A3 018, P.O. Box 9252, Sharjah – U.A.E.
<b>Nature of Business</b>	General Trading

**Board of Directors:**

- Mr. Yousof Ahmed Mohammed Husain Almarzooqi
- Mr. Vinay Uchil

**Interest of our Promoters / Promoter Group:**

Our Promoter, Mr. Vinay Uchil holds 50.00% Shares of TVME.

**Financial Performance:**

The brief financial details of TVME derived from its Audited Financial Statements for the financial year ended December 31, 2017, 2016 and 2015 are set forth below:

(UAE Dirhams in lakhs)

Particulars	As at December, 31		
	2017	2016	2015
Equity Share Capital	1.50	1.50	1.50
Statutory Reserves & Retained Earnings	243.09	220.44	203.73
Shareholders Fund	194.91	221.94	205.23
Income including other income	214.87	305.33	329.92
Profit/ (Loss) after tax	22.64	16.71	36.07

Except as mentioned below, there are no significant notes of the auditors in relation to the aforementioned financial statements:

**FY 2017: Emphasis of Matter**

We draw attention to note 23 in the financial statements regarding events subsequent to the date of statement of financial position, which describes that management has entered in to a memorandum of understanding to sale the company. Our opinion is not modified in respect of this matter.

**II. DETAILS OF OUR GROUP COMPANY WITH NEGATIVE NETWORTH:****1. ELTECH ENGINEERS MADRAS PVT LTD ('EEMPL')**

<b>Incorporation</b>	EEMPL was incorporated on September 09, 1996 as 'Eltech Engineers Madras Private Limited' under the Companies Act, 1956 by Registrar of Companies.
<b>CIN</b>	U29142TN1996PTC036500
<b>Registration Number</b>	036500
<b>Registered Office</b>	No. 92,1st Main Road, Nehru Nagar, Old Mahabalipuram Road, Chennai 600 041
<b>Nature of Business</b>	EEMPL carries on the business of manufactures, sellers, importers, exporters, suppliers, traders, lessors, lessees, and dealers of a MCCs (Motor Control Centers), Switch Board Control Panels, Busducts, Raising Mains and other Like Electrical Products.
<b>Registrar of Companies</b>	Registrar of Companies, Mumbai

**Board of Directors**

- Mr. Vinay Uchil
- Mr. Venkatesh Uchil
- Mr. Tekkate Rao
- Mr. Krishnamurthi Sriram

**Interest of our Promoter / Promoter Group**

Our Promoter/Promoter Group do not hold any Share Capital of EEMPL. However, our Company Holds 70% of the Share Capital of EEMPL.



## Financial Performance

The brief financial details of EEML derived from its Audited Financial Statements for Fiscals 2018, 2017 and 2016 are set forth below:

(₹ in lakhs)

Particulars	As at March, 31		
	2018	2017	2016
Equity Share Capital (FV ₹ 10/-)	30.00	30.00	30.00
Reserves (excluding revaluation reserve) and Surplus	(185.05)	(197.85)	(95.84)
Net-worth	(155.05)	(167.85)	(65.84)
Income including other income	657.22	328.96	556.16
Profit/ (Loss) after tax	12.80	(102.01)	(66.86)
Earnings per share (FV ₹ 10/-)	(34.00)	(22.29)	15.74
Net asset value per share	Negative	Negative	0.34

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

### Other disclosures:

- The equity shares of EEML are not listed on any stock exchange;
- EEML is neither a sick Company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up. EEML has negative net-worth and has made losses in the immediately preceding three year;
- No application has been made to RoC for striking off the name of EEML;
- EEML is not prohibited from accessing the capital markets for any reasons by the SEBI or any other authorities.

There are no defaults in meeting any statutory / bank / institutional dues. No proceedings have been initiated for economic offences against the Company.

## III. DETAILS OF OUR LOSS MAKING GROUP COMPANIES:

### 1. KDU WORLDWIDE TECHNICAL SERVICES FZC ('KWTSF')

<b>Incorporation</b>	'KWTSF' is a limited liability establishment incorporated and licensed at Sharjah Airport International Free Zone (SAIF Zone) on June 27, 2005 as 'KDU Worldwide Technical Services FZC'.
<b>Registration Number</b>	02-04-04694
<b>Registered Office</b>	250 M2, Warehouse Q3 – 10. P.O. Box 9567, Sharjah – U.A.E.
<b>Nature of Business</b>	General trading; manufacturing & assembling of control panels related to Marine Industry and to provide after sales service for marine instruments equipments and controls

### Board of Directors:

- Mr. Vinay Uchil

### Interest of our Promoters / Promoter Group:

Our Promoters, Mr. Venkatesh Uchil and Mr. Vinay Uchil hold 100.00% Equity Shares of KWTSF.

### Financial Performance:

The brief financial details of KWTSF derived from its Audited Financial Statements for the financial year ended December 31, 2016, 2015 and 2014 are set forth below:



(AED in lakhs)

Particulars	As at December, 31		
	2016	2015	2014
Share Capital (F. V. AED 1,500)	1.50	1.50	1.50
Reserves (excluding revaluation reserve) and Surplus	36.28	52.44	53.59
Net-worth	37.78	53.94	55.09
Income including other income	142.26	192.04	189.84
Profit/ (Loss) after tax	(16.16)	(1.14)	(0.47)
Earnings per Share	(16,161.82)	(1,144.55)	(465.65)
Net Asset Value (per share of AED 1,500)	37,782.11	57,801.33	66,457.32

**Other disclosures:**

- The equity shares of KWTSF are not listed on any stock exchange;
- KWTSF is neither a sick Company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up KWTSF does not have a negative net-worth, however, has made losses in the immediately preceding three year;
- No application has been made for striking off the name of KWTSF;

**2. KDU WORLDWIDE TECHNICAL SERVICES GHANA LIMITED ('KWTSGL')**

<b>Incorporation</b>	'KWTSGL' was incorporated on July 14, 2016 as ' <i>KDU Worldwide Technical Services Ghana Limited.</i> ' under the Companies Act, 1963 by the Registrar of Companies.
<b>CIN</b>	C0006761666
<b>Registration Number</b>	CS124912016
<b>Registered Office</b>	HNO. 45/2 Tema, SOS Lane Community 10, Tema, Tema Metropolitan, Greater Accra.
<b>Nature of Business</b>	The Company is involved in Manufacturing and Servicing of Safety Equipment and also provides Information Communication Services
<b>Registrar of Companies</b>	Registrar of Companies, Republic of Ghana

**Board of Directors:**

- Mr. Vinay Uchil
- Mr. Venkatesh Uchil
- Mr. Kingsley Ewa Attoe

**Interest of our Promoters / Promoter Group:**

Our Promoters holds 66.67% Equity Shares of this Company.

**Financial Performance:**

The brief financial details of "KWTSGL" derived from its Audited Financial Statements for Fiscal Year 2016 and 2017 are set forth below:

(₹ in lakhs)

Particulars	6 Month period ended June 30, 2018	15 Month period ended December 31, 2017
Share Capital (No-par value)	19.38	19.38
Reserves (excluding revaluation reserve) and Surplus	(2.53)	(2.06)
Net-worth	16.85	17.32
Income including other income	0.05	2.96
Profit/ (Loss) after tax	(0.48)	(2.06)
Earnings per share	(0.02)	(0.11)
Net asset value per share	0.87	0.89



**Other disclosures:**

- The equity shares of KWTSGL are not listed on any stock exchange;
- KWTSGL is neither a sick Company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up. KWTSGL does not have a negative, however, has made a loss in the immediately preceding year;
- No application has been made to the Registrar of Companies, Republic of Ghana, for striking off the name of KWTSGL;

**IN ADDITION TO THE ABOVE, FOLLOWING COMPANIES ARE PART OF OUR GROUP COMPANIES.**

Sr. No.	Name of the Group Entity & Registration Number/ License No. /CIN	Date of Incorporation	Brief description of permitted business activities	Interest of our Promoter (Including Promoter Group)
1	KDU Worldwide Technical Services Nigeria Pvt. Ltd. RC 1425041	July 12, 2017	Engage in the manufacturing, sale, distribution, management, buy, sell, redistribute, and deal in articles, substances, products, appliances, undertake general investments in Nigeria etc.	66.67%
2	KDU Worldwide Technical Services Pvt. Ltd (Sri Lanka) Company No.: 116683	September 26, 2016	Carry on the business of Investment Holdings Company & Whole Sale Distribution of Electric & Electronic Items, within the permitted legal framework of Sri Lanka.	80.00%
3	KDU Worldwide Middle East Marine Services L.L.C License No.: CN-2108071	March 31, 2016	Exporting, Boats Repairing, Repair and Maintenance of Ship engines, Marine Machines & equipments repairing and maintenance , Importing, Onshore and Offshore oil and gas fields and facilities services, Ships management and Operation.	49.00%
4	WIN Marine Engineering Services License No.: 649824	February 08, 2011	Ships & Boats Maintenance Services, Marine Equipment & Engines Repairing & Maintenance	50.00%
5	Voks Ship Management Pvt. Ltd. CIN: U74999MH2018PTC311843	July 12, 2018	(i) To purchase, Charter, hire or otherwise, sell, exchange, lot or charter either in India or in any country , (ii) To carry on the business of merchants, carriers by land and water, ship owners, ship agents, dock owners or in connection with their business of carriers by land and sea, and provide consultancy services, (iii) To carry on the business of ship builders and repairs and re-fitters and vendors of ships, and vessels and or repairers of engines, boilers, machinery and any other parts required for ships and vessels and to instruct and maintain for the use of the Company repairing or docking of ships and other vessels and to aid in or contribute to the construction of any such works.	33.33%



*Note: None of these five (5) companies have material operating activities as per their respective last audited financial periods.*

## **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 by our Company**

None of the Group Companies have any interest in the properties acquired by our Company within the two years of the date of filing this Prospectus or proposed to be acquired by our Company, except as disclosed in the chapter titled “*Our Business*” on page no. 98 of this 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, except as disclosed in the chapter titled “*Our Business*” on page no. 98 of this Prospectus.

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

Except as disclosed in the section “*Financial Information – Annexure XXVIII - Related Party Transactions*” beginning on page no. 205 of this Prospectus, no amount or benefits were paid or were intended to be paid to our Group Companies since the incorporation of our Company except to the extent of their shareholding and the dividend payable, if any and other distributions in respect of the Equity Shares held by them.

### **Common Pursuits with Promoter Group and Group Companies**

Some of our Promoter Group and Group Companies have been authorized by its respective Memorandum of Associations to undertake activities which are similar to ours and are currently engaged in businesses similar to ours.

Following are the Promoter Group and Group Companies, whose main objects are similar to ours and this may result in potential conflicts of interest with our Company in the future:

1. KDU Enterprises Pvt. Ltd.
2. Switch N Control Gears Pvt. Ltd.
3. MEL Power System FZC
4. Eltech Engineers Madras Pvt. Ltd.

### **Related business transactions within the Group Companies and its significance on the financial performance of our Company**

For Further details on the related party transaction, to the extent of which our Company is involved, please see “*Annexure XXVIII - Statement of Related Party Transaction*” on page no. 205 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 XXVIII - Related Party Transactions*” on page no. 205 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.





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### **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. 229 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. 17, 151 and 229 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 except as stated under chapters “*Risk Factors*”, “*Our Group Companies*” and “*Outstanding Litigations and Material Developments*” on page nos. 17, 151 and 229 of this Prospectus respectively.



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## 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.

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



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## **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.

There are no dividends declared by our Company since incorporation.

Our Company does not have any formal dividend policy for the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.



## SECTION VI – FINANCIAL INFORMATION

### FINANCIAL STATEMENTS

#### REPORT OF THE AUDITORS ON CONSOLIDATED FINANCIAL STATEMENTS

To,  
The Board of Directors,  
**Marine Electricals (India) Limited**  
B/1, Udyog Sadan No.3, MIDC  
Andheri (E), Mumbai – 400 093

Dear Sir,

Re: Proposed Public Issue of Equity Shares of Marine Electricals (India) Limited

We have examined Restated Consolidated Financial Statements and Other Financial Information for the period ended March 31, 2018, 2017, 2016, 2015 and 2014 of Marine Electricals (India) Limited (the 'Company') taking into consideration the terms of reference and terms of our engagement letter dated August 06, 2018, agreed upon with you in connection with the proposed IPO of Equity Shares on SME Platform of NSE and the Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India.

The said Restated Consolidated 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:

1. Sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 as amended and
2. 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;
3. We have examined the accompanied 'Restated Consolidated Statement of Profit and Loss' (**Annexure – II**) for the years ended on 31st March 2018, 2017, 2016, 2015 and 2014 and the 'Restated Consolidated Statement of Assets and Liabilities' (**Annexure – I**) and 'Restated Consolidated Statement of Cash Flows' (**Annexure – III**) 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. Consolidated Financial Statements have been compiled by the Management from the audited Financial Statements for the years ended as at March 31, 2018, 2017, 2016, 2015 and 2014, which have been approved by Board of directors at their meetings and further has been reaudited by us for the year ended 31<sup>st</sup> March 2018. 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.
  - i. In terms of Schedule VIII, Clause IX (9) of the SEBI (ICDR) Regulations, 2009 and other provisions relating to accounts of Marine Electricals (India) Limited, we, M/s. V.N. Purohit & Co., 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.
  - ii. Based on our examination, we further report that:
    - a) The Restated Consolidated Statement of Assets and Liabilities of the Company as at March 31, 2018, 2017, 2016, 2015 and 2014 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 significant accounting policies in **Annexure IV** and the Notes to Accounts in **Annexure V**.
    - b) The Restated Consolidated Statement of Profit and Loss of the Company for the financial years ended on



March 31, 2018, 2017, 2016, 2015 and 2014 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 significant accounting policies in **Annexure IV** and in Notes to Accounts in **Annexure V**.

- c) The Restated Consolidated Statement of Cash Flows of the Company for the financial years ended March 31, 2018, 2017, 2016, 2015 and 2014 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 significant accounting policies in **Annexure IV** and the Notes to Accounts in **Annexure V**.
- d) The Restated Consolidated Financial Statements have been made after incorporating adjustments for:
  - a. 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.
  - b. Prior period and other material amounts in the respective financial years to which they relate:
- e) Such Financial statements do not require any corrective adjustments on account of :
  - a. Other remarks/comments in the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub – section (11) of section 143 of the Act, on financial statements of the Company for the financial years ended March 31, 2018, 2017, 2016, 2015 and 2014.
  - b. Extra-ordinary items that need to be disclosed separately in the accounts requiring adjustments.

4. 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) Restated Consolidated Statement of Share Capital (Annexure - VI)
- ii) Restated Consolidated Statement of Reserves & Surplus (Annexure - VII)
- iii) Restated Consolidated Statement of Long Term Borrowings (Annexure - VIII)
- iv) Restated Consolidated Statement of Long Term Provision (Annexure- IX)
- v) Restated Consolidated Statement of Deferred Tax Liabilities (Annexure X)
- vi) Restated Consolidated Statement of Short Term Borrowings (Annexure- XI)
- vii) Restated Consolidated Statement of Trade Payable (Annexure- XII)
- viii) Restated Consolidated Statement of Other Current Liabilities (Annexure- XIII)
- ix) Restated Consolidated Statement of Short Term Provisions (Annexure- XIV)
- x) Restated Consolidated Statement of Fixed Assets (Annexure- XV)
- xi) Restated Consolidated Statement of Non Current Investments (Annexure – XVI)
- xii) Restated Consolidated Statement of Long term Loans and Advances (Annexure XVII)
- xiii) Restated Consolidated Statement of Inventories (Annexure – XVIII)
- xiv) Restated Consolidated Statement of Trade Receivables (Annexure - XIX)
- xv) Restated Consolidated Statement of Cash and Cash Equivalents (Annexure - XX)
- xvi) Restated Consolidated Statement of Short Term Loans and Advances (Annexure - XXI)
- xvii) Restated Consolidated Statement of Other Current Assets (Annexure - XXII)
- xviii) Restated Consolidated Statement of Revenue from Operations (Annexure – XXIII)
- xix) Restated Consolidated Statement of Other Income (Annexure – XXIV)
- xx) Restated Statement of Contingent Liabilities (Annexure – XXV)
- xxi) Restated Statement of Capitalization (Annexure – XXVI)
- xxii) Statement of Accounting Ratios (Annexure – XXVII)
- xxiii) Statement of Related Party Transactions (Annexure – XXVIII)

5. In our opinion, the Restated Financial Statements and the other Financial Information set forth in **Annexure I to XXVIII** read with the significant accounting policies and notes to the restated financial statements have been prepared in accordance with section 26 of Companies Act, 2013 and the SEBI Regulations and the Guidance Note on the reports in Company Prospectus (Revised 2016) issued by the Institute of Chartered Accountants of India



(ICAI).

6. 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.
7. 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.
8. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
9. This report is intended solely for your information and for inclusion in the Offer document in connection with the Company's proposed IPO-SME of equity shares which is to be filed with SEBI, NSE and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**V.N. Purohit & Co.**  
**Chartered Accountants**

**O.P. Pareek**  
**Partner**  
Membership No: 014238

Place: Mumbai  
Date: September 07, 2018



**ANNEXURE-I**  
**STATEMENT OF CONSOLIDATED ASSETS & LIABILITIES, AS RESTATED**

(₹ in Lakhs)

Particulars	Financial Year Ended				
	Mar-18	Mar-17	Mar-16	Mar-15	Mar-14
<b>EQUITY AND LIABILITIES</b>					
<b>1. Shareholders' Funds</b>					
1. Share Capital	1,803.71	1,717.82	1,717.82	1,717.82	1,717.82
2. Reserves & Surplus	7,600.85	5,763.91	4,621.14	3,627.58	2,801.60
3. Share Application Money Pending Allotment					
<b>Minority Interest</b>	675.95	556.23	135.29	120.92	91.11
<b>2. Non Current Liabilities</b>					
a. Long term borrowings	374.78	712.85	884.84	898.60	1,284.14
b. Deferred Tax Liabilities (Net)	184.72	276.29	187.45	197.80	212.31
c. Long Term Provisions	163.07	64.15	54.04	45.96	40.55
<b>3. Current Liabilities</b>					
a. Short-term Borrowings	3,815.36	2,766.35	1,948.29	1,125.88	1,025.52
b. Trade payables	16,350.13	8,201.26	3,549.65	4,353.78	2,962.27
c. Other current liabilities	4,110.87	2,380.27	1,750.17	2,120.57	1,879.68
d. Short-term Provisions	383.36	262.29	61.20	120.26	68.66
<b>TOTAL</b>	<b>35,462.81</b>	<b>22,701.42</b>	<b>14,909.88</b>	<b>14,329.18</b>	<b>12,083.67</b>
<b>ASSETS</b>					
<b>4. Non Current Assets</b>					
a. Fixed Assets					
i) Tangible Assets	5,440.78	5,463.57	4,196.87	3,844.91	3,585.57
ii) Intangible Assets	258.67	105.72	108.30	125.62	116.21
b. Long Term Loans & Advances	209.78	651.95	299.83	313.50	301.05
c. Non - Current Investment	0.08	0.08	0.08	0.08	0.08
<b>5. Current Assets</b>					
a. Inventories	4,628.70	3,545.99	1,312.37	2,153.20	1,217.85
b. Trade Receivables	18,444.61	10,994.65	7,144.46	5,891.21	3,582.60
c. Cash and Cash Equivalents	3,291.08	540.69	652.10	683.08	2,104.47
d. Short Term Loans & Advances	2,611.21	1,090.91	961.32	1,070.31	1,140.05
e. Other current assets	577.89	307.88	234.54	247.27	35.79
<b>TOTAL</b>	<b>35,462.81</b>	<b>22,701.42</b>	<b>14,909.88</b>	<b>14,329.18</b>	<b>12,083.67</b>





**ANNEXURE-II**  
**STATEMENT OF CONSOLIDATED PROFIT & LOSS ACCOUNT, AS RESTATED**

(₹ in Lakhs)

Particulars	Financial Year Ended				
	Mar-18	Mar-17	Mar-16	Mar-15	Mar-14
<b>REVENUE:</b>					
Revenue from Operations	38,037.82	27,157.12	24,977.58	23,561.82	21,234.12
Other Income	307.61	207.91	191.69	277.32	251.48
<b>Total revenue</b>	<b>38,345.64</b>	<b>27,365.03</b>	<b>25,169.27</b>	<b>23,839.14</b>	<b>21,485.60</b>
<b>EXPENSES:</b>					
Cost of Material Consumed	28,594.38	17,913.72	16,749.08	16,852.67	14,534.14
Changes in inventories	(820.00)	(114.71)	(55.44)	(34.74)	355.40
Other manufacturing & operating expenses	3,314.35	3,118.62	2,354.07	1,600.81	1,673.94
Employee benefit expenses	1,849.53	1,487.82	1,417.98	1,340.16	920.91
Finance costs	610.11	494.39	320.63	465.03	300.17
Depreciation & Amortisation cost	515.28	515.47	512.57	586.70	155.32
Other Expenses	2,016.75	2,200.46	2,450.45	1,825.66	1,796.79
<b>Total Expenses</b>	<b>36,080.38</b>	<b>25,615.77</b>	<b>23,749.34</b>	<b>22,636.28</b>	<b>19,736.66</b>
<b>Exceptional items</b>					
<b>Net Profit / (Loss) before Tax</b>	<b>2,265.26</b>	<b>1,749.26</b>	<b>1,419.93</b>	<b>1,202.86</b>	<b>1,748.94</b>
Less: Provision for Tax					
a. Current tax	730.87	580.18	494.87	349.53	292.00
b. Deferred Tax (Assets) / Liability	(91.57)	88.84	(10.05)	2.99	35.77
c. MAT Credit entitlement					
<b>Total</b>	<b>639.30</b>	<b>669.34</b>	<b>484.82</b>	<b>352.52</b>	<b>327.77</b>
<b>Net Profit / ( Loss ) for the period after tax but before extra ordinary items</b>	<b>1,625.95</b>	<b>1,079.92</b>	<b>935.10</b>	<b>850.34</b>	<b>1,421.17</b>
Extraordinary Items					
<b>Net Profit / ( Loss ) for the period after tax and after extra ordinary items available for appropriation</b>	<b>1,625.95</b>	<b>1,079.92</b>	<b>935.10</b>	<b>850.34</b>	<b>1,421.17</b>
Less : Proposed Dividend					
Dividend Distribution Tax					
<b>Net Profit Attributable to Minority</b>	<b>99.06</b>	<b>57.60</b>	<b>14.37</b>	<b>63.80</b>	<b>78.04</b>
<b>Net Profit transferred to Reserves</b>	<b>1,526.89</b>	<b>1,022.32</b>	<b>920.73</b>	<b>786.54</b>	<b>1,343.13</b>



**ANNEXURE-III**  
**STATEMENT OF CONSOLIDATED CASHFLOW STATEMENT, AS RESTATED**

(₹ in Lakhs)

Particulars	Financial Year Ended				
	Mar-18	Mar-17	Mar-16	Mar-15	Mar-14
<b>Cash Flow From Operating Activities</b>					
<b>Net Profit Before Tax</b>	<b>2,265.26</b>	<b>1,749.26</b>	<b>1,419.93</b>	<b>1,202.86</b>	<b>1,748.94</b>
Adjustments for :					
Depreciation and Amortisation	515.28	515.47	512.57	586.70	155.32
Financial Expenses	610.11	494.39	320.63	465.03	300.17
Foreign Currency Translation reserve	(47.60)	(98.67)	72.60	(39.44)	1.04
Interest Received	(77.24)	(34.70)	(28.78)	(45.83)	(35.67)
<b>Operating profit Before working capital changes</b>	<b>3,265.80</b>	<b>2,625.75</b>	<b>2,296.94</b>	<b>2,169.33</b>	<b>2,169.80</b>
<b>Movement In Working Capital :</b>					
Changes in Inventories	(1,082.70)	(2,233.62)	840.83	(935.35)	(103.42)
Changes in Trade Receivables	(7,499.89)	(3,779.63)	(1,253.24)	(2,308.61)	(381.28)
Changes in Short Term Loans and Advances	(1,520.30)	(129.59)	108.99	69.75	(701.01)
Changes in Other Current Assets	(270.01)	(73.33)	12.72	(211.48)	630.62
Changes in Long Term Loans and Advances	310.11	(10.27)	13.66	(12.45)	(16.33)
Changes in other Long Term Provisions	98.92	10.12	8.07	5.42	40.55
Changes in Trade Payables	8,148.87	4,651.62	(804.13)	1,391.50	639.00
Changes in Other Current Liabilities	1,730.60	630.10	(370.40)	240.89	(288.01)
Changes in Short term Provisions	121.07	201.09	(59.07)	51.61	(273.69)
<b>Cash Generated From Operations</b>	<b>3,302.45</b>	<b>1,892.22</b>	<b>794.37</b>	<b>460.60</b>	<b>1,716.23</b>
Direct Tax Paid	(730.87)	(580.50)	(494.87)	(349.53)	(292.00)
<b>Net Cash flow from Operating activities (A)</b>	<b>2,571.58</b>	<b>1,311.72</b>	<b>299.51</b>	<b>111.07</b>	<b>1,424.23</b>
<b>Cash Flow used In Investing Activities</b>					
Purchase of Fixed Assets, Including Intangible assets	(644.80)	(1,779.58)	(847.29)	(855.96)	(208.50)
Changes in Other Long term Assets	132.06	(341.84)	-	-	-
Surplus on acquisition	15.33	511.91			
Change in Non Current Investments		-	-	27.88	10.00
<b>Net Cash Flow from Investing Activites (B)</b>	<b>(497.41)</b>	<b>(1,609.52)</b>	<b>(847.29)</b>	<b>(828.08)</b>	<b>(198.50)</b>
<b>Cash Flow From Financing Activities</b>					
Proceeds from Issued of Equity Shares	498.13	-	-	-	0.02
Proceeds from Long - Term Borrowings	(338.07)	(171.98)	(13.76)	(385.54)	261.45
Proceeds from Short - Term Borrowings (Net)	1,049.02	818.06	822.40	100.36	146.71
Interest Received	77.24	34.70	28.78	45.83	35.67
Financial Expenses	(610.11)	(494.39)	(320.63)	(465.03)	(300.17)
<b>Net Cash Flow Form Financing Activities (C)</b>	<b>676.21</b>	<b>186.39</b>	<b>516.80</b>	<b>(704.38)</b>	<b>143.68</b>
Net Increase / (Decrease) In Cash and Cash Equivalents (A+B+C)	2,750.39	(111.41)	(30.98)	(1,421.39)	1,369.41
Cash and Cash Equivalents at the beginning of the year	540.69	652.10	683.08	2,104.47	735.06
<b>Cash and Cash Equivalents at the end of the Year</b>	<b>3,291.08</b>	<b>540.69</b>	<b>652.10</b>	<b>683.08</b>	<b>2,104.47</b>



## ANNEXURE - IV

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

#### A. CORPORATE INFORMATION

Marine Electricals (India) Limited, (“MEIPL” or “the Company”) is a limited Company incorporated in India under the provision of the Companies Act, 1956. The principal place of business of the Company located at Mumbai and Goa.

Company is engaged in developing, designing, manufacturing and marketing of all types of marine and industrial electrical and electronic switch-gears, control-gears, electrical and electronic components including renewable energy. It also provides services in designing, fabricating, installing and repairing all types of electrical and electronic installations in India and abroad and to undertake and also carry out annual maintenance contracts.

#### B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements are prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under historical cost convention on the accrual basis. GAAP comprises mandatory Accounting Standards issued by the Institute of Chartered Accountants of India, 2013. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to existing accounting standard requires the change in the accounting policy hitherto in use. Management evaluates all relevant issues or revised accounting standards on an ongoing basis. Accounting Policies not specifically referred to otherwise are consistent and in consonance with the Generally Accepted Accounting Principles that are followed by the Company

Details of subsidiaries (including step-down subsidiary) and associates Company considered in the consolidated accounts:

Particulars	Extent of Holding				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
MEL Power System FZC	90.00%	90.00%	90.00%	90.00%	90.00%
Automatic Electronic Controls Manufacturing Co.	50.00%	50.00%	50.00%	50.00%	50.00%
M/s Narhari Engineering Works	80.00%	80.00%	80.00%	80.00%	80.00%
Eltech Engineers Madras Private Limited	70.00%				

Apart from above subsidiary and associates, MEL Power System FZC holds 75% from FY 2016-17 in STI S.R.L. which is our step down subsidiary

#### Accounting policies adopted in the preparation of consolidated accounts:

The consolidated accounts related to Marine Electricals India Limited, Mumbai (Holding Company) and MEL Power System FZC and Eltech Engineers Madras Private Limited (Subsidiary Companies), have been prepared in accordance with AS - 21 “Consolidated Financial Statements” issued by the Institute of Chartered Accountants of India. Further, the consolidated accounts related to M/s Narhari Engineering Works and Automatic Electronic Controls Manufacturing Co. have been prepared in accordance with AS- 23 Accounting from Investments in Associates and AS -27 (Financial Reporting of Interest in Joint Ventures respectively.

The Consolidated Financial Statements have been prepared based on line-by-line consolidation (in case of subsidiaries) and proportionate consolidation (as per AS 27) as per the accounts of the Holding Company and its Subsidiary Company and Associate and intra group balances/ intra group transactions have been eliminated.

The difference between the costs of Investment in the subsidiaries over the Net Assets at the time of acquisition of shares in the Subsidiaries and associates are recognized in the financial statements as Goodwill or Capital Reserve, as the case may be. Minority Interest's share of Net Profit of Consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive the net income attributable to Shareholders of the Company.



Minority Interest's share of Net Assets of Consolidated subsidiaries is identified and presented in the Consolidated Balance sheet separate from liabilities and the equity of the Company's shareholders. The losses applicable to Minority Interest exceeding their interest are adjusted against Majority Interest.

The Consolidated Financial Statements have been prepared using uniform policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the holding Company's individual accounts.

**Current events and actions, actual results could differ from these estimates.**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the result of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

**1. USE OF ESTIMATES**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

**2. FIXED ASSETS**

Tangible Fixed Assets are stated at cost of acquisition or construction (net of excise duty, VAT and GST) less accumulated depreciation and impairment losses. The cost of assets comprises of its purchase price and any directly attributable cost of bringing the assets to their location and working condition upto the date of its intended use. Intangible assets are stated at cost less accumulated amortization. Cost includes directly attributable expenditure for making the assets for its intended use.

Capital Work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition / construction of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

The Company depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II of the Companies Act, 2013 and management believe that useful life of assets are same as those prescribed in Schedule II to the Act.

**3. LEASES**

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. The corresponding liability is included in the Balance Sheet as a finance lease liability. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the statement of profit and loss.



A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

#### **4. INVESTMENTS**

Long term investments are carried at cost. Provision for diminution, is made to recognize a decline other than temporary in the value of investments and is determined separately for each individual investment. Investment in partnership firms is valued inclusive of Company's share of profit/loss in respective partnership firms from the date of partnership.

Investment, which are readily realizable and are intended to be held for not more than one year from the date of acquisition, are classified as current investment. All other investments are classified as long term investments. Purchase and sale of investments are recognized based on trade date accounting.

#### **5. INVENTORIES**

Inventories of raw material, work in progress, stores and spares, finished goods and stock in trade are stated. at cost or net realizable value, whichever is lower. Goods –in-Transit are stated 'at cost'. Cost comprises all cost of purchase, Cost of conversion and other cost incurred in bringing the inventories to their present location and condition. The excise duty in respect of closing inventory of finished goods is included as part of finished goods. Cost formula is used in weighted average cost. Due allowances is estimated and made for defective and obsolete items, wherever necessary, based on past experiences of the Company.

#### **6. REVENUE RECOGNITION**

Revenue from manufactured goods is recognized when the substantial risks and rewards of ownership are transferred to the buyer. Sales are inclusive of Goods and Service Tax / excise duty wherever paid. Service revenue is recognized on completion of service as per the terms of the contract.

#### **7. OTHER INCOME**

Interest income is accrued as per applicable interest rates. Dividend income is recognized in the period in which the right to receive the same is established.

#### **8. EMPLOYEE BENEFITS**

Retirement benefits in the form of Provident Fund is defined contribution scheme. The Contribution to the provident fund is charged to the statement of profit and loss for the year when as employee renders the related services. The Company has no obligation, other than the contribution payable to the provident fund.

The Company operates a defined benefit plan in the form of gratuity for its employees. The cost of providing benefits under the plan is determined on the basis of actuarial valuation at the year end. Actuarial valuation is carried out using the projected unit credit method. Actuarial gain and losses for the defined benefit plan are recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next twelve months is treated as short term employee benefits. The Company measures the expected cost of such absence as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.



## **9. TAXES**

### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted, by the end of the reporting period.

### **Deferred tax**

The differences that result between the profit considered for income taxes and the profit as per the financial statements are identified, and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on prevailing enacted or substantially enacted regulations. Deferred tax assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date. the end of the reporting period.

## **10. FOREIGN CURRENCY TRANSACTIONS**

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of transactions.

Monetary current assets and monetary current liabilities that are denominated in foreign currency are translated at the exchange rate prevalent at the date of the balance sheet. Non monetary foreign currency items are carried at cost.

Any income or expense on account of exchange difference either on settlement or on translation is recognized in profit and loss account, except in cases where they are adjusted to the carrying cost of such assets.

## **11. BORROWING COSTS**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

## **12. PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

In accordance with AS 29, Provision, Contingent liabilities and Contingent Assets, issued by the Institute of Chartered Accountants of India, the Company recognizes provisions when it is a present obligation as a result of past events, and it is probable on balance sheet date, supplemented by experiences of similar transactions. These are reviewed at each balance sheet date and adjusted to reflect the current Management estimates. In cases where the available information indicate loss on the contingency reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure is made in financial statements.

Contingent assets are neither recognized nor disclosed in the financial statements.

## **13. PRELIMINARY AND SHARE ISSUE EXPENSES**

Preliminary and share issues expenses are amortized over a period of five years.

## **14. EARNING PER SHARE (EPS)**

Basic Earning Per Share (EPS) is computed by dividing the net profit or loss for the year attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the result are anti-dilutive.



## ANNEXURE-V

### NOTES TO ACCOUNTS

#### 1) Adjustments Made In Restated Financial Statements / Regrouping Notes

Appropriate adjustments have been made in the restated summary statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financial statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

#### 2) Material Regrouping:

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, 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).

#### 3) Application of Revised Schedule VI:

During the year ended 31 March 2012, the Revised Schedule VI notified under the Companies Act, 1956, had become applicable to the Company, for preparation and presentation of its financial statements. Further Schedule III of the Companies Act, 2013, was notified by Ministry of Corporate Affairs effective April 01, 2014. Accordingly, the Company had prepared the financial statements in accordance with Revised Schedule VI / Schedule III (as applicable) of the Act. The adoption of Revised Schedule VI / Schedule III (as applicable) of the Act did not impact recognition and measurement principles followed for preparation of financial statements.

4) There are no audit qualifications, disclaimer of opinion, adverse opinion or emphasis of matter para in respect of financials of last five years of the Company.

#### 5) Changes in Accounting Policies in the Last Five Years:

There is no change in accounting policy.

#### 6) Dividend Payment:

The Company has not paid any dividend in the last five years.

#### 7) Managerial Remuneration:

(₹ in Lakhs)

Particulars	Financial Year Ended				
	Mar-18	Mar-17	Mar-16	Mar-15	Mar-14
Whole Time Directors Remuneration	109.83	110.59	98.17	157.18	90.00
Salaries and Allowances	-	-	-	-	-
Sitting Fees	-	-	-	-	-
<b>Total</b>	<b>109.83</b>	<b>110.59</b>	<b>98.17</b>	<b>157.18</b>	<b>90.00</b>

#### 8) Remuneration to Statutory Auditors:

(₹ in Lakhs)

Particulars	Financial Year Ended				
	Mar-18	Mar-17	Mar-16	Mar-15	Mar-14
Statutory Audit Fees	8.51	7.61	5.58	1.89	1.41
Tax Audit Fees	4.43	2.45	2.45	0.84	0.39
Other Certifications	7.44	6.35	5.78	5.22	0.06
<b>Total</b>	<b>20.37</b>	<b>16.41</b>	<b>13.81</b>	<b>7.95</b>	<b>1.87</b>





9) Information Regarding Foreign Exchange earnings:

(₹ in Lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
Earning in Foreign Exchange	10,609.89	9,498.49	8,891.36	7,029.50	9,149.09
Expenditure in Foreign Exchange	10,273.83	7,115.26	6,596.27	5,717.21	6,042.52
<b>Total</b>	<b>20,883.72</b>	<b>16,613.75</b>	<b>15,487.63</b>	<b>12,746.72</b>	<b>15,191.62</b>

ANNEXURE-VI

STATEMENT OF SHARE CAPITAL, AS RESTATED

(₹ in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
<b>Equity Share Capital</b>					
<b>Authorised Share capital</b>					
2,00,00,000 Equity Shares of Rs.10/- each	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00
<b>Total</b>	<b>2,000.00</b>	<b>2,000.00</b>	<b>2,000.00</b>	<b>2,000.00</b>	<b>2,000.00</b>
<b>Issued, Subscribed &amp; Paid Up Capital</b>					
1,80,37,050 Equity Shares of Rs.10/- each	1,803.71	-	-	-	-
1,71,78,200 Equity Shares of Rs.10/- each	-	1,717.82	1,717.82	1,717.82	1,717.82
<b>Total</b>	<b>1,803.71</b>	<b>1,717.82</b>	<b>1,717.82</b>	<b>1,717.82</b>	<b>1,717.82</b>

Reconciliation of number of shares outstanding:

(₹ In Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
<b>Equity Shares</b>					
At the beginning of the period	17,178,200	17,178,200	17,178,200	17,178,200	17,178,000
Additions during the period	858,850	-	-	-	200
<b>Outstanding at the end of the period</b>	<b>18,037,050</b>	<b>17,178,200</b>	<b>17,178,200</b>	<b>17,178,200</b>	<b>17,178,200</b>



**ANNEXURE – VII**  
**STATEMENT OF CONSOLIDATED RESERVES AND SURPLUS, AS RESTATED**

(₹ in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
<b>Security Premium</b>					
Opening Balance	133.03	133.03	133.03	133.03	133.03
Add/(Less): Received during the year	412.25	-	-	-	-
<b>Balance as at the end of the year (a)</b>	<b>545.27</b>	<b>133.03</b>	<b>133.03</b>	<b>133.03</b>	<b>133.03</b>
<b>Surplus</b>					
Balance as at the beginning of the year	4,677.52	3655.20	2,734.25	1,947.72	604.60
Add/(Less): Depreciation on transition to schedule II				(34.00)	
Add: Net addition during the year	1,526.89	1,022.32	920.73	820.54	1,343.13
<b>Balance as at the end of the year (b)</b>	<b>6,204.42</b>	<b>4,677.52</b>	<b>3655.20</b>	<b>2,734.25</b>	<b>1947.72</b>
<b>General Reserve</b>					
Opening Balance	708.10	708.10	708.10	708.10	708.10
Add: Addition during the year					-
<b>Balance as at the end of the year (c)</b>	<b>708.10</b>	<b>708.10</b>	<b>708.10</b>	<b>708.10</b>	<b>708.10</b>
<b>Foreign Currency Translation Reserve</b>					
Opening Balance	14.42	113.09	40.48	1.04	-
Add/(Less): Additions during the year	(47.60)	(98.67)	72.60	39.44	1.04
<b>Closing Balance</b>	<b>(33.18)</b>	<b>14.42</b>	<b>113.09</b>	<b>40.48</b>	<b>1.04</b>
<b>Capital Reserve</b>					
Opening Balance	230.85	11.72	11.72	11.72	-
Add: Additions during the year	(54.61)	219.12	-	-	11.72
<b>Closing Balance</b>	<b>176.24</b>	<b>230.85</b>	<b>11.72</b>	<b>11.72</b>	<b>11.72</b>
<b>Total</b>	<b>7,600.85</b>	<b>5,763.91</b>	<b>4,621.14</b>	<b>3,627.58</b>	<b>2,801.60</b>

**ANNEXURE – VIII**  
**STATEMENT OF CONSOLIDATED LONG TERM BORROWINGS, AS RESTATED**

(₹ in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
<b>A. SECURED LOANS</b>					
From Bank	573.37	1265.46	1,182.65	1,248.02	1,440.18
From Others	77.99		28.70	15.56	16.63
Vehicle Loan		6.93		17.41	2.53
<b>Total (A)</b>	<b>651.36</b>	<b>1,272.39</b>	<b>1211.35</b>	<b>1,280.99</b>	<b>1,459.34</b>
<b>B. UNSECURED LOANS</b>					
From Promoter /Group Companies /Related Parties					
From Financial Institutions					
<b>Total (B)</b>					
<b>Total (A+B)</b>	<b>651.36</b>	<b>1,272.39</b>	<b>1211.35</b>	<b>1,280.99</b>	<b>1,459.34</b>
Less: Current portion of long term borrowings	276.57	559.54	326.51	382.39	175.19
<b>Total</b>	<b>374.78</b>	<b>712.85</b>	<b>884.84</b>	<b>898.60</b>	<b>1,284.14</b>



**ANNEXURE – IX**  
**CONSOLIDATED LONG TERM PROVISIONS, AS RESTATED**

(₹ in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Provision for Gratuity	123.41	64.15	54.04	45.96	40.55
Provision for Leave Salary	39.67	-	-	-	-
<b>Total</b>	<b>163.07</b>	<b>64.15</b>	<b>54.04</b>	<b>45.96</b>	<b>40.55</b>

**ANNEXURE – X**  
**CONSOLIDATED DEFERRED TAX LIABILITIES (NET)**

(₹ in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Deferred tax liabilities	184.72	276.29	187.45	197.80	212.31
<b>Total</b>	<b>184.72</b>	<b>276.29</b>	<b>187.45</b>	<b>197.80</b>	<b>212.31</b>

**ANNEXURE -XI**  
**CONSOLIDATED STATEMENT OF SHORT TERM BORROWINGS, AS RESTATED**

(₹ in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
<b>Short-term borrowings</b>					
<b>Secured</b>					
Cash credit from bank	3,810.10	2,760.62	1806.12	882.12	1,012.15
<b>Un Secured</b>	-				
Loans from others	5.26	5.73	142.14	243.76	13.37
<b>Total</b>	<b>3,815.36</b>	<b>2,766.35</b>	<b>1,948.29</b>	<b>1,125.88</b>	<b>1,025.52</b>

**ANNEXURE XII**  
**CONSOLIDATED TRADE PAYABLES, AS RESTATED**

(₹ in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Micro & Small Enterprises	-	-	-	-	-
Due to related parties	127.51	72.33	27.01	-	2.34
Others	16,222.62	8,128.93	3,522.64	4,353.78	2,959.93
<b>Total</b>	<b>16,350.13</b>	<b>8,201.26</b>	<b>3549.65</b>	<b>4,353.78</b>	<b>2,962.27</b>

**ANNEXURE – XIII**  
**CONSOLIDATED STATEMENT OF OTHER CURRENT LIABILITIES, AS RESTATED**

(₹ in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Current Maturities of long term borrowings	276.57	559.54	326.51	382.39	175.19
Interest accrued and due on borrowings			1.87	5.21	9.63
Advance from Customers	2,657.97	421.39	388.53	824.40	647.99
Amount payable for Capital Goods	193.60	251.23			144.66
Statutory Dues	76.66	318.62	148.68	65.22	102.90
Expenses payable	301.76	461.22	673.47	521.98	537.88
Rent Deposit	20.00	20.00	36.00	50.15	43.75
Other Payable	584.31	348.27	175.11	271.22	217.66
<b>Total</b>	<b>4,110.87</b>	<b>2,380.27</b>	<b>1,750.17</b>	<b>2,120.57</b>	<b>1,879.68</b>



**ANNEXURE –XIV**  
**CONSOLIDATED STATEMENT OF SHORT TERM PROVISIONS, AS RESTATED**

(₹ in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Provisions for Income Tax	322.39	206.13	8.83	78.15	37.62
Provision for Gratuity	2.19	1.14	0.96		
Provision for Leave salary	0.92				
Bonus provision	57.86	55.02	51.41	41.31	30.32
<b>TOTAL</b>	<b>383.36</b>	<b>262.29</b>	<b>61.20</b>	<b>119.45</b>	<b>67.94</b>

**ANNEXURE - XV**  
**CONSOLIDATED STATEMENT OF FIXED ASSETS, AS RESTATED**

(₹ in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
<b>Leasehold Land &amp; Site Development</b>					
Opening Balance	95.12	95.12	95.12	95.12	95.12
Addition during the year	-	-	-	-	-
Depreciation during the year	-	-	-	-	-
Reduction during the year	-	-	-	-	-
Opening Accumulated Depreciation	-	-	-	-	-
<b>Closing Balance</b>	<b>95.12</b>	<b>95.12</b>	<b>95.12</b>	<b>95.12</b>	<b>95.12</b>
<b>Factory Building &amp; Shed</b>					
Opening Balance	3,381.30	2,841.75	2,121.91	2,111.57	2,111.57
Addition during the year	127.92	539.55	744.24	10.34	-
Depreciation during the year	146.52	155.47	172.80	193.25	62.85
Reduction during the year	-	-	24.40	-	-
Opening Accumulated Depreciation	814.15	658.68	485.87	292.62	229.77
<b>Closing Balance</b>	<b>2,548.54</b>	<b>2,567.15</b>	<b>2,183.07</b>	<b>1,636.04</b>	<b>1,818.95</b>
<b>Plant &amp; Machinery</b>					
Opening Balance	2,157.40	1,879.34	1,864.05	1,097.37	966.75
Addition during the year	4.46	278.06	15.29	766.68	130.62
Depreciation during the year	169.36	189.18	192.40	215.23	41.45
Reduction during the year	-	-	-	-	-
Depreciation on sale of assets	-	-	-	-	-
Opening Accumulated Depreciation	826.28	637.10	444.70	229.47	188.02
<b>Closing Balance</b>	<b>1,166.22</b>	<b>1,331.12</b>	<b>1,242.24</b>	<b>1,419.36</b>	<b>867.90</b>
<b>Furniture &amp; Fixtures</b>					
Opening Balance	293.03	280.03	220.83	197.77	162.27
Addition during the year	2.89284	13.00	59.20	23.07	35.49
Depreciation during the year	32.08	41.32	47.61	59.33	9.97
Reduction during the year	-	-	-	-	-
Opening Accumulated Depreciation	186.37	145.04	97.44	38.11	28.13
<b>Closing Balance</b>	<b>77.48</b>	<b>106.66</b>	<b>134.99</b>	<b>123.40</b>	<b>159.66</b>
<b>Motor Vehicle</b>					
Opening Balance	130.65	124.24	121.23	121.75	121.85
Addition during the year	49.27	11.63	3.71	3.86	-
Depreciation during the year	15.85	11.20	18.47	39.14	8.24
Reduction during the year	48.10	6.41	0.70	4.38	0.10



Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Transitional depreciation	-	-	-	0.03	0.00
Adjustment pursuant to Restatement	-	1.19	-	-	-
Depreciation on sale of asset	45.70	4.44	-	-	-
Opening Accumulated Depreciation	107.76	101.00	82.53	43.35	35.11
<b>Closing Balance</b>	<b>53.90</b>	<b>22.89</b>	<b>23.25</b>	<b>38.70</b>	<b>78.39</b>
<b>Office Equipments</b>					
Opening Balance	103.53	101.23	94.09	90.43	77.47
Addition during the year	1.72	2.49	6.99	3.66	13.11
Depreciation during the year	7.21	10.39	15.05	28.98	3.63
Reduction during the year	-	0.59	-	-	0.14
Adjustment pursuant to restatement	-	0.41	0.16	-	-
Transitional depreciation	-	-	-	15.86	-
Depreciation on sale of asset	-	0.23	-	-	-
Opening Accumulated Depreciation	86.13	75.96	60.92	16.07	12.44
<b>Closing Balance</b>	<b>11.92</b>	<b>17.41</b>	<b>25.26</b>	<b>33.17</b>	<b>74.36</b>
<b>Computer</b>					
Opening Balance	107.37	98.93	83.34	72.47	63.36
Addition during the year	4.79	9.17	15.29	10.88	10.77
Depreciation during the year	10.31	12.47	12.63	16.30	6.20
Reduction during the year	-	1.00	-	-	1.66
Transitional depreciation	-	-	-	19.14	-
Adjustment pursuant to restatement	-	0.28	0.29	-	-
Depreciation on reduction of assets	-	0.72	-	-	-
Opening Accumulated Depreciation	95.02	83.27	70.64	35.20	29.00
<b>Closing Balance</b>	<b>6.83</b>	<b>12.35</b>	<b>15.65</b>	<b>12.70</b>	<b>37.27</b>
<b>Softwares</b>					
Opening Balance	114.44	101.08	93.28	55.74	48.27
Addition during the year	0.51	14.46	7.69	37.53	7.47
Depreciation during the year	10.64	17.17	25.12	11.66	4.94
Reduction during the year	-	1.62	-	-	-
Transitional depreciation	-	-	-	16.47	-
Adjustment pursuant to restatement	-	0.52	0.11	-	-
Depreciation on reduction of assets	-	1.23	-	-	-
Opening Accumulated Depreciation	97.08	81.14	56.02	27.89	22.95
<b>Closing Balance</b>	<b>7.22</b>	<b>17.36</b>	<b>19.94</b>	<b>37.26</b>	<b>27.85</b>
<b>Goodwill on Consolidation</b>	<b>251.45</b>	<b>88.36</b>	<b>88.36</b>	<b>88.36</b>	<b>88.36</b>
<b>Total Tangible Asstes</b>	<b>3,960.01</b>	<b>4,152.70</b>	<b>3,719.59</b>	<b>3,358.48</b>	<b>3,131.66</b>
<b>Total Intangible Assets</b>	<b>7.22</b>	<b>17.36</b>	<b>19.94</b>	<b>37.26</b>	<b>27.85</b>
<b>Total Tangible Asstes of Subsidiary</b>	<b>1480.77</b>	<b>1310.87</b>	<b>477.28</b>	<b>486.82</b>	<b>453.92</b>

**ANNEXURE – XVI**  
**CONSOLIDATED NON CURRENT INVESTMENTS, AS RESTATED**

(₹ in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Trade Investments	-	-	-	-	-
Other Investment	0.08	0.08	0.08	0.08	0.08
<b>Aggregate amount of unquoted investments</b>	<b>0.08</b>	<b>0.08</b>	<b>0.08</b>	<b>0.08</b>	<b>0.08</b>



**ANNEXURE – XVII**  
**CONSOLIDATED LONG TERM LOANS & ADVANCES, AS RESTATED**

(₹ in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Unsecured, considered good					
Promoter & Promoter Group	-	-	-	-	-
Others					
Loans and advances to related parties		63.04	53.57	58.65	39.63
Receivable from shareholders		341.84			
Rent Deposits	144.00	144.00	144.00	144.00	144.00
Security Deposit	28.77	8.86	7.44	4.90	4.42
Other loans and advances	37.01	94.21	94.83	105.95	113.00
<b>Total</b>	<b>209.78</b>	<b>651.91</b>	<b>299.83</b>	<b>313.50</b>	<b>301.05</b>

**ANNEXURE – XVIII**  
**CONSOLIDATED INVENTORIES**

(₹ in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Raw Materials	1,524.10	1,208.08	342.26	769.59	857.62
Work in Progress	1,285.27	502.95	371.59	340.48	288.83
Finished Goods	1,819.33	1,834.96	598.52	1,043.13	71.40
<b>Total</b>	<b>4,628.70</b>	<b>3,545.99</b>	<b>1312.37</b>	<b>2,153.20</b>	<b>1,217.85</b>

**ANNEXURE – XIX**  
**CONSOLIDATED STATEMENT OF TRADE RECEIVABLES, AS RESTATED**

(₹ in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Unsecured, considered good					
Outstanding for a period exceeding six months					
Promoter/Promoter group	-	-	-	-	-
Others	242.60	389.17	876.20	499.74	438.61
Outstanding for a period less than six months					
Promoter/Promoter group	-	-	-	-	-
Others	18,202.01	10,605.48	6,268.25	5,391.47	3,143.99
<b>Total</b>	<b>18,444.61</b>	<b>10,994.65</b>	<b>7,144.46</b>	<b>5,891.21</b>	<b>3,582.60</b>

**ANNEXURE - XX**  
**CONSOLIDATED STATEMENT OF CASH & CASH EQUIVALENTS, AS RESTATED**

(₹ in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Balance with banks					
In Current Accounts	1,399.92	318.33	177.92	210.51	737.17
In EEFC Accounts	-	8.20	177.98	186.55	520.254
Foreign Currency Accounts	43.00	3.56	-	-	-
Cash on Hand	12.50	10.47	8.07	11.20	4.84
Other bank balances					
In earmarked accounts (Fixed Deposits )	1,841.91	200.12	288.13	271.86	842.21
<b>Total</b>	<b>3,291.09</b>	<b>540.69</b>	<b>652.10</b>	<b>683.08</b>	<b>2,104.47</b>



**ANNEXURE – XXI**  
**CONSOLIDATED STATEMENT OF SHORT TERM LOANS & ADVANCES, AS RESTATED**

(₹ in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
<b>Unsecured, considered good:</b>	-	-	-	-	-
Loans and advances to related parties	-	12.44	21.12	9.32	52.91
Duty drawback receivable/ p l a excise	2.07	3.44	16.05	-	44.78
Rebate excise duty receivable	-	210.32	169.86	296.99	123.48
<b>Others, considered good :</b>					
Rent deposits	134.65	134.22	137.56	131.88	108.70
Earnest money deposits	41.40	77.01	17.90	2.78	11.40
Interest accrued on fixed deposits	64.94	8.58	10.58	11.26	22.39
Prepaid expenses	133.13	78.91	97.97	91.78	72.22
Advance to suppliers	1,538.33	44.36	98.06	347.37	510.19
Advance for capital goods	248.73				
Other loans and advances	447.97	521.64	392.22	178.93	193.98
<b>Total</b>	<b>2,611.21</b>	<b>1,090.91</b>	<b>961.32</b>	<b>1,070.31</b>	<b>1,140.05</b>

**ANNEXURE – XXII**  
**CONSOLIDATED STATEMENT OF OTHER CURRENT ASSETS AS RESTATED**

(₹ in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Advance Income Tax	5.39	-	-	-	-
Others	572.14	307.53	234.54	177.09	35.79
Sales Tax Deposit	0.35	0.35	-	70.18	-
<b>Total</b>	<b>577.89</b>	<b>307.88</b>	<b>234.54</b>	<b>247.27</b>	<b>35.79</b>

**ANNEXURE – XXIII**  
**CONSOLIDATED STATEMENT OF REVENUE FROM OPERATIONS, AS RESTATED**

(₹ in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Sale of products-Manufactured	26,561.12	16,110.41	14992.39	14,129.36	15,649.57
Sale of products- Traded	9,362.86	9,339.92	8186.02	7,932.44	4,742.85
Sale of services(Job Charges)	2,113.19	1,413.63	1289.95	969.48	530.10
Duty Drawback	0.50	52.00	103.62	19.84	67.00
Rebate Excise Duty	-	241.16	405.60	510.70	244.60
<b>Total</b>	<b>38,037.82</b>	<b>27,157.12</b>	<b>24,977.58</b>	<b>23,561.82</b>	<b>21,234.12</b>

**ANNEXURE – XXIV**  
**CONSOLIDATED STATEMENT OF OTHER INCOME, AS RESTATED**

(₹ in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Recurring Income					
Balances w/off	3.27	1.76	3.55	2.18	15.15
Exchange gain/(loss) (Net)	115.05	68.81	45.38	113.36	71.46
Interest received	77.24	34.70	28.78	45.83	35.67
Rent received	82.74	83.33	90.85	114.17	96.86
Discount received	28.25	18.08			
Non recurring Income					
Dividend received					0.23
Insurance Claim Refund			19.89		
Miscellaneous Income	1.06	1.24	3.23	1.79	32.10
<b>Total</b>	<b>307.61</b>	<b>207.91</b>	<b>191.69</b>	<b>277.32</b>	<b>251.48</b>





Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Net Profit Before Tax as Restated	2,265.26	1,749.26	1,419.93	1,202.86	1,748.94
Other Income as % of Net Profit Before Tax	13.59%	11.89%	13.50%	23.06%	14.38%

**ANNEXURE – XXV  
STATEMENT OF CONTINGENT LIABILITIES, AS RESTATED**

(₹ in Lakhs)

Particulars	As on March 31,				
	2018	2017	2016	2015	2014
Bank Guarantees	6,020.71	3,073.86	1,890.60	2,352.68	1,612.92
Corporate Guarantee	1782.29	1,751.35	1,939.03	235.00	357.67
Letter of Credit	3,530.36	71.40	91.23	19.45	111.00
Others	16.09	9.36	7.77		
<b>Total</b>	<b>11,349.45</b>	<b>4,905.97</b>	<b>3,928.63</b>	<b>2,607.13</b>	<b>2,081.59</b>

**ANNEXURE XXVI  
STATEMENT OF CAPITALIZATION, AS RESTATED**

(₹ in Lakhs)

Particular	Pre Issue	Post Offer
<b>Borrowing</b>		
Long Term Debt*	651.35	651.35
Short Term Debt	3,815.36	3,815.36
<b>Total Debts (A)</b>	<b>4,466.71</b>	<b>4,466.71</b>
<b>Equity (Shareholder's funds)</b>		
Equity share capital	1,803.71	2,453.31
Reserve and Surplus	7,600.85	11,238.61
<b>Total Equity (B)</b>	<b>9,404.56</b>	<b>13,691.92</b>
<b>Long Term Debt / Equity Shareholder's funds</b>	<b>0.07</b>	<b>0.05</b>
<b>Total Debts / Equity Shareholder's funds</b>	<b>0.47</b>	<b>0.33</b>

\*The above has been computed on the basis of restated financials

**ANNEXURE XXVII  
STATEMENT OF ACCOUNTING RATIOS, AS RESTATED**

(₹ in Lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
Restated Net Profit as per P&L Account	1,526.89	1,022.32	920.73	786.54	1,343.13
Net Worth	9,404.56	7,481.73	6,338.96	5,345.40	4,519.42
No. of Equity Shares outstanding at the end of the year	1,80,37,050	1,71,78,200	1,71,78,200	1,71,78,200	1,71,78,200
Weighted Average No of Equity Shares outstanding during the year	1,76,08,802	1,71,78,200	1,71,78,200	1,71,78,200	1,71,78,200
Basic & Diluted Earnings Per Share	8.67	5.95	5.36	4.58	7.82
Return on Net worth (%)	16.24%	13.66%	14.52%	14.71%	29.72%
Net Assets Value per Equity Share	52.14	43.55	36.90	31.12	26.31

Notes to Accounting Ratios:

1) The Ratios have been computed as follows:

a) Basic Earnings Per Share (₹) 
$$\frac{\text{Net Profit After Tax as restated}}{\text{Weighted Average Number of Equity Shares outstanding during the year}}$$



b) Return on Net worth (%)  $\frac{\text{Net Profit after Tax as restated}}{\text{Net Worth}} \times 100$

c) Net Asset Value Per Equity Share (₹)  $\frac{\text{Net Worth}}{\text{No. of Equity shares outstanding at the end of the year}}$

2) Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year adjusted by the number of Equity Shares issued during year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

3) The Calculation of Earnings Per Share (EPS) as disclosed in the Profit and Loss Account has been made in accordance with Accounting Standard (AS - 20) on Earnings Per Share issued by the Institute of Chartered Accountants of India.

4) As there is no dilutive capital in the Company, Basic and Diluted EPS are similar.

5) The above Ratios have been computed on the basis of the Restated Financial Information for the respective year.

The above statements should be read with the Notes to Restated Financial Statements.

#### ANNEXURE XXVIII

#### 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 & Relatives

For the year ended March 31,				
2018	2017	2016	2015	2014
Vinay K .Uchil	Vinay K .Uchil	Vinay K .Uchil	Vinay K .Uchil	Vinay K .Uchil
Venkatesh K.Uchil	Venkatesh K.Uchil	Venkatesh K.Uchil	Venkatesh K.Uchil	Venkatesh K.Uchil
Rashmi Uchil	Rashmi Uchil	Rashmi Uchil	-	-

(ii) Associates / Enterprises over which directors and / or their relatives has significant influence

For the year ended March 31,				
2018	2017	2016	2015	2014
KDU Enterprises Private Limited	KDU Enterprises Private Limited	KDU Enterprises Private Limited	KDU Enterprises Private Limited	KDU Enterprises Private Limited
Switch N Controlgears Pvt Limited	Switch N Controlgears Pvt Limited	Switch N Controlgears Pvt Limited	Switch N Controlgears Pvt Limited	Switch N Controlgears Pvt Limited
-	-	-	-	VTV Electronic
DKM Precision Engineers	DKM Precision Engineers	DKM Precision Engineers	DKM Precision Engineers	DKM Precision Engineers
Mcgeoch Marine Electricals Pvt Ltd	Mcgeoch Marine Electricals Pvt Ltd	Mcgeoch Marine Electricals Pvt Ltd	Mcgeoch Marine Electricals Pvt Ltd	-
KDU Worldwide Technical Services FZC	-	-	-	-



For the year ended March 31,				
2018	2017	2016	2015	2014
KDU Worldwide Middle East Marine Services Ghana Pvt Ltd	-	-	-	-
KDU Worldwide Technical Services Ghana Pvt Ltd	-	-	-	-
WIN Marine Engineering Services	-	-	-	-
Philins Industrial Corporation	Philins Industrial Corporation	Philins Industrial Corporation	Philins Industrial Corporation	Philins Industrial Corporation

(iii) Particulars of Transactions with Related Parties

#### Key Management Personnel/ Board of Directors

(₹ in Lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
<b>1) Finance</b>					
<b>a) Loan given</b>					
Received /Paid during the year	(12.44)	8.68	11.80	(17.5)	(43.18)
Outstanding at the end of the year	-	12.44	21.12	9.32	26.82
<b>2) Expenses</b>	-	-	-	-	-
Rent	7.20	7.20	0.60	-	-
Remuneration	96.00	96.00	96.00	96.00	90.00
Reimbursement of Expenses	-				
<b>3) Outstanding</b>					
Receivables	-	-	-	-	-
Payables	-	-	-	-	-

#### Associates/ Enterprises over which directors and /or their relatives has significant influence

(₹ in Lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
<b>1) Finance</b>					
<b>a) Loans Taken</b>					
Opening Balance	-	-	-	-	-
Loan taken during the year	-	-	-	-	-
Repaid during the year	-	-	-	-	-
Outstanding at the end of the year	-	-	-	-	-
<b>b) Loans given</b>					
Received / Paid During the year during the year	(63.04)	9.47	26.12	(33.56)	(19.15)
Outstanding at the end of the year	-	63.04	53.57	27.45	61.01
<b>2) Expenses</b>					
Rent	234.69	216.45	173.61	171.40	110.72
Purchases	1159.57	72.14	78.06	58.58	84.55
Sales	272.30	0.4	-	-	-
Reimbursement of Expenses	-	-	-	-	-
<b>3) Out standing</b>					
Receivables	278.48	-	-	-	-



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Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
Advance to Supplier	370.99	-	-	-	4.71
Account Payables	383.93	-	-	-	2.34

Note: For corporate guarantees given by the company towards above mentioned entities, please refer to Annexure XXV – Contingent Liabilities.



## REPORT OF THE AUDITORS ON FINANCIAL STATEMENTS

To,  
The Board of Directors,  
**Marine Electricals (India) Limited**  
B/1, Udyog Sadan No.3, MIDC  
Andheri (E), Mumbai - 400093

Dear Sir,

Re: Proposed Public Issue of Equity Shares of Marine Electricals (India) Limited

We have examined Restated Financial Statements and Other Financial Information of Marine Electricals (India) Limited (the 'Company') taking into consideration the terms of reference and terms of our engagement letter dated August 06, 2018, agreed upon with you in connection with the proposed IPO of Equity Shares on SME Platform of NSE and the Guidance Note on Reports in Company Prospectuses (Revised 2016) 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:

1. Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act"), as amended, and
2. 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;
3. We have examined the accompanied 'Restated Statement of Profit and Loss' (**Annexure – II**) for the years ended on 31st March 2018, 2017, 2016, 2015 and 2014 and the 'Restated Statement of Assets and Liabilities' (**Annexure – I**) and 'Restated Statement of Cash Flows' (**Annexure – III**) 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 years ended on 31st March 2018, 2017, 2016, 2015 and 2014 audited by R. R. Bandekar, being the Statutory Auditors of the Company for the respective years and further has been re audited by us for the year ended 31<sup>st</sup> March 2018. 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.
  - i. In terms of Schedule VIII, Clause IX (9) of the SEBI (ICDR) Regulations, 2009 and other provisions relating to accounts of Marine Electricals (India) Limited, we, M/s. V.N. Purohit & Co., 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.
  - ii. Based on our examination, we further report that:
    - a) The Restated Statement of Assets and Liabilities of the Company as at March 31, 2018, 2017, 2016, 2015 and 2014 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 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 financial years ended on March 31, 2018, 2017, 2016, 2015 and 2014 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 significant accounting policies in **Annexure IV** and in Notes to Accounts in **Annexure V**.
    - c) The Restated Statement of Cash Flows of the Company for the financial years ended March 31, 2018,



2017, 2016, 2015 and 2014 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 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:
- 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.
  - Prior period and other material amounts in the respective financial years to which they relate:
- e) Such Financial statements do not require any corrective adjustments on account of :
- Other remarks/comments in the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub – section (11) of section 143 of the Act, on financial statements of the Company for the financial years ended March 31, 2018, 2017, 2016, 2015 and 2014.
  - Extra-ordinary items that need to be disclosed separately in the accounts requiring adjustments.

4. 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:

- Restated Statement of Share Capital (Annexure - VI)
- Restated Statement of Reserves & Surplus (Annexure - VII)
- Restated Statement of Long Term Borrowings (Annexure - VIII)
- Restated Statement of Long Term Provision (Annexure- IX)
- Restated Statement of Deferred Tax Liabilities (Annexure X)
- Restated Statement of Short Term Borrowings (Annexure- XI)
- Restated Statement of Trade Payable (Annexure- XII)
- Restated Statement of Other Current Liabilities (Annexure- XIII)
- Restated Statement of Short Term Provisions (Annexure- XIV)
- Restated Statement of Fixed Assets (Annexure- XV)
- Restated Statement of Non Current Investments (Annexure – XVI)
- Restated Statement of Long term Loans and Advances (Annexure XVII)
- Restated Statement of Inventories (Annexure – XVIII)
- Restated Statement of Trade Receivables (Annexure - XIX)
- Restated Statement of Cash and Cash Equivalent (Annexure - XX)
- Restated Statement of Short Term Loans and Advances (Annexure - XXI)
- Restated Statement of Other Current Assets (Annexure - XXII)
- Restated Statement of Revenue from Operations (Annexure – XXIII)
- Restated Statement of Other Income (Annexure – XXIV)
- Restated Statement of Contingent Liabilities (Annexure – XXV)
- Restated Statement of Capitalization (Annexure – XXVI)
- Statement of Accounting Ratios (Annexure – XXVII)
- Statement of Related Party Transactions (Annexure – XXVIII)
- Restated Statement of Tax Shelter (Annexure – XXIX)
- Segment Reporting (Annexure- XXX)

5. In our opinion, the Restated Financial Statements and the other Financial Information set forth in **Annexure I to XXX** read with the significant accounting policies and notes to the restated financial statements have been prepared in accordance with section 26 of Companies Act, 2013 and the SEBI Regulations and the Guidance Note on the reports in Company Prospectus (Revised 2016) issued by the Institute of Chartered Accountants of India (ICAI).

6. 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,



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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.

7. 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.
8. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
9. This report is intended solely for your information and for inclusion in the Offer document in connection with the Company's proposed IPO-SME of equity shares which is to be filed with SEBI, NSE and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**M/s. V.N. Purohit & Co.**  
**Chartered Accountants**  
(Firm Registration No. 304040E)

**O.P. Pareek**  
**Partner**  
Membership No: 014238

Place: Mumbai  
Date: September 07, 2018





**ANNEXURE-I  
STATEMENT OF ASSETS & LIABILITIES, AS RESTATED**

(₹ in Lakhs)

Particulars	Financial Year Ended				
	Mar-18	Mar-17	Mar-16	Mar-15	Mar-14
<b>EQUITY AND LIABILITIES</b>					
<b>1. Shareholders' Funds</b>					
1. Share Capital	1,803.71	1,717.82	1,717.82	1,717.82	1,717.82
2. Reserves & Surplus	5,743.79	4,159.14	3,297.99	2,505.40	1,986.86
3. Share Application Money Pending Allotment	-	-	-	-	-
<b>2. Non Current Liabilities</b>					
1. Long term borrowings	125.78	582.73	856.14	776.41	1,170.08
2. Deferred Tax Liabilities (Net)	184.72	276.29	187.45	197.80	212.31
3. Long Term Provisions	163.07	64.15	54.04	45.96	40.55
<b>3. Current Liabilities</b>					
1. Short-term Borrowings	2,905.55	1,977.68	1,648.08	874.26	1,018.47
2. Trade payables	12,544.49	4,546.34	2,924.24	3,731.24	2,478.67
3. Other current liabilities	3,847.09	2,147.16	1,632.89	1,986.72	1,825.26
4. Short-term Provisions	383.36	262.29	61.20	120.26	68.66
<b>TOTAL</b>	<b>27,701.56</b>	<b>15,733.60</b>	<b>12,379.84</b>	<b>11,955.87</b>	<b>10,518.67</b>
<b>ASSETS</b>					
<b>4. Non Current Assets</b>					
a. Fixed Assets					
i) Tangible Assets	3,960.01	4,152.70	3,719.59	3,358.48	3,131.66
ii) Intangible Assets	7.22	17.36	19.94	37.26	27.85
b. Capital Work in Progress	-	-	-	-	-
c. Deferred tax assets (Net)	-	-	-	-	-
d. Long Term Loans & Advances	209.78	310.11	299.83	313.50	301.05
e. Non - Current Investment	745.59	747.76	715.08	684.05	663.59
<b>5. Current Assets</b>					
a. Inventories	2665.05	1,545.13	542.86	919.22	1,005.90
b. Trade Receivables	14626.05	7,787.39	5,838.73	4,981.91	2,937.88
c. Cash and Cash Equivalents	3,082.09	236.90	495.70	619.45	1,387.36
d. Short Term Loans & Advances	2375.59	743.33	568.60	809.87	1,048.97
e. Other current assets	30.18	192.94	179.51	232.13	14.41
<b>TOTAL</b>	<b>27,701.56</b>	<b>15,733.60</b>	<b>12,379.84</b>	<b>11,955.87</b>	<b>10,518.67</b>



**ANNEXURE-II**  
**STATEMENT OF PROFIT & LOSS ACCOUNT, AS RESTATED**

(₹ in Lakhs)

Particulars	Financial Year Ended				
	Mar-18	Mar-17	Mar-16	Mar-15	Mar-14
<b>REVENUE:</b>					
Revenue from Operations	28,766.39	20,944.17	19,344.95	18,929.43	15,975.08
Other Income	140.70	240.24	182.50	300.99	242.68
<b>Total revenue</b>	<b>28,907.08</b>	<b>21,184.40</b>	<b>19,527.44</b>	<b>19,230.42</b>	<b>16,217.76</b>
<b>EXPENSES:</b>					
Cost of Material Consumed	21,111.39	13,124.56	12,078.81	13,323.99	10,647.34
Changes in inventories	(782.60)	(129.70)	(33.98)	(41.61)	342.60
Other manufacturing & operating expenses	2,402.57	2,342.80	2,180.03	1,451.72	1,525.69
Employee benefit expenses	1,689.92	1,487.82	1,417.98	1,189.25	920.91
Finance costs	461.76	401.96	267.96	281.85	267.56
Depreciation & Amortisation cost	391.96	437.22	483.22	563.90	137.27
Other Expenses	1,863.13	2,045.76	1,870.86	1,567.80	1,375.96
<b>Total Expenses</b>	<b>27,138.13</b>	<b>19,710.42</b>	<b>18,264.89</b>	<b>18,336.89</b>	<b>15,217.32</b>
<b>Exceptional items</b>	-	-	-	-	-
<b>Net Profit / (Loss) before Tax</b>	<b>1,768.96</b>	<b>1,473.98</b>	<b>1,262.55</b>	<b>893.53</b>	<b>1,000.44</b>
Less: Provision for Tax					
a. Current tax	688.12	524.00	480.00	338.00	280.99
b. Deferred Tax (Assets) / Liability	(91.57)	88.84	(10.05)	2.99	35.77
c. MAT Credit entitlement	-	-	-	-	-
<b>Total</b>	<b>596.55</b>	<b>612.84</b>	<b>469.95</b>	<b>340.99</b>	<b>316.76</b>
<b>Net Profit / ( Loss ) for the period after tax but before extra ordinary items</b>	<b>1,172.41</b>	<b>861.14</b>	<b>792.60</b>	<b>552.54</b>	<b>683.68</b>
Extraordinary Items	-	-	-	-	-
<b>Net Profit / ( Loss ) for the period after tax and after extra ordinary items available for appropriation</b>	<b>1,172.41</b>	<b>861.14</b>	<b>792.60</b>	<b>552.54</b>	<b>683.68</b>
Less : Proposed Dividend	-	-	-	-	-
Dividend Distribution Tax	-	-	-	-	-
<b>Net Profit transferred to Reserves</b>	<b>1,172.41</b>	<b>861.14</b>	<b>792.60</b>	<b>552.54</b>	<b>683.68</b>



**ANNEXURE-III  
CASHFLOW STATEMENT, AS RESTATED**

(₹ in Lakhs)

Particulars	Financial Year Ended				
	Mar-18	Mar-17	Mar-16	Mar-15	Mar-14
<b>Cash Flow From Operating Activities</b>					
<b>Net Profit Before Tax</b>	1,768.96	1,473.98	1,262.55	893.53	1,000.44
Adjustments for :					
Depreciation/Amortisation	391.96	437.22	483.22	563.90	137.27
Interest Received	(77.24)	(34.70)	(28.78)	(45.83)	(35.67)
Share from Partnership Fund	0.97	(32.68)	(31.03)	(25.45)	(23.30)
Unrealised Foreign Exchange (Gain)/ Loss	0.00	0.00	0.00	0.00	0.00
Interest Paid	461.76	401.96	267.96	281.85	267.56
Profit or Loss on sale of Assets	(0.09)	(0.88)	-	-	-
Adjustments for reserves	-	-	-	(34.00)	
Bad debts	59.77	10.52	13.17	107.24	183.29
Excess Liabilities written off	(3.27)	(1.76)	(3.55)	(2.18)	(15.15)
<b>Operating Profit Before Working Capital Adjustment</b>	<b>2,602.82</b>	<b>2,253.67</b>	<b>1,963.53</b>	<b>1,739.05</b>	<b>1,514.43</b>
<b>Adjustment for Changes in Working Capital</b>					
Trade and other payable	8,001.43	1,623.86	(803.45)	1,254.75	678.42
Inventories	(1,119.92)	(1,002.27)	376.36	86.69	(70.19)
Trade and other Receivables	(6,898.43)	(1,959.18)	(869.99)	(2,151.27)	(574.86)
Short Term Loans & Advances	(1,632.25)	(174.73)	241.27	239.10	(774.62)
Other Current Assets	162.75	(13.43)	52.62	(217.72)	617.45
Short term provisions	121.07	201.09	(59.07)	51.61	(273.69)
Other Current Liabilities	1,699.93	514.27	(353.83)	161.46	70.77
long term provision	98.92	10.12	8.07	5.42	40.55
<b>Cash Flow Generated from Operations</b>	<b>3,036.32</b>	<b>1,453.39</b>	<b>555.52</b>	<b>1,169.09</b>	<b>1,228.26</b>
Income Tax and Fringe Benefit Tax Paid	688.12	524.00	480.00	338.00	280.99
<b>Net Cash flow from Operating activities (A)</b>	<b>2,348.20</b>	<b>929.39</b>	<b>75.52</b>	<b>831.09</b>	<b>947.27</b>
<b>Cash Flow From Investing Activities</b>					
(Purchase)/Sale of Fixed Assets	(189.05)	(866.86)	(827.31)	(817.63)	(195.55)
Other Non-Current Investments	1.20	-	(0.00)	5.00	10.00
Proceeds from transfer of Property Rights	-	-	-	-	-
Long term loans & advances	100.32	(10.27)	13.66	(12.45)	(16.33)
Capital Work In progress	-	-	-	-	-
Interest Received	77.24	34.70	28.78	45.83	35.67
<b>Net Cash Flow from Investing Activities ( B)</b>	<b>(10.29)</b>	<b>(842.43)</b>	<b>(784.86)</b>	<b>(779.25)</b>	<b>(166.20)</b>
<b>Cash Flow From Financing Activities</b>					
Proceeds from/ ( Repayment of ) long term Borrowing	(456.95)	(273.41)	79.73	(393.67)	151.51
Short term borrowings from banks	927.87	329.60	773.82	(144.20)	274.09
Proceeds from Share Capital (including Share Premium)	498.13	-	-	-	0.02
Interest Paid	(461.76)	(401.96)	(267.96)	(281.85)	(267.56)
<b>Net Cash Flow From Financing Activities (C)</b>	<b>507.29</b>	<b>(345.76)</b>	<b>585.58</b>	<b>(819.73)</b>	<b>158.06</b>
<b>Net Increase/ ( Decrease) in Cash and Cash Equivalents ( A + B + C )</b>	<b>2,845.20</b>	<b>(258.81)</b>	<b>(123.76)</b>	<b>(767.89)</b>	<b>939.12</b>
<b>Cash &amp; Cash equivalent at the beginning of the year</b>	<b>236.89</b>	<b>495.70</b>	<b>619.45</b>	<b>1,387.36</b>	<b>448.23</b>
<b>Cash &amp; Cash Equivalent at the end of the year</b>	<b>3,082.09</b>	<b>236.90</b>	<b>495.70</b>	<b>619.45</b>	<b>1,387.36</b>



## **ANNEXURE - IV**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

#### **A. CORPORATE INFORMATION**

Marine Electricals (India) Limited, (“MEIPL” or “the Company”) is a limited Company incorporated in India under the provision of the Companies Act, 1956. The principal place of business of the Company located at Mumbai and Goa.

Company is engaged in developing, designing, manufacturing and marketing of all types of marine and industrial electrical and electronic switch-gears, control-gears, electrical and electronic components including renewable energy. It also provides services in designing, fabricating, installing and repairing all types of electrical and electronic installations in India and abroad and to undertake and also carry out annual maintenance contracts.

#### **B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

##### **1. USE OF ESTIMATES**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

##### **2. FIXED ASSETS**

Tangible Fixed Assets are stated at cost of acquisition or construction (net of excise duty, VAT and GST) less accumulated depreciation and impairment losses. The cost of assets comprises of its purchase price and any directly attributable cost of bringing the assets to their location and working condition upto the date of its intended use. Intangible assets are stated at cost less accumulated amortization. Cost includes directly attributable expenditure for making the assets for its intended use.

Capital Work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition / construction of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

The Company depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II of the Companies Act, 2013 and management believe that useful life of assets are same as those prescribed in Schedule II to the Act.

##### **3. LEASES**

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.



Finance leases are capitalized at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. The corresponding liability is included in the Balance Sheet as a finance lease liability. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

#### **4. INVESTMENTS**

Long term investments are carried at cost. Provision for diminution, is made to recognize a decline other than temporary in the value of investments and is determined separately for each individual investment. Investment in partnership firms is valued inclusive of Company's share of profit/loss in respective partnership firms from the date of partnership.

Investment, which are readily realizable and are intended to be held for not more than one year from the date of acquisition, are classified as current investment. All other investments are classified as long term investments. Purchase and sale of investments are recognized based on trade date accounting.

#### **5. INVENTORIES**

Inventories of raw material, work in progress, stores and spares, finished goods and stock in trade are stated. at cost or net realizable value, whichever is lower. Goods –in-Transit are stated 'at cost'. Cost comprises all cost of purchase, Cost of conversion and other cost incurred in bringing the inventories to their present location and condition. The excise duty in respect of closing inventory of finished goods is included as part of finished goods. Cost formula is used in weighted average cost. Due allowances is estimated and made for defective and obsolete items, wherever necessary, based on past experiences of the Company.

#### **6. REVENUE RECOGNITION**

Revenue from manufactured goods is recognized when the substantial risks and rewards of ownership are transferred to the buyer. Sales are inclusive of Goods and Service Tax / excise duty wherever paid. Service revenue is recognized on completion of service as per the terms of the contract.

#### **7. OTHER INCOME**

Interest income is accrued as per applicable interest rates. Dividend income is recognized in the period in which the right to receive the same is established.

#### **8. EMPLOYEE BENEFITS**

Retirement benefits in the form of Provident Fund is defined contribution scheme. The Contribution to the provident fund is charged to the statement of profit and loss for the year when as employee renders the related services. The Company has no obligation, other than the contribution payable to the provident fund.

The Company operates a defined benefit plan in the form of gratuity for its employees. The cost of providing benefits under the plan is determined on the basis of actuarial valuation at the year end. Actuarial valuation is carried out using the projected unit credit method. Actuarial gain and losses for the defined benefit plan are recognized in full in the period in which they occur in the statement of profit and loss.



Accumulated leave, which is expected to be utilized within the next twelve months is treated as short term employee benefits. The Company measures the expected cost of such absence as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

## **9. TAXES**

### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted, by the end of the reporting period.

### **Deferred tax**

The differences that result between the profit considered for income taxes and the profit as per the financial statements are identified, and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on prevailing enacted or substantially enacted regulations. Deferred tax assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.the end of the reporting period.

## **10. FOREIGN CURRENCY TRANSACTIONS**

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of transactions.

Monetary current assets and monetary current liabilities that are denominated in foreign currency are translated at the exchange rate prevalent at the date of the balance sheet. Non monetary foreign currency items are carried at cost.

Any income or expense on account of exchange difference either on settlement or on translation is recognized in profit and loss account, except in cases where they are adjusted to the carrying cost of such assets.

## **11. BORROWING COSTS**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

## **12. PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

In accordance with AS 29, Provision, Contingent liabilities and Contingent Assets, issued by the Institute of Chartered Accountants of India, the Company recognizes provisions when it is a present obligation as a result of past events, and it is probable on balance sheet date, supplemented by experiences of similar transactions. These are reviewed at each balance sheet date and adjusted to reflect the current Management estimates. In cases where the available information indicate loss on the contingency reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure is made in financial statements.

Contingent assets are neither recognized nor disclosed in the financial statements.

## **13. PRELIMINARY AND SHARE ISSUE EXPENSES**

Preliminary and share issues expenses are amortized over a period of five years.

## **14. EARNING PER SHARE (EPS)**

Basic Earning Per Share (EPS) is computed by dividing the net profit or loss for the year attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year attributable to Equity Shareholders by the weighted average number of



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equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the result are anti-dilutive.





## ANNEXURE-V

### NOTES TO ACCOUNTS

#### 1) Adjustments Made In Restated Financial Statements / Regrouping Notes

Appropriate adjustments have been made in the restated summary statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financial statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

#### 2) Material Regrouping:

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, 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).

#### 3) Application of Revised Schedule VI:

During the year ended 31 March 2012, the Revised Schedule VI notified under the Companies Act, 1956, had become applicable to the Company, for preparation and presentation of its financial statements. Further Schedule III of the Companies Act, 2013, was notified by Ministry of Corporate Affairs effective April 01, 2014. Accordingly, the Company had prepared the financial statements in accordance with Revised Schedule VI / Schedule III (as applicable) of the Act. The adoption of Revised Schedule VI / Schedule III (as applicable) of the Act did not impact recognition and measurement principles followed for preparation of financial statements.

#### 4) There are no audit qualifications, disclaimer of opinion, adverse opinion or emphasis of matter para in respect of financials of last five years of the Company.

#### 5) Changes in Accounting Policies in the Last Five Years:

There is no change in accounting policy.

#### 6) Dividend Payment:

The Company has not paid any dividend in the last five years.

#### 7) Changes in Accounting Period:

There has been no change in the accounting period of the Company.

#### 8) Segment Reporting:

The Company has identified its Business segments as Primary Segments comprising of Electronics & Electricals and Solar.

#### 9) Managerial Remuneration:

(₹ in Lakhs)

Particulars	Financial Year Ended				
	Mar-18	Mar-17	Mar-16	Mar-15	Mar-14
Whole Time Directors Remuneration	96.00	96.00	96.00	96.00	90.00
Salaries and Allowances	-	-	-	-	-
Sitting Fees	-	-	-	-	-
<b>Total</b>	<b>96.00</b>	<b>96.00</b>	<b>96.00</b>	<b>96.00</b>	<b>90.00</b>



10) Remuneration to Statutory Auditors:

(₹ in Lakhs)

Particulars	Financial Year Ended				
	Mar-18	Mar-17	Mar-16	Mar-15	Mar-14
Statutory Audit Fees	4.43	4.43	4.45	0.84	0.39
Tax Audit Fees	4.43	2.45	2.45	0.84	0.39
Other Certifications	7.26	6.29	5.72	5.15	-
<b>Total</b>	<b>16.11</b>	<b>13.16</b>	<b>12.62</b>	<b>6.84</b>	<b>0.79</b>

11) Information Regarding Foreign Exchange earnings:

(₹ in Lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
Earning in Foreign Exchange	2,321.40	3,968.64	3,857.53	2,943.90	4,375.61
Expenditure in Foreign Exchange	2,426.94	1,803.88	1,706.16	1,930.77	1,965.40
<b>Total</b>	<b>4,748.34</b>	<b>5,772.52</b>	<b>5,563.69</b>	<b>4,874.68</b>	<b>6,341.00</b>

ANNEXURE-VI

STATEMENT OF SHARE CAPITAL, AS RESTATED

(₹ in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
<b>Equity Share Capital</b>					
<b>Authorized Share capital</b>					
2,00,00,000 Equity Shares of Rs.10/- each	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00
<b>Total</b>	<b>2,000.00</b>	<b>2,000.00</b>	<b>2,000.00</b>	<b>2,000.00</b>	<b>2,000.00</b>
<b>Issued, Subscribed &amp; Paid Up Capital</b>					
1,80,37,050 Equity Shares of Rs.10/- each	1,803.71	-	-	-	-
1,71,78,200 Equity Shares of Rs.10/- each	-	1,717.82	1,717.82	1,717.82	1,717.82
<b>Total</b>	<b>1,803.71</b>	<b>1,717.82</b>	<b>1,717.82</b>	<b>1,717.82</b>	<b>1,717.82</b>

Reconciliation of number of shares outstanding:

(₹ In Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
<b>Equity Shares</b>					
At the beginning of the period	17,178,200	17,178,200	17,178,200	17,178,200	17,178,000
Additions during the period	858,850	-	-	-	200
<b>Outstanding at the end of the period</b>	<b>18,037,050</b>	<b>17,178,200</b>	<b>17,178,200</b>	<b>17,178,200</b>	<b>17,178,200</b>

ANNEXURE - VII

STATEMENT OF RESERVES AND SURPLUS, AS RESTATED

(₹ in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
<b>Security Premium</b>					
Opening Balance	133.03	133.03	133.03	133.03	133.03
Add/(Less): Received during the year	412.25	-	-	-	-
<b>Balance as at the end of the year (a)</b>	<b>545.27</b>	<b>133.03</b>	<b>133.03</b>	<b>133.03</b>	<b>133.03</b>
<b>Surplus</b>					
Balance as at the beginning of the year	3318.01	2,456.87	1,664.28	1,145.74	462.06
Add/(Less): Depreciation on transition to schedule II	-	-	-	(34.00)	-



Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Add: Profit during the year	1,172.41	861.14	792.60	552.54	683.68
Add/(Less): Adjustment pursuant to restatement	2.21	-	-	-	-
<b>Balance as at the end of the year (b)</b>	<b>4492.64</b>	<b>3,318.01</b>	<b>2,456.87</b>	<b>1,664.28</b>	<b>1,145.74</b>
<b>General Reserve</b>					
Opening Balance	708.10	708.10	708.10	708.10	708.10
Add: Addition during the year	-	-	-	-	-
<b>Balance as at the end of the year (c)</b>	<b>708.10</b>	<b>708.10</b>	<b>708.10</b>	<b>708.10</b>	<b>708.10</b>
<b>Total (a+b+c)</b>	<b>5746.00</b>	<b>4159.14</b>	<b>3,297.99</b>	<b>2,505.40</b>	<b>1,986.86</b>

**ANNEXURE – VIII  
STATEMENT OF LONG TERM BORROWINGS, AS RESTATED**

(₹ in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
<b>A. SECURED LOANS</b>					
From Bank	402.35	1,142.27	1,182.65	1,158.81	1,344.21
From Others					1.06
Less: Current portion of long term borrowings	276.57	559.54	326.51	382.40	175.19
<b>Total (A)</b>	<b>125.78</b>	<b>582.73</b>	<b>856.14</b>	<b>776.41</b>	<b>1,170.08</b>
<b>B. UNSECURED LOANS</b>					
From Promoter /Group Companies /Related Parties	-	-	-	-	-
From Financial Institutions	-	-	-	-	-
<b>Total (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>125.78</b>	<b>582.73</b>	<b>856.14</b>	<b>776.41</b>	<b>1,170.08</b>

**ANNEXURE – IX  
LONG TERM PROVISIONS, AS RESTATED**

(₹ in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Provision for Gratuity	123.41	64.15	54.04	45.96	40.55
Provision for Leave Salary	39.67	-	-	-	-
<b>Total</b>	<b>163.07</b>	<b>64.15</b>	<b>54.04</b>	<b>45.96</b>	<b>40.55</b>

**ANNEXURE – X  
DEFERRED TAX LIABILITIES (NET)**

(₹ in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Deferred tax liabilities	184.72	276.29	187.45	197.80	212.31
<b>Total</b>	<b>184.72</b>	<b>276.29</b>	<b>187.45</b>	<b>197.80</b>	<b>212.31</b>

**ANNEXURE -XI  
STATEMENT OF SHORT TERM BORROWINGS, AS RESTATED**

(₹ in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
<b>Short-term borrowings</b>					
<b>Secured</b>					
Cash credit from bank	2,905.55	1,977.22	1,645.97	869.75	1,012.15
<b>Un Secured</b>					
Loans from others	-	0.46	2.11	4.51	6.31
<b>Total</b>	<b>2,905.55</b>	<b>1977.68</b>	<b>1648.08</b>	<b>874.26</b>	<b>1,018</b>



**ANNEXURE XII  
SCHEDULE OF TRADE PAYABLES, AS RESTATED**

(₹ in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
- Micro & Small Enterprises					
Due to related parties	127.51	72.33	27.01	-	2.34
- Others	12,416.98	4,474.00	2,897.23	3,731.24	2,476.33
<b>Total</b>	<b>12,544.49</b>	<b>4,546.34</b>	<b>2,924.24</b>	<b>3,731.24</b>	<b>2,478.67</b>

**ANNEXURE - XIII  
STATEMENT OF OTHER CURRENT LIABILITIES, AS RESTATED**

(₹ in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Current Maturities of long term borrowings	276.57	559.54	326.51	382.39	175.19
Interest accrued and due on borrowings	-	-	1.87	5.21	9.63
Advance from Customers	2,657.97	421.39	367.34	760.32	621.25
Amount payable for Capital Goods	193.60	251.23	-	-	144.66
Statutory Dues	71.55	299.87	127.85	47.41	84.94
Commissioning expenses payable	151.71	303.16	614.90	470.01	528.17
Rent Deposit	20.00	20.00	36.00	50.15	43.75
Others	475.68	291.97	158.42	271.22	217.66
<b>Total</b>	<b>3,847.09</b>	<b>2,147.16</b>	<b>1,632.89</b>	<b>1,986.72</b>	<b>1,825.26</b>

**ANNEXURE -XIV  
STATEMENT OF SHORT TERM PROVISIONS, AS RESTATED**

(₹ in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Provisions for Income Tax	322.39	206.13	8.83	78.15	37.62
Provision for Gratuity	2.19	1.14	0.96	0.82	0.72
Provision for Leave salary	0.92	-	-	-	-
Bonus provision	57.86	55.02	51.41	41.30	30.32
<b>Total</b>	<b>383.36</b>	<b>262.29</b>	<b>61.20</b>	<b>120.26</b>	<b>68.66</b>

**ANNEXURE - XV  
STATEMENT OF FIXED ASSETS, AS RESTATED**

(₹ in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
<b>Leasehold Land &amp; Site Development</b>					
Opening Balance	95.12	95.12	95.12	95.12	95.12
Addition during the year	-	-	-	-	-
Depreciation during the year	-	-	-	-	-
Reduction during the year	-	-	-	-	-
Opening Accumulated Depreciation	-	-	-	-	-
<b>Closing Balance</b>	<b>95.12</b>	<b>95.12</b>	<b>95.12</b>	<b>95.12</b>	<b>95.12</b>
<b>Factory Building &amp; Shed</b>					
Opening Balance	3,381.30	2,841.75	2,121.91	2,111.57	2,111.57
Addition during the year	127.92	539.55	744.24	10.34	-
Depreciation during the year	146.52	155.47	172.80	193.25	62.85
Reduction during the year	-	-	24.40	-	-
Opening Accumulated Depreciation	814.15	658.68	485.87	292.62	229.77



Particulars	As at March 31,				
	2018	2017	2016	2015	2014
<b>Closing Balance</b>	<b>2,548.54</b>	<b>2,567.15</b>	<b>2,183.07</b>	<b>1,636.04</b>	<b>1,818.95</b>
<b>Plant &amp; Machinery</b>					
Opening Balance	2,157.40	1,879.34	1,864.05	1,097.37	966.75
Addition during the year	4.46	278.06	15.29	766.68	130.62
Depreciation during the year	169.36	189.18	192.40	215.23	41.45
Reduction during the year	-	-	-	-	-
Depreciation on sale of assets	-	-	-	-	-
Opening Accumulated Depreciation	826.28	637.10	444.70	229.47	188.02
<b>Closing Balance</b>	<b>1,166.22</b>	<b>1,331.12</b>	<b>1,242.24</b>	<b>1,419.36</b>	<b>867.90</b>
<b>Furniture &amp; Fixtures</b>					
Opening Balance	293.03	280.03	220.83	197.77	162.27
Addition during the year	2.89	13.00	59.20	23.07	35.49
Depreciation during the year	32.08	41.32	47.61	59.33	9.97
Reduction during the year	-	-	-	-	-
Opening Accumulated Depreciation	186.37	145.04	97.44	38.11	28.13
<b>Closing Balance</b>	<b>77.48</b>	<b>106.66</b>	<b>134.99</b>	<b>123.40</b>	<b>159.66</b>
<b>Motor Vehicle</b>					
Opening Balance	130.65	124.24	121.23	121.75	121.85
Addition during the year	49.27	11.63	3.71	3.86	-
Depreciation during the year	15.85	11.20	18.47	39.14	8.24
Reduction during the year	48.10	6.41	0.70	4.38	0.10
Transitional depreciation	-	-	-	0.03	0.00
Adjustment pursuant to Restatement	-	1.19	-	-	-
Depreciation on sale of asset	45.70	4.44	-	-	-
Opening Accumulated Depreciation	107.76	101.00	82.53	43.35	35.11
<b>Closing Balance</b>	<b>53.90</b>	<b>22.89</b>	<b>23.25</b>	<b>38.70</b>	<b>78.39</b>
<b>Office Equipments</b>					
Opening Balance	103.53	101.23	94.09	90.43	77.47
Addition during the year	1.72	2.49	6.99	3.66	13.11
Depreciation during the year	7.21	10.39	15.05	28.98	3.63
Reduction during the year	-	0.59	-	-	0.14
Adjustment pursuant to restatement	-	0.41	0.16	-	-
Transitional depreciation	-	-	-	15.86	-
Depreciation on sale of asset	-	0.23	-	-	-
Opening Accumulated Depreciation	86.13	75.96	60.92	16.07	12.44
<b>Closing Balance</b>	<b>11.92</b>	<b>17.41</b>	<b>25.26</b>	<b>33.17</b>	<b>74.36</b>
<b>Computer</b>					
Opening Balance	107.37	98.93	83.34	72.47	63.36
Addition during the year	4.79	9.17	15.29	10.88	10.77
Depreciation during the year	10.31	12.47	12.63	16.30	6.20
Reduction during the year	-	1.00	-	-	1.66
Transitional depreciation	-	-	-	19.14	-
Adjustment pursuant to restatement	-	0.28	0.29	-	-
Depreciation on reduction of assets	-	0.72	-	-	-
Opening Accumulated Depreciation	95.02	83.27	70.64	35.20	29.00
<b>Closing Balance</b>	<b>6.83</b>	<b>12.35</b>	<b>15.65</b>	<b>12.70</b>	<b>37.27</b>
<b>Software</b>					
Opening Balance	114.44	101.08	93.28	55.74	48.27



Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Addition during the year	0.51	14.46	7.69	37.53	7.47
Depreciation during the year	10.64	17.17	25.12	11.66	4.94
Reduction during the year	-	1.62	-	-	-
Transitional depreciation	-	-	-	16.47	-
Adjustment pursuant to restatement	-	0.52	0.11	-	-
Depreciation on reduction of assets	-	1.23	-	-	-
Opening Accumulated Depreciation	97.08	81.14	56.02	27.89	22.95
<b>Closing Balance</b>	<b>7.22</b>	<b>17.36</b>	<b>19.94</b>	<b>37.26</b>	<b>27.85</b>
<b>Total Tangible Assets</b>	<b>3,960.01</b>	<b>4,152.70</b>	<b>3,719.59</b>	<b>3,358.48</b>	<b>3,131.66</b>
<b>Total Intangible Assets</b>	<b>7.22</b>	<b>17.36</b>	<b>19.94</b>	<b>37.26</b>	<b>27.85</b>

**ANNEXURE – XVI**  
**NON CURRENT INVESTMENTS, AS RESTATED**

(₹ in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
	-	-	-	-	-
Trade Investments	-	-	-	-	-
1. Investments in fully paid equity instruments In subsidiary companies	-	-	-	-	-
90 (Previous year 90) shares with limited liability of Marine Electricals (FZC) of AED 1500 each, fully paid up	19.38-	19.38-	19.38-	19.38-	19.38-
21000 (previous year Nil) shares of Eltech Engineers Madras Pvt Ltd	2.10	-	-	-	-
2. Investments in partnership firms	-	-	-	-	-
Narhari Engineering Works	-	-	-	-	-
Fixed capital (a)	400.00	400.00	400.00	400.00	400.00
Current capital (b)	303.68	299.17	266.60	236.79	216.58
<b>Sub total (a+b)</b>	<b>703.68</b>	<b>699.17</b>	<b>666.60</b>	<b>636.79</b>	<b>616.58</b>
Automatic Electronic Controls Manufacturing Co.	20	29	29	28	28
<b>Aggregate amount of unquoted investments</b>	<b>745.59</b>	<b>747.76</b>	<b>715</b>	<b>684</b>	<b>664</b>

**ANNEXURE – XVII**  
**LONG TERM LOANS & ADVANCES, AS RESTATED**

(₹ in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
<b>Promoter &amp; Promoter Group</b>					
Unsecured, considered good	-	-	-	-	-
In Subsidiary companies	-	63.04	53.57	58.65	39.63
Considered good:					
Rent Deposits	144.00	144.00	144.00	144.00	144.00
Security Deposit	28.77	8.86	7.44	4.90	4.42
Other loans and advances	37.01	94.21	94.83	105.95	113.00
<b>Total</b>	<b>209.78</b>	<b>310.11</b>	<b>299.83</b>	<b>313.50</b>	<b>301.05</b>



**ANNEXURE – XVIII  
INVENTORIES**

(₹ in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Raw Materials	1,380.85	1,043.53	170.96	581.29	709.59
Work in Progress	1,281.30	498.70	369.00	337.92	285.40
Finished Goods	2.90	2.90	2.90	-	10.91
<b>Total</b>	<b>2,665.05</b>	<b>1,545.13</b>	<b>542.86</b>	<b>919.22</b>	<b>1,005.90</b>

**ANNEXURE – XIX  
STATEMENT OF TRADE RECEIVABLES, AS RESTATED**

(₹ in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Outstanding for a period exceeding six months	-	-	-	-	-
Unsecured, considered good					
Promoter/Promoter group	-	-	-	-	-
Others	242.60	389.17	876.20	499.74	438.61
Outstanding for a period less than six months					
Unsecured, considered good	-	-	-	-	-
Promoter/Promoter group	-	-	-	-	-
Others	14,383.44	7,398.23-	4,962.53-	4,482.18-	2,499.28-
<b>Total</b>	<b>14,626.05</b>	<b>7,787.39</b>	<b>5,838.73</b>	<b>4,981.91</b>	<b>2,937.88</b>

**ANNEXURE - XX  
STATEMENT OF CASH & CASH EQUIVALENTS, AS RESTATED**

(₹ in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Balance with banks					
In Current Accounts	1,207.73	25.58	26.34	165.99	31.94
In EEFC Accounts	36.76	8.20	177.98	186.55	520.25
Foreign Currency Accounts	43.00	3.56	-	2.96	-
Cash on Hand	5.98	4.68	6.48	2.53	4.17
a)	1,250.47	42.02	210.80	358.02	556.36
In earmarked accounts ( Fixed Deposits )b)	1,831.62	194.88	284.90	261.43	831.00
<b>Total (a+b)</b>	<b>3,082.09</b>	<b>236.90</b>	<b>495.70</b>	<b>619.45</b>	<b>1,387.36</b>

**ANNEXURE – XXI  
STATEMENT OF SHORT TERM LOANS & ADVANCES, AS RESTATED**

(₹ in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
<b>Unsecured, considered good:</b>	-	-	-	-	-
Loans and advances to related parties		12.44	21.12	9.32	52.91
Duty drawback receivable/ p l a excise	2.07	3.44	16.05		44.78
Rebate excise duty receivable		210.32	169.86	296.99	123.48
<b>Others, considered good :</b>					
Rent deposits	134.35	134.22	137.56	122.43	108.70
Earnest money deposits	41.40	77.01	2.30	2.78	11.40
Interest accrued on fixed deposits	64.94	8.58	10.58	11.26	22.39
Prepaid expenses	133.13	78.91	62.48	64.38	65.80
Advance to suppliers	1,538.33	44.36	-	193.36	510.19
Advance for capital goods	248.73	-	-	-	-





Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Other loans and advances	212.65	174.07	148.64	109.35	109.32
<b>Total</b>	<b>2375.59</b>	<b>743.33</b>	<b>568.60</b>	<b>809.87</b>	<b>1048.97</b>

**ANNEXURE – XXII  
STATEMENT OF OTHER CURRENT ASSETS AS RESTATED**

(₹ in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Others	29.83	192.59	179.51	161.95	14.41
Fixed Deposit	0.35	0.35	-	70.18	-
<b>Total</b>	<b>30.18</b>	<b>192.94</b>	<b>179.51</b>	<b>232.13</b>	<b>14.41</b>

**ANNEXURE – XXIII  
STATEMENT OF REVENUE FROM OPERATIONS, AS RESTATED**

(₹ in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Sale of products-Manufactured	25,419.97	15,441.10	14,363.62	13,580.20	15,140.56
Sale of products- Traded	1,246.52	3,810.07	3,191.79	3,856.37	-
Sale of services(Job Charges)	2,099.40	1,399.84	1,280.32	962.33	522.93
Duty Drawback	0.50	52.00	103.62	19.84	67.00
Rebate Excise Duty	-	241.16	405.60	510.70	244.60
<b>Total</b>	<b>28,766.39</b>	<b>20,944.17</b>	<b>19,344.95</b>	<b>18,929.43</b>	<b>15,975.08</b>

**ANNEXURE – XXIV  
STATEMENT OF OTHER INCOME, AS RESTATED**

(₹ in Lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Recurring Income					
Balances w/off	3.27	1.76	3.55	2.18	15.15
Discount received	28.25	18.08-	-	-	-
Exchange gain/(loss) (Net)	(49.93)	68.81	8.39	113.36	71.46
Interest received	77.24	34.70	28.78	45.83	35.67
Rent received	82.74	83.33	90.85	114.17	96.86
Share of Profit from Partnership firm	(0.97)	32.68	31.03	25.45	23.30
Non Recurring Income					
Insurance Claim Refund	-	-	19.89	-	-
Dividend received					0.23
Profit on sale of Assets	0.09	0.88	-	-	-
<b>Total</b>	<b>140.70</b>	<b>240.24</b>	<b>182.50</b>	<b>300.99</b>	<b>242.68</b>
Net Profit Before Tax as Restated	1,768.96	1,473.98	1,262.55	893.53	1,000.44
Other Income as % of Net Profit Before Tax	7.95%	16.30%	14.45%	33.69%	24.26%

**ANNEXURE – XXV  
STATEMENT OF CONTINGENT LIABILITIES, AS RESTATED**

(₹ in Lakhs)

Particulars	As on March 31,				
	2018	2017	2016	2015	2014
Bank Guarantees	5,509.17	2,855.48	1,885.30	2,337.76	1,606.57
Corporate Guarantee	1782.29	1,751.35	1,939.03	235.00	357.67
Letter of Credit	3,530.36	71.40	91.23	19.45	111.00
Others	16.09	9.36	7.77		
<b>Total</b>	<b>11,349.45</b>	<b>4,905.97</b>	<b>3,923.33</b>	<b>2,607.13</b>	<b>2,081.59</b>



**ANNEXURE XXVI  
STATEMENT OF CAPITALIZATION, AS RESTATED**

(₹ in Lakhs)

Particular	Pre Issue	Post Issue
<b>Borrowing</b>		
Long Term Debt*	402.35	402.35
Short Term Debt	2,905.55	2,905.55
<b>Total Debts (A)</b>	<b>3,307.90</b>	<b>3,307.90</b>
<b>Equity (Shareholder's funds)</b>		
Equity share capital	1,803.71	2,453.31
Reserve and Surplus	5,746.00	9,383.76
<b>Total Equity (B)</b>	<b>7,549.71</b>	<b>11,837.07</b>
<b>Long Term Debt / Equity Shareholder's funds</b>	<b>0.05</b>	<b>0.03</b>
<b>Total Debts / Equity Shareholder's funds</b>	<b>0.44</b>	<b>0.28</b>

\*The above has been computed on the basis of restated financials

**ANNEXURE XXVII  
STATEMENT OF ACCOUNTING RATIOS, AS RESTATED**

(₹ in Lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
Restated Net Profit as per P&L Account	1,172.41	861.14	792.60	552.54	683.68
Net Worth	7,549.71	5,876.96	5,015.81	4,223.22	3,704.68
No. of Equity Shares outstanding at the end of the year	18,037,050	17,178,200	17,178,200	17,178,200	17,178,200
Weighted Average No of Equity Shares outstanding during the year	17,608,802	17,178,200	17,178,200	17,178,200	17,178,200
Basic & Diluted Earnings Per Share	6.66	5.01	4.61	3.22	3.98
Return on Net worth (%)	15.53%	14.65%	15.80%	13.08%	18.45%
Net Assets Value per Equity Share	41.86	34.21	29.20	24.58	21.57

Notes to Accounting Ratios:

1) The Ratios have been computed as follows:

- a) Basic Earnings Per Share (₹) 
$$\frac{\text{Net Profit After Tax as restated}}{\text{Weighted Average Number of Equity Shares outstanding during the year}}$$
- b) Return on Net worth (%) 
$$\frac{\text{Net Profit after Tax as restated}}{\text{Net Worth}} \times 100$$
- c) Net Asset Value Per Equity Share (₹) 
$$\frac{\text{Net Worth}}{\text{No. of Equity shares outstanding at the end of the year}}$$

2) Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year adjusted by the number of Equity Shares issued during year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.



3) The Calculation of Earnings Per Share (EPS) as disclosed in the Profit and Loss Account has been made in accordance with Accounting Standard (AS - 20) on Earnings Per Share issued by the Institute of Chartered Accountants of India.

4) As there is no dilutive capital in the Company, Basic and Diluted EPS are similar.

5) The above Ratios have been computed on the basis of the Restated Financial Information for the respective year.

The above statements should be read with the Notes to Restated Financial Statements.

#### **ANNEXURE XXVIII 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 & Relatives

For the year ended March 31,				
2018	2017	2016	2015	2014
Vinay K .Uchil	Vinay K .Uchil	Vinay K .Uchil	Vinay K .Uchil	Vinay K .Uchil
Venkatesh K.Uchil	Venkatesh K.Uchil	Venkatesh K.Uchil	Venkatesh K.Uchil	Venkatesh K.Uchil
Rashmi Uchil	Rashmi Uchil	Rashmi Uchil	-	-

(ii) Associates / Enterprises over which directors and / or their relatives has significant influence

For the year ended March 31,				
2018	2017	2016	2015	2014
KDU Enterprises Private Limited	KDU Enterprises Private Limited	KDU Enterprises Private Limited	KDU Enterprises Private Limited	KDU Enterprises Private Limited
Switch N Control Gears Pvt Ltd	Switch N Control Gears Pvt Ltd	Switch N Control Gears Pvt Ltd	Switch N Control Gears Pvt Ltd	Switch N Control Gears Pvt Ltd
Eltech Engineers Madras Private Limited	-	-	-	-
MEL Power Systems FZC	MEL Power Systems FZC	MEL Power Systems FZC	MEL Power Systems FZC	MEL Power Systems FZC
STI S.R.L.	STI S.R.L.	-	-	-
DKM Precision Engineers	DKM Precision Engineers	DKM Precision Engineers	DKM Precision Engineers	DKM Precision Engineers
Automatic Electronic Control Mfg Co.	Automatic Electronic Control Mfg Co.	Automatic Electronic Control Mfg Co.	Automatic Electronic Control Mfg Co.	Automatic Electronic Control Mfg Co.
McGeoch Marine Electricals Pvt Ltd	McGeoch Marine Electricals Pvt Ltd	McGeoch Marine Electricals Pvt Ltd	McGeoch Marine Electricals Pvt Ltd	VTV Electronic
Narhari Engineering works	Narhari Engineering works	Narhari Engineering works	Narhari Engineering works	-
KDU Worldwide Technical Services FZC	-	-	-	-
KDU Worldwide Middle East Marine Services Ghana Pvt Ltd	-	-	-	-
KDU Worldwide Technical Services Ghana Pvt Ltd	-	-	-	-
WIN Marine	-	-	-	-



For the year ended March 31,									
2018		2017		2016		2015		2014	
Engineering Services									
Philins Industrial Corporation		Philins Industrial Corporation		Philins Industrial Corporation		Philins Industrial Corporation		Philins Industrial Corporation	

(iii) Particulars of Transactions with Related Parties

**Key Management Personnel/ Board of Directors**

(₹ in Lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
<b>1) Finance</b>					
<b>b) Loan given</b>					
Received/paid during the year	(12.44)	(8.68)-	(11.80)-	(17.5)-	(43.18)-
Outstanding at the end of the year	-	12.44	21.12	9.32	26.82
<b>2) Expenses</b>	-	-	-	-	-
Rent	7.20	7.20-	0.60-	-	-
Remuneration	96.00	96.00	96.00	96.00	90.00
Reimbursement of Expenses	-	-	-	-	-
<b>3) Outstanding</b>					
Receivables	-	-	-	-	-
Payables	-	-	-	-	-

**Associates/ Enterprises over which directors and /or their relatives has significant influence**

(₹ in Lakhs)

Particulars	For the year ended March 31,				
	2018	2017	2016	2015	2014
<b>1) Finance</b>					
<b>a) Loans Taken</b>					
Opening Balance	-	-	-	-	-
Loan taken during the year	-	-	-	-	-
Repaid during the year	-	-	-	-	-
Outstanding at the end of the year	-	-	-	-	-
<b>b) Loans given</b>					
Received / paid during the year	(63.04)	9.47	26.12	(33.56)	(19.15)
Outstanding at the end of the year	-	63.04	53.57	27.45	61.01
<b>2) Expenses</b>					
Rent	234.69	216.45	173.61	171.40	110.72
Purchases	1159.57	72.14	78.06	59.17	84.55
Sales	272.30	7.11	-	7.97	0.00
Reimbursement of Expenses	-	-	-	-	-
<b>3) Out standing</b>					
Receivables	278.48	-	-	-	-
Advance to Supplier	370.99	-	-	-	4.71
Account Payables	383.93	21.49	-	-	2.34

Note: For corporate guarantees given by the company towards above mentioned entities, please refer to Annexure XXV – Contingent Liabilities.



**ANNEXURE – XXIX**  
**STATEMENT OF TAX SHELTERS AS RESTATED**

(₹ in lakhs)

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
<b>Tax Rates</b>					
Income Tax Rate (%)	30.00%	29.00%	30.00%	30.00%	30.00%
Surcharge	12.00%	12.00%	12.00%	10.00%	5.00%
Education Cess	3.00%	3.00%	3.00%	3.00%	3.00%
MAT rate	21.34%	21.34%	21.34%	19.25%	20.01%
Income Tax Rate (%)	34.61%	33.45%	34.61%	33.99%	32.45%
<b>Income from Business or Profession</b>					
Restated Profit before tax as per books (A)	<b>1768.96</b>	<b>1473.98</b>	<b>1262.55</b>	<b>893.53</b>	<b>1000.44</b>
<b>Timing Differences</b>					
<b>Add: Items Inadmissible/for Separate Consideration</b>					
Amounts disallowable under section 40 A	73.28	-	-	-	4.41
Depreciation Separately Considered	391.96	437.22	483.22	563.90	137.27
Donation	7.70	7.30	4.50	0.05	0.03
Expenses relating to other heads of income	7.59	-	-	-	10.66
Amounts disallowable under section 43B	40.59	-	-	0.58	41.27
Gratuity	-	10.29	8.22	5.51	-
Loss on sale of Car	-	10.16	-	3.79	-
Service tax on Rent	-	-	10.96	-	-
Loss from Registered Firm	-	0.42	0.12	-	-
Interest on Income taxes	25.10	5.78	-	-	-
Penalty	-	0.06	-	-	-
<b>Total Amount Inadmissible</b>	<b>546.22</b>	<b>471.23</b>	<b>507.01</b>	<b>573.83</b>	<b>193.64</b>
<b>Sub Total</b>	<b>2,315.17</b>	<b>1,945.21</b>	<b>1,769.56</b>	<b>1,467.36</b>	<b>1,194.08</b>
<b>Less: Items Admissible/for Separate Consideration</b>					
Income taxable under other heads of income	164.5906	152.00	150.79	172.89	132.54
Depreciation Allowed as Per IT Act	275.86373	309.45	319.54	392.48	283.77
Exempt Income					23.30
<b>Total Amount Admissible</b>	<b>440.45</b>	<b>461.45</b>	<b>470.32</b>	<b>565.37</b>	<b>439.61</b>
<b>Income from Business or Profession</b>	<b>1,874.72</b>	<b>1,483.76</b>	<b>1,299.24</b>	<b>901.99</b>	<b>754.47</b>
<b>Income from Business or Profession (E) = (A+B+C-D)</b>	<b>1,874.72</b>	<b>1,483.76</b>	<b>1,299.24</b>	<b>901.99</b>	<b>754.47</b>
<b>Income from Other Heads</b>	<b>126.59</b>	<b>85.92</b>	<b>84.71</b>	<b>116.95</b>	<b>96.01</b>
<b>Deduction Under Chapter VI</b>	<b>13.02</b>	<b>3.53</b>	<b>2.25</b>	<b>0.00</b>	<b>0.00</b>
<b>Taxable Income/(Loss)</b>	<b>1,988.29</b>	<b>1,566.15</b>	<b>1,381.70</b>	<b>1,018.94</b>	<b>850.48</b>
<b>Income Tax on above</b>	<b>688.11</b>	<b>523.95</b>	<b>478.18</b>	<b>346.34</b>	<b>275.94</b>
<b>Book Profit for MAT</b>	<b>1,768.96</b>	<b>1,473.98</b>	<b>1,262.55</b>	<b>552.54</b>	<b>977.14</b>
<b>MAT on Book Profit</b>	<b>377.52</b>	<b>314.57</b>	<b>269.45</b>	<b>106.34</b>	<b>195.50</b>
Tax paid as per normal or MAT	Normal	Normal	Normal	Normal	Normal
Tax paid as per returns	-	523.95	478.18	350.48	275.94

**ANNEXURE – XXX**  
**SEGMENT REPORTING**

Solar segment i.e. renewable energy segment (separate identifiable segment) has started in the FY 2017-18. The reporting of the same under AS 17- Segment Reporting is as under:

(₹ in Lakhs)

Particulars	2017-18		
	Electricals & Electronics	Solar	Total
Segment revenue	21,497.13	7,410.93	28,907.08
Inter-segment Sales	-	-	-



Particulars	2017-18		
	Electricals & Electronics	Solar	Total
Segment results	1,799.91	2.82	1,768.96
Segment assets	18,847.62	8,853.20	27,700.82
Segment liabilities	11,266.39	8,886.94	20,153.33
Depreciation & amortization	391.26	0.70	391.96
Capital expenditure	191.74	2.02	193.76



## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

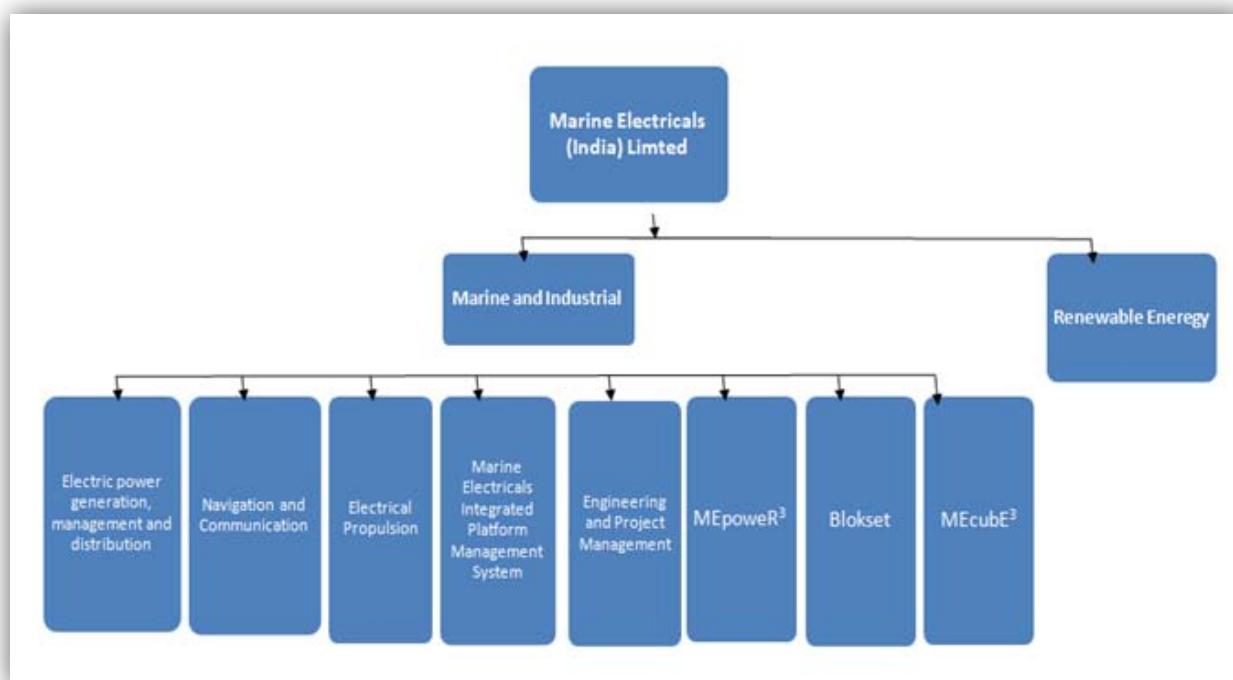
You should read the following discussion and analysis of financial condition and results of operations together with our financial statements included in this Prospectus. The following discussion relates to our Company and is based on our restated financial statements. Our financial statements have been 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.

### BUSINESS OVERVIEW

Our Company is a growing Integrated Electrical and Automation Solution Provider dealing in comprehensive electrical solution across industries with significant presence in Marine sector (Indian Navy, Commercial Shipbuilding) and Non Marine sector (Data Centre, Building Management Systems, Industrial etc).

Our Company provides solution in Low Voltage, Medium Voltage and Industrial Automation backed by In-house Product Design & Development, Manufacturing, Installations and after sale service. Our Company has business relationships with global electrical players like Schneider Electric, Siemens, GE. Such strategic tie ups give us the competitive edge over our competitors. Further, we have entered into an agreement with NLC India Limited to provide Solar Power Evacuation system, thus venturing into the renewable energy segment. Our business model is as summarised below:

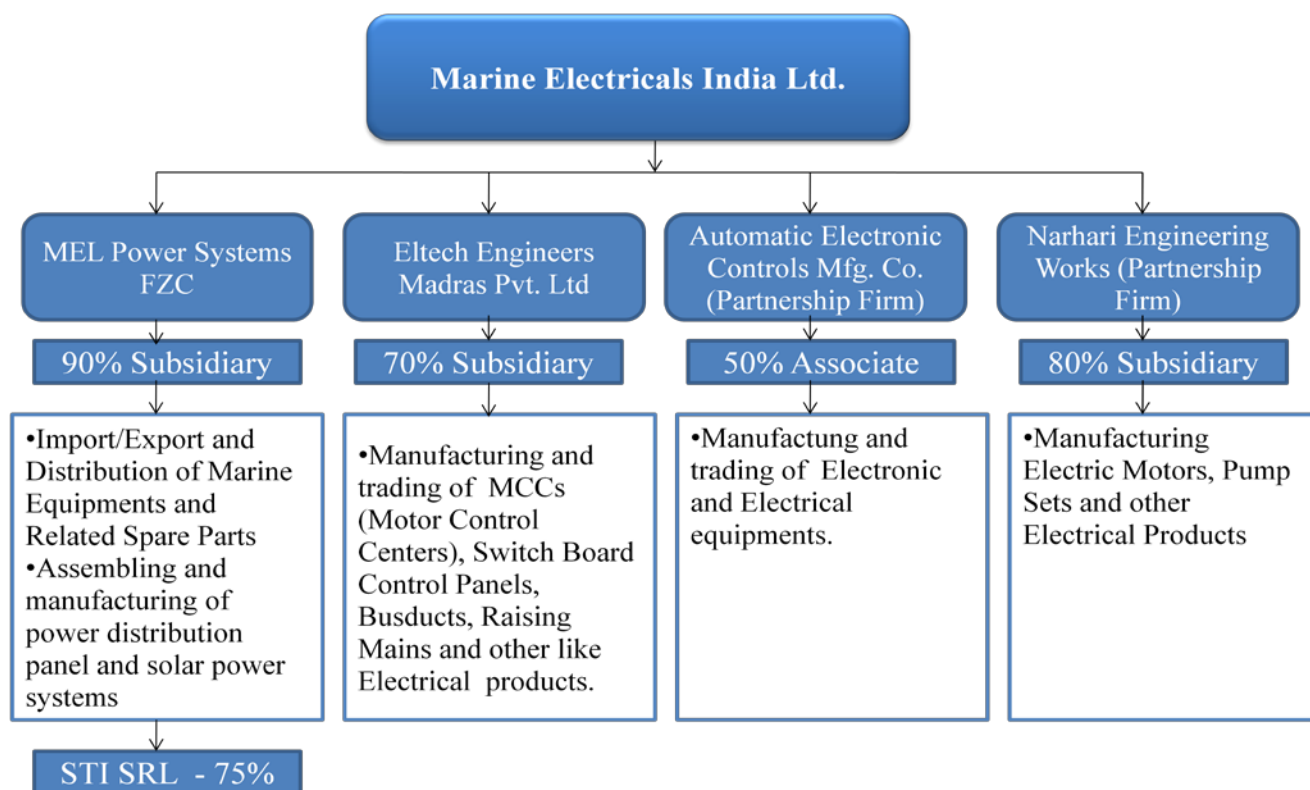


We have the competence and facilities to provide these state of the art panels starting from design and development to prompt after sales support. Our manufacturing facilities are certified as per ISO 9001, ISO 14001, and OHSAS 18001 for the Quality Management system, Environmental Management System and Occupation Health & Safety Management System respectively. Our manufacturing facilities have all the latest CNC bending and turret punching machines to deliver equipment within the demanding tolerances to meet the requirements of this latest globally offered panels, this is also supported by our pre-treatment and painting facilities.





We have national and international presence through our subsidiaries. The structure is illustrated as below:



We ensure the quality of our products through rigorous testing including testing of sub system before integration and followed by testing of the entire system when assembled. We provide a combination of engineering, manufacturing, testing facilities and after sales support that provides customer delight to the equipment offered by us.

Our Managing Director and Promoter Mr. Venkatesh Uchil is actively involved in procurement, production and technical areas of the Company. He actively participates in timely execution of the Industry Orders and is the guiding force behind the growth and business strategy of our Company. Mr. Vinay Uchil, the Chairman & Whole-time Director & also Promoter of our Company is instrumental in expanding the business of the Company to a new height by diversification of the business into difference verticals i.e. Marine & Non- Marine Sectors & Renewable Energy.

Our Company's revenue from operation have increased at a CAGR of 15.84% from 15,975.08 lakhs in FY 2013-14 to ₹ 28,766.39 lakhs in FY 2017-18; EBITDA has increased at a CAGR of 16.88% from ₹ 1,405.27 lakhs in FY 2013-14 to ₹ 2,622.68 lakhs in FY 2017-18.

## COMPETITION

We face competition from various local domestic and international players. Some of our competitors include Siemens, L&T, Schindler etc. We intend to continue competing vigorously to capture more market share and adding more management personnel to manage our growth in an optimal way. We believe that the principal factors affecting competition in our business include client relationships reputation, the abilities of our management and operating team and market focus. Our success also depends on our ability to understand the preferences of our existing and prospective customers. Our competencies are however in delivering timely executions well within the quality parameters.

## Significant Developments after March 31, 2018 that may affect our Future Results of Operations

The Directors confirm that there have been no events or circumstances since the date of the last financial statements as disclosed in the 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.



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## **FACTORS AFFECTING OUR RESULT OF OPERATION**

Our business is subject various risks and uncertainties, including those discussed in the section titled “*Risk Factors*” beginning on page no. 17 of this Prospectus.

Among various other factors that affect our financial results and operations for a given financial year, some key factors are as follows:

1. Changes in laws and regulation that apply to the industry
2. Cost of Materials consumed
3. Our Financial Expenses
4. Increasing competition in the industry
5. Company’s inability to successfully implement its strategy, its growth and expansion plans
6. General economic and business conditions



## RESULTS OF OUR STANDALONE OPERATIONS

(₹ in lakhs)

Particulars	For the year ended March 31,							
	2018	% of Total Income	Mar-17	% of Total Income	Mar-16	% of Total Income	Mar-15	% of Total Income
<b>REVENUE:</b>								
Revenue from Operations	28,766.39	99.51%	20,944.17	98.87%	19,344.95	99.07%	18,929.43	98.43%
Other Income	140.70	0.49%	240.24	1.13%	182.50	0.93%	300.99	1.57%
<b>Total Revenue</b>	<b>28,907.08</b>	<b>100.00%</b>	<b>21,184.40</b>	<b>100.00%</b>	<b>19,527.44</b>	<b>100.00%</b>	<b>19,203.42</b>	<b>100.00%</b>
<b>EXPENSES:</b>								
Cost of Material Consumed	21,111.39	73.03%	13,124.56	61.95%	12,078.81	61.86%	13,323.99	69.29%
Changes in Inventory	(782.60)	-2.71%	(129.70)	-0.61%	(33.98)	-0.17%	(41.61)	-0.22%
Other manufacturing & operating expenses	2,402.57	8.31%	2,342.80	11.06%	2,180.03	11.16%	1,451.72	7.55%
Employee benefit expenses	1,689.92	5.85%	1,487.82	7.02%	1,417.98	7.26%	1,189.25	6.18%
Finance costs	461.76	1.60%	401.96	1.90%	267.96	1.37%	281.85	1.47%
Depreciation	391.96	1.36%	437.22	2.06%	483.22	2.47%	563.90	2.93%
Other Expenses	1,863.13	6.45%	2,045.76	9.66%	1,870.86	9.58%	1,567.80	8.15%
<b>Total Expenses</b>	<b>27,138.13</b>	<b>93.88%</b>	<b>19,710.42</b>	<b>93.04%</b>	<b>18,264.89</b>	<b>93.53%</b>	<b>18,336.89</b>	<b>93.35%</b>
Exceptional items	-							
<b>Net Profit / (Loss) before Tax</b>	<b>1,768.96</b>	<b>6.12%</b>	<b>1,473.98</b>	<b>6.96%</b>	<b>1,262.55</b>	<b>6.47%</b>	<b>893.53</b>	<b>4.65%</b>
Less: Provision for Tax								
(a) Current Tax	688.12	2.38%	524.00	2.47%	480.00	2.46%	338.00	1.76%
(b) Deferred Tax (Assets)/ Liability	(91.57)	-0.32%	88.84	0.42%	(10.05)	-0.05%	2.99	0.02%
(c) MAT Credit entitlement								
<b>Total</b>	<b>596.55</b>	<b>2.06%</b>	<b>612.84</b>	<b>2.89%</b>	<b>469.95</b>	<b>2.41%</b>	<b>340.99</b>	<b>1.77%</b>
<b>Net Profit / ( Loss ) for the period after tax but before extra ordinary items</b>	<b>1,172.41</b>	<b>4.06%</b>	<b>861.14</b>	<b>4.06%</b>	<b>792.60</b>	<b>4.06%</b>	<b>552.54</b>	<b>2.87%</b>
Extraordinary Items								
<b>Net Profit / ( Loss ) for the period after tax and after extra ordinary items available for appropriation</b>	<b>1,172.41</b>	<b>4.06%</b>	<b>861.14</b>	<b>4.06%</b>	<b>792.60</b>	<b>4.06%</b>	<b>552.54</b>	<b>2.87%</b>
Less : Proposed Dividend								
Dividend Distribution Tax								
<b>Net Profit transferred to Reserves</b>	<b>1,172.41</b>	<b>4.06%</b>	<b>861.14</b>	<b>4.06%</b>	<b>792.60</b>	<b>4.06%</b>	<b>552.54</b>	<b>2.87%</b>



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## ***Main Components of our Profit and Loss Account***

### ***Revenue***

Our total revenue comprises of revenue from operations and other income.

#### ***Revenue from Operations***

Our revenue from operations as a percentage of total income was 99.51%, 98.87%, 99.07% and 98.43% respectively, for the fiscals 2018, 2017, 2016 and 2015.

#### ***Other Income***

Our other income comprises of interest income, rent income, exchange gain/loss, discount received & other miscellaneous income. Other income, as a percentage of total income was 0.49%, 1.13%, 0.93%, 1.57% respectively, for the fiscals 2018, 2017, 2016 and 2015.

### ***Expenditure***

Our total expenditure primarily consists of Cost of Material Consumed, Changes in Inventory, Other manufacturing and operating expenses, Employee Benefit Expenses, Finance costs, Depreciation and Other Expenses.

#### ***Cost of Material Consumed***

Cost of Material Consumed are primarily in relation to purchases of various components required to manufacture the control panels.

#### ***Other manufacturing and operating expenses***

Other manufacturing and operating expenses consists of commissioning expenses, custom duty, power and fuel expenses, factory maintenance, excise duty, etc

#### ***Employee Benefit Expenses***

Expenses in relation to employees' remuneration and benefits include employee's salaries, allowances, bonus, contribution to provident and other funds, etc

#### ***Finance costs***

Finance cost primarily consists of interest payable on loans availed by our Company from banks and bank charges etc.

#### ***Depreciation Expenses***

Depreciation Expenses consist of depreciation on the Tangible and Intangible assets of our Company which primarily includes land and building, plant and machinery, furniture and fixtures, vehicles, softwares, etc.

#### ***Other Expenses***

Other expenses primarily include advertisement, audit fees, bad debts, central sales tax, exhibition participation, postage and telegram, printing and stationary, etc

#### ***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.



## **Fiscal 2018 compared with fiscal 2017**

### *Revenue*

In fiscal 2018, our revenue from operations increased by ₹ 7,822.22 lakhs or 37.35%, from ₹ 20,944.17 lakhs in fiscal 2017 to ₹ 28,766.39 lakhs in fiscal 2018. The major factor for such increase was due to increase in sale of products and services.

Other income decreased by Rs.99.54 lakhs or 41.43%, from ₹ 240.24 lakhs in fiscal 2017 to ₹ 140.70 lakhs in fiscal 2018. The major factor for such decrease was due to exchange loss, share of profit/loss in partnership, profit on sale of assets.

### *Cost of material consumed*

Cost of material consumed increased by ₹ 7,986.82 lakhs or 60.85%, from ₹ Rs.13,124.56 lakhs in fiscal 2017 to ₹ 21,111.39 lakhs in fiscal 2018 due to increase in purchase of raw material.

### *Other manufacturing and operating expenses*

Other manufacturing and operating expenses increased by ₹ Rs.59.77 lakhs or 2.55%, from ₹ 2,342.80 lakhs in fiscal 2017 to ₹ 2,402.57 lakhs in fiscal 2018 due to increase in commissioning expenses, GST, etc

### *Employee Benefit Expenses*

Our staff cost increased by ₹ 202.10 lakhs or 13.58 %, from ₹ 1,487.82 lakhs in fiscal 2017 to ₹ 1,689.92 lakhs in fiscal 2018. This increase was mainly due to rise in Staff Welfare Expenses, salaries, bonus, etc.

### *Finance Cost*

Finance cost during the year increased by ₹ 59.80 lakhs or 14.88 %, from ₹ 401.96 lakhs in fiscal 2017 to ₹ 461.76 lakhs in fiscal 2018 due to increase in Interest expenses and bank charges.

### *Depreciation Expenses*

Depreciation expenses decreased by ₹ 45.26 lakhs, or 10.35% from ₹ 437.22 lakhs in fiscal 2017 to ₹ 391.96 lakhs in fiscal 2018. This decrease was on account of WDV effect on the existing assets.

### *Other Expenses*

Other expenses decreased by ₹ 182.63 lakhs or 8.93% from ₹ 2,045.76 lakhs in fiscal 2017 to ₹ 1,863.13 lakhs in fiscal 2018. The decrease was majorly due to decrease in certain expense like brokerage, property tax, motor car expenses, etc

### *Profit before Tax*

The increase in the total revenue has led to an increase in our Profit before tax by ₹ 294.98 lakhs or 20.01% from ₹ 1,473.98 lakhs in fiscal 2017 to ₹ 1,768.96 lakhs in fiscal 2018.

### *Profit after Tax*

After accounting for taxes at applicable rates, our Profit after Tax increased by ₹ 311.26 lakhs or 36.15%, from ₹ 861.14 lakhs in fiscal 2017 to ₹ 1,172.41 lakhs in fiscal 2018.



## **Fiscal 2017 compared with fiscal 2016**

### *Revenue*

In fiscal 2017, our revenue from operation increased by ₹ 1,599.22 lakhs or 8.27%, from ₹ 19,344.95 lakhs in fiscal 2016 to ₹ 20,944.17 lakhs in fiscal 2017. The major factor for such increase was due to increase in sale of products and services.

Other income increased by Rs.57.74 lakhs or 31.64%, from Rs.182.50 lakhs in fiscal 2016 to Rs.240.24 lakhs in fiscal 2017. The major factor for such increase was due to rise in exchange gain, interest received, profit on sale of assets, discount received.

### *Cost of material consumed*

Cost of material consumed increased by ₹ 1,045.75 lakhs or 8.66%, from ₹ 12,078.81 lakhs in fiscal 2016 to ₹ 13,124.56 lakhs in fiscal 2017. The increase was mainly due to increase in purchase of raw material.

### *Other manufacturing and operating expenses*

Other manufacturing and operating expenses increased by ₹ 162.77 lakhs or 7.47%, from ₹ 2,180.03 lakhs in fiscal 2016 to ₹ 2,342.80 lakhs in fiscal 2017 due to increase in excise duty, freight and octroi charges, due to increase in excise duty, freight and octroi charges, labor charges, etc.

### *Employee Benefit Expenses*

Our employees expenses increased by ₹ 69.84 lakhs or 4.93%, from ₹ 1,417.98 lakhs in fiscal 2016 to ₹ 1,487.82 lakhs in fiscal 2017. This increase was mainly due to increase in salaries, allowances, bonus.

### *Finance Cost*

Finance cost during the year increased by ₹ 134 lakhs or 50.01%, from ₹ 267.96 lakhs in fiscal 2016 to ₹ 401.96 lakhs in fiscal 2017. This increase was mainly due to increase in Interest expenses and bank charges.

### *Depreciation Expenses*

Depreciation expenses decreased by ₹ 46 lakhs or 9.52% from ₹ 483.22 lakhs in fiscal 2016 to ₹ 437.22 lakhs in fiscal 2017. This decrease was due to WDV effect on the existing assets and also due to reduction in fixed assets.

### *Other Expenses*

Other expenses increased by ₹ 174.89 lakhs or 9.35% from ₹ 1,870.86 lakhs in fiscal 2016 to ₹ 2,045.76 lakhs in fiscal 2017. The increase was due to increase in brokerage, house and light tax, local VAT, works contract tax.

### *Profit before Tax*

The increase in the total revenue has led to an increase in Profit before tax by ₹ 211.43 lakhs or 16.75% from ₹ 1,262.55 lakhs in fiscal 2016 to ₹ 1,473.98 lakhs in fiscal 2017.

### *Profit after Tax*

After accounting for taxes at applicable rates, our Profit after Tax increased by ₹ 65.84 lakhs or 8.65%, from ₹ 792.60 lakhs in fiscal 2016 to ₹ 861.14 lakhs in fiscal 2017.



## Fiscal 2016 compared with fiscal 2015

### Revenue

In fiscal 2016, our revenue from operation increased by ₹ 415.52 lakhs or 2.20%, from ₹ 18,929.43 lakhs in fiscal 2015 to ₹ 19,344.95 lakhs in fiscal 2016. The major factor for such increase was due to increase in sale of products and services and duty drawback .

Other income decreased by ₹ 118.49 lakhs or 39.37%, from ₹ 300.99 lakhs in fiscal 2015 to ₹ 182.50 lakhs in fiscal 2016. The major factor for such decrease was due to fall in exchange gain/loss, interest received.

### Cost of material consumed

Cost of material consumed decreased by ₹ 1245.18 lakhs or 9.35%, from ₹ 13323.99 lakhs in fiscal 2015 to ₹ 12078.81 lakhs in fiscal 2016.

### Other manufacturing and operating expenses

Other manufacturing and operating expenses increased by ₹ 728.31 lakhs or 50.17%, from ₹ 1451.72 lakhs in fiscal 2015 to ₹ 2180.03 lakhs in fiscal 2016 due to increase in commissioning expenses, water charges, entry tax

### Employee Benefit Expenses

Our staff cost increased by ₹ Rs.228.73 lakhs or 19.23%, from ₹ 1189.25 lakhs in fiscal 2015 to ₹ 1417.98 lakhs in fiscal 2016. This increase was mainly due to rise in salaries, allowances, contribution to provident and other funds.

### Finance Cost

Finance cost during the year decreased by ₹ Rs.13.89 lakhs or 4.93%, from ₹ 281.85 lakhs in fiscal 2015 to ₹ 267.96 lakhs in fiscal 2016. The major factor for such decrease was due to decrease in Bank Charges.

### Depreciation Expenses

Depreciation expenses decreased by ₹ 80.68 lakhs or 14.31% from ₹ 563.90 lakhs in fiscal 2015 to ₹ 483.22 lakhs in fiscal 2016. This increase was on account change in Companies Act, 2013

### Other Expenses

Other expenses increased by ₹ 303.07 lakhs or 19.33% from ₹ 1567.80 lakhs in fiscal 2015 to ₹ 1,870.86 lakhs in fiscal 2016. The increase was due to increase in advertisement, audit fees, books and periodicals, VAT, etc

### Profit before Tax

Our Profit before tax is increased by ₹ 369.02 lakhs or 41.30% from ₹ 893.53 lakhs in fiscal 2015 to ₹ 1,262.55 lakhs in fiscal 2016 due to rise in total revenue.

### Profit after Tax

After accounting for taxes at applicable rates, our Profit after Tax increased by ₹ 240.06 lakhs or 43.45%, from ₹ 552.54 lakhs in fiscal 2015 to ₹ 792.60 lakhs in fiscal 2016.

## Standalone Cash Flows

(₹ in lakhs)

Particulars	For the Year ended March 31,		
	2018	2017	2016
Net Cash from Operating Activities	2,348.20	929.39	75.52
Net Cash from Investing Activities	(10.29)	(842.43)	(784.43)
Net Cash used in Financing Activities	507.29	(345.76)	585.58





Particulars	For the Year ended March 31,		
	2018	2017	2016
Net Increase / (Decrease) in Cash and Cash equivalents	2845.19	(258.81)	(123.76)

#### ***Cash Flows from Operating Activities***

Net cash from operating activities in fiscal 2018 was ₹ 2,348.20 lakhs as compared to the PBT of Rs.1,768.96 lakhs for the same period. This difference is primarily on account of depreciation, Share from partnership fund, interest paid, bad debts, trade and other payable, other current assets, short term provisions, other current liabilities, long term provision.

Net cash from operating activities in fiscal 2017 was ₹ 929.39 lakhs as compared to the PBT of ₹ 1,473.98 lakhs for the same period. This difference is primarily on account of depreciation, Share from partnership fund, interest paid, bad debts, trade and other payable, other current assets, short term provisions, other current liabilities, long term provision.

Net cash from operating activities in fiscal 2016 was ₹ 75.52 lakhs as compared to the PBT of ₹ 1,262.55 lakhs for the same period. This difference is primarily on account of depreciation, Share from partnership fund, interest paid, bad debts, trade and other payable, other current assets, short term provisions, other current liabilities, long term provision.

#### ***Cash Flows from Investment Activities***

In fiscal 2018, the net cash invested in Investing Activities was negative ₹ 10.29 lakhs. This was on account of purchase of fixed assets .

In fiscal 2017, the net cash invested in Investing Activities was negative ₹ 842.43 lakhs. This was on account of purchase of fixed assets.

In fiscal 2016, the net cash invested in Investing Activities was negative ₹ 784.43 lakhs. This was on account of purchase of fixed assets.

#### ***Cash Flows from Financing Activities***

Net cash from financing activities in fiscal 2018 was ₹ 507.29 lakhs. This was on account of increase in long term borrowings.

Net cash from financing activities in fiscal 2017 was negative ₹ 345.96 lakhs. This was on account of repayment of long term borrowings and interest during the year.

Net cash from financing activities in fiscal 2016 was ₹ 585.58 lakhs. This was on account of increase in long term borrowings.



## RESULTS OF OUR CONSOLIDATED OPERATIONS

Particulars	For the year ended March 31,							
	2018	% of Total Income	Mar-17	% of Total Income	Mar-16	% of Total Income	Mar-15	% of Total Income
<b>REVENUE:</b>								
Revenue from Operations	38,037.82	99.20%	27,157.12	99.24%	24,977.58	99.24%	23,561.82	98.94%
Other Income	307.82	0.80%	207.91	0.76%	191.69	0.76%	277.32	1.16%
<b>Total Revenue</b>	<b>38,345.06</b>	<b>100.00%</b>	<b>27,365.03</b>	<b>100.00%</b>	<b>25,169.27</b>	<b>100.00%</b>	<b>23,839.14</b>	<b>100.00%</b>
<b>EXPENSES:</b>								
Cost of Material Consumed	28,594.38	74.57%	17,913.72	65.46%	16,749.08	66.55%	16,852.67	70.69%
Changes in Inventory	(820.00)	-2.14%	(114.71)	-0.42%	(55.44)	-0.22%	(34.74)	-0.15%
Other manufacturing & operating expenses	3,314.35	8.64%	3,118.62	11.40%	2,354.07	9.35%	1,600.81	6.72%
Employee benefit expenses	1,849.53	4.82%	1,487.82	5.44%	1,417.98	5.63%	1,340.16	5.62%
Finance costs	610.11	1.59%	494.39	1.81%	320.63	1.27%	465.03	1.95%
Depreciation & Amortisation cost	515.28	1.34%	515.47	1.88%	512.57	2.04%	586.70	2.46%
Other Expenses	2,016.75	5.26%	2,200.46	8.04%	2,450.45	9.74%	1,825.66	7.66%
<b>Total Expenses</b>	<b>36,080.38</b>	<b>94.09%</b>	<b>25,615.77</b>	<b>93.61%</b>	<b>23,749.34</b>	<b>94.36%</b>	<b>22,636.28</b>	<b>94.95%</b>
<b>Exceptional items</b>								
<b>Net Profit / (Loss) before Tax</b>	<b>2,265.26</b>	<b>5.91%</b>	<b>1749.26</b>	<b>6.39 %</b>	<b>1,419.93</b>	<b>5.64%</b>	<b>1,202.86</b>	<b>5.05%</b>
Less: Provision for Tax								
(a) Current Tax	730.87	1.91%	580.50	2.12%	494.87	1.97%	349.53	1.47%
(b) Deferred Tax (Assets)/ Liability	(91.57)	(0.24%)	88.84	0.32%	(10.05)	-0.04%	2.99	0.01%
(c) MAT Credit entitlement								
<b>Total</b>	<b>639.30</b>	<b>1.67%</b>	<b>669.34</b>	<b>2.45%</b>	<b>484.82</b>	<b>1.93%</b>	<b>352.52</b>	<b>1.48%</b>
<b>Net Profit / ( Loss ) for the period after tax but before extra ordinary items</b>	<b>1,625.95</b>	<b>4.24%</b>	<b>1079.92</b>	<b>3.95%</b>	<b>935.10</b>	<b>3.72%</b>	<b>850.34</b>	<b>3.57%</b>
Extraordinary Items								
<b>Net Profit / ( Loss ) for the period after tax and after extra ordinary items available for appropriation</b>	<b>1,625.95</b>	<b>4.24%</b>	<b>1079.92</b>	<b>3.95%</b>	<b>935.10</b>	<b>3.72%</b>	<b>850.34</b>	<b>3.57%</b>
Less : Proposed Dividend								
Dividend Distribution Tax								
<b>Net Profit Attributable to Minority</b>	<b>99.06</b>	<b>0.26%</b>	<b>57.60</b>	<b>0.21%</b>	<b>14.37</b>	<b>0.06%</b>	<b>63.80</b>	<b>0.27%</b>
<b>Net Profit transferred to Reserves</b>	<b>1,526.89</b>	<b>3.98%</b>	<b>1022.32</b>	<b>3.74%</b>	<b>920.73</b>	<b>3.66%</b>	<b>786.54</b>	<b>3.30%</b>



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## ***Main Components of our Profit and Loss Account***

### ***Revenue***

Our total revenue comprises of revenue from operations and other income.

#### ***Revenue from Operations***

Our revenue from operations as a percentage of total income was 99.20% ,99.24%,99.24% and 98.94% respectively, for the fiscals 2018,2017, 2016 and 2015.

#### ***Other Income***

Our other income comprises of interest income, rent income, exchange gain/loss, discount received & other miscellaneous income. Other income, as a percentage of total income was 0.80%, 0.76%, 0.76%, 1.16% respectively, for the fiscals 2018, 2017, 2016 and 2015.

### ***Expenditure***

Our total expenditure primarily consists of Cost of Material Consumed, Changes in Inventory, Other manufacturing and operating expenses, Employee Benefit Expenses, Finance costs, Depreciation & Amortisation cost and Other Expenses.

#### ***Cost of Material Consumed***

Cost of Material Consumed are primarily in relation to purchases of various components required to manufacture the control panels.

#### ***Other manufacturing and operating expenses***

Other manufacturing and operating expenses consists of commissioning expenses, custom duty, power and fuel expenses, factory maintenance, excise duty, etc

#### ***Employee Benefit Expenses***

Expenses in relation to employees' remuneration and benefits include employee's salaries, allowances, bonus, contribution to provident and other funds, etc

#### ***Finance costs***

Finance cost primarily consists of interest payable on loans availed by our Company from banks and bank charges etc.

#### ***Depreciation Expenses***

Depreciation Expenses consist of depreciation on the Tangible and Intangible assets of our Company which primarily includes land and building, plant and machinery, furniture and fixtures, vehicles , softwares, etc.

#### ***Other Expenses***

Other expenses primarily include advertisement, audit fees, bad debts, central sales tax, exhibition participation, postage and telegram, printing and stationary, etc

#### ***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.



## **Fiscal 2018 compared with fiscal 2017**

### *Revenue*

In fiscal 2018, our revenue from operations increased by ₹ 10,880.70 lakhs or 40.07 %, from ₹ 27,157.12 lakhs in fiscal 2017 to ₹ 38,037.82 lakhs in fiscal 2018. The major factor for such increase was due to increase in sale of products and services.

Other income increased by Rs. 99.91 lakhs or 48.05%, from Rs.207.91 lakhs in fiscal 2017 to Rs. 307.82 lakhs in fiscal 2018. The major factor for such increase was due to rise in exchange gain/loss, interest received, discount received.m

### *Cost of material consumed*

Cost of material consumed increased by ₹10,680.66 lakhs or 59.62%, from ₹ 17913.72 lakhs in fiscal 2017 to ₹ 28,594.38 lakhs in fiscal 2018 due to increase in purchase of raw material.

### *Other manufacturing and operating expenses*

Other manufacturing and operating expenses increased by ₹ 195.73 lakhs or 6.28%, from ₹ 3,118.62 lakhs in fiscal 2017 to ₹ 3,314.35 lakhs in fiscal 2018 due to increase in commissioning expenses, GST, etc

### *Employee Benefit Expenses*

Our staff cost increased by ₹ 361.71 lakhs or 24.31 %, from ₹1487.82 lakhs in fiscal 2017 to ₹ 1849.53 lakhs in fiscal 2018. This increase was mainly due to rise in Staff Welfare Expenses, salaries, bonus, etc.

### *Finance Cost*

Finance cost during the year increased by ₹ 115.72 lakhs or 23.41%, from ₹ 494.39 lakhs in fiscal 2017 to ₹ 610.11 lakhs in fiscal 2018 due to increase in Interest expenses and bank charges.

### *Depreciation Expenses*

Depreciation expenses decreased by ₹ 0.19 lakhs, or 0.04% from ₹ 515.47 lakhs in fiscal 2017 to ₹ 515.28 lakhs in fiscal 2018. This decrease was due to WDV effect on the existing assets.

### *Other Expenses*

Other expenses decreased by ₹ 183.71 lakhs or 8.35% from ₹ 2200.46 lakhs in fiscal 2017 to ₹ 2016.75 lakhs in fiscal 2018. The decrease was majorly due to decrease in certain expense like brokerage, property tax, motor car expenses, etc

### *Profit before Tax*

The increase in the total revenue has led to an increase in our Profit before tax by ₹ 516 lakhs or 29.50% from ₹ 1749.26 lakhs in fiscal 2017 to ₹ 2265.26 lakhs in fiscal 2018.

### *Profit after Tax*

After accounting for taxes at applicable rates, our Profit after Tax increased by ₹ 546.03 lakhs or 50.56%, from ₹ 1079.92 lakhs in fiscal 2017 to ₹ 1625.95 lakhs in fiscal 2018.



## **Fiscal 2017 compared with fiscal 2016**

### *Revenue*

In fiscal 2017, our total income increased by ₹ 2179.54 lakhs or 8.73 %, from ₹ 24977.58 lakhs in fiscal 2016 to ₹ 27157.12 lakhs in fiscal 2017. The major factor for such increase was due to increase in sale of products manufactured and traded .

Other income increased by ₹16.22 lakhs or 8.46%, from ₹191.69 lakhs in fiscal 2016 to ₹ 207.91 lakhs in fiscal 2017. The major factor for such increase was due to rise in exchange gain, interest received , discount received.

### *Cost of material consumed*

Cost of material consumed increased by ₹ 1164.64 lakhs or 6.95%, from ₹ 16749.08 lakhs in fiscal 2016 to ₹17913.72 lakhs in fiscal 2017.The increase was mainly due to increase in purchase of raw material.

### *Other manufacturing and operating expenses*

Other manufacturing and operating expenses increased by ₹ 764.55 lakhs or 32.48%, from ₹ 2354.07 lakhs in fiscal 2016 to ₹ 3118.62 lakhs in fiscal 2017 due to increase in excise duty, freight and octroi charges, due to increase in excise duty, freight and octroi charges, labor charges,etc.

### *Employee Benefit Expenses*

Our employees expenses increased by ₹ 69.84 lakhs or 4.93%, from ₹ 1417.98 lakhs in fiscal 2016 to ₹ 1487.82 lakhs in fiscal 2017. This increase was mainly due to increase in salaries, allowances, bonus.

### *Finance Cost*

Finance cost during the year increased by ₹ 173.76 lakhs or 54.19%, from ₹ 320.63 lakhs in fiscal 2016 to ₹ 494.39 lakhs in fiscal 2016. The was mainly due to increase in Interest expenses and bank charges.

### *Depreciation Expenses*

Depreciation expenses increased by ₹ 2.90 lakhs or 0.57% from ₹ 512.57 lakhs in fiscal 2016 to ₹ 515.47 lakhs in fiscal 2017. This decrease was due to WDV effect on the existing assets.

### *Other Expenses*

Other expenses decreased by ₹ 249.99 lakhs or 10.20% from ₹ 2450.45 lakhs in fiscal 2016 to ₹ 2200.46 lakhs in fiscal 2017. The decrease was due to decrease in brokerage, house and light tax, local VAT, works contract tax.

### *Profit before Tax*

The increase in the total revenue has led to an increased in Profit before tax by ₹ 329.33 lakhs or 23.19% from ₹ 1419.93 lakhs in fiscal 2016 to ₹ 1749.93 lakhs in fiscal 2017.

### *Profit after Tax*

After accounting for taxes at applicable rates, our Profit after Tax increased by ₹ 144.82 lakhs or 15.49 %, from ₹ 935.1 lakhs in fiscal 2016 to ₹ 1079.92 lakhs in fiscal 2017.

## **Fiscal 2016 compared with fiscal 2015**

### *Revenue*

In fiscal 2016, our total income increased by ₹ 1415.76 lakhs or 6.01%, from ₹ 23561.82 lakhs in fiscal 2015 to 24977.58 lakhs in fiscal 2016. The major factor for such increase was due to increase in sale of products and services and duty drawback .



Other income decreased by ₹ 85.63 lakhs or 30.88%, from ₹ 277.32 lakhs in fiscal 2015 to ₹ 191.69 lakhs in fiscal 2016. The major factor for such decrease was due to fall in exchange gain/loss, interest received.

#### *Cost of material consumed*

Cost of material consumed decreased by ₹ 103.59 lakhs or 0.61%, from ₹ 16852.67 lakhs in fiscal 2015 to ₹ 16749.08 lakhs in fiscal 2016 due to decrease in the prices of raw materials used in manufacturing of the products of the company.

#### *Other manufacturing and operating expenses*

Other manufacturing and operating expenses increased by ₹ 753.26 lakhs or 47.05%, from ₹ 1600.81 lakhs in fiscal 2015 to ₹ 2354.07 lakhs in fiscal 2016 due to increase in commissioning expenses, water charges, entry tax

#### *Employee Benefit Expenses*

Our staff cost increased by ₹ 77.82 lakhs or 5.81%, from ₹ 1340.16 lakhs in fiscal 2015 to ₹ 1417.98 lakhs in fiscal 2016. This increase was mainly due to rise in salaries, allowances, contribution to provident and other funds.

#### *Finance Cost*

Finance cost during the year decreased by ₹ 144.40 lakhs or 31.05%, from ₹ 465.03 lakhs in fiscal 2015 to ₹ 320.63 lakhs in fiscal 2016. The major factor for such decrease was due to decrease in Bank Charges.

#### *Depreciation Expenses*

Depreciation expenses decreased by ₹ 74.13 lakhs or 12.64% from ₹ 586.7 lakhs in fiscal 2015 to ₹ 512.57 lakhs in fiscal 2016. This decrease was on account of depreciation effect due to change in Companies Act, 2013

#### *Other Expenses*

Other expenses increased by ₹ 624.79 lakhs or 34.22% from ₹ 1825.66 lakhs in fiscal 2015 to ₹ 2450.45 lakhs in fiscal 2016. The increase was due to increase in advertisement, audit fees, books and periodicals, VAT, etc

#### *Profit before Tax*

Our Profit before tax is increased by ₹ 217.01 lakhs or 18.05% from ₹ 1202.86 lakhs in fiscal 2015 to ₹ 1419.93 lakhs in fiscal 2016 due to rise in total revenue.

#### *Profit after Tax*

After accounting for taxes at applicable rates, our Profit after Tax increased by ₹ 84.76 lakhs or 9.97%, from ₹ 850.34 lakhs in fiscal 2015 to ₹ 935.1 lakhs in fiscal 2016.

### **Consolidated Cash Flows**

(₹ in lakhs)

Particulars	For the Year ended March 31,		
	2018	2017	2016
Net Cash from Operating Activities	2,571.58	1,311.72	299.51
Net Cash from Investing Activities	(497.41)	(1,609.52)	(847.29)
Net Cash used in Financing Activities	676.21	186.39	516.80
Net Increase / (Decrease) in Cash and Cash equivalents	2,750.39	(111.41)	(30.98)



### ***Cash Flows from Operating Activities***

Net cash from operating activities in fiscal 2018 was ₹ 2,571.58 lakhs as compared to the PBT of ₹ 2,265.26 lakhs for the same period. This difference is primarily on account of depreciation, interest received, financial expenses, trade and other payable, other current assets, short term provisions, other current liabilities, long term provision.

Net cash from operating activities in fiscal 2017 was ₹ 1,311.72 lakhs as compared to the PBT of ₹ 1,749.26 lakhs for the same period. This difference is primarily on account of depreciation, interest received, financial expenses, trade and other payable, other current assets, short term provisions, other current liabilities, long term provision.

Net cash from operating activities in fiscal 2016 was ₹ 299.51 lakhs as compared to the PBT of ₹ 1,419.93lakhs for the same period. This difference is primarily on account of depreciation, interest received, financial expenses, trade and other payable, other current assets, short term provisions, other current liabilities, long term provision.

### ***Cash Flows from Investment Activities***

In fiscal 2018, the net cash invested in Investing Activities was negative ₹ 497.41lakhs. This was on account of purchase of fixed assets .

In fiscal 2017, the net cash invested in Investing Activities was negative ₹ 1,609.52 lakhs. This was on account of purchase of fixed assets.

In fiscal 2016, the net cash invested in Investing Activities was negative ₹ 847.29 lakhs. This was on account of purchase of fixed assets.

### ***Cash Flows from Financing Activities***

Net cash from financing activities in fiscal 2018 was ₹ 676.21lakhs. This was on account of increase in long term borrowings and interest during the year.

Net cash from financing activities in fiscal 2017 was ₹ 186.39 lakhs. This was on account of repayment of long term borrowings and interest during the year.

Net cash from financing activities in fiscal 2016 was ₹ 516.80 lakhs. This was on account of increase in long term borrowings and interest during the year.

## **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. 164 and 209 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. 17 and 209 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. 17 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. Total turnover of each major industry segment in which our Company operates.**

Our Company is an Integrated Electrical and Automation Solution Provider dealing in comprehensive electrical solution across industries with significant presence in Marine sector (Indian Navy, Commercial Shipbuilding) and Non Marine sector (Data Centre, Building Management Systems, Industrial etc). Relevant industry data, as available, has been included in the chapter titled “*Industry Overview*” beginning on page no. 85 of this Prospectus.

#### **7. Status of any publicly announced new products or business segments**

Please refer to the chapter titled “*Our Business*” beginning on page no.98 of this Prospectus.

#### **8. The extent to which the business is seasonal.**

Our business is not seasonal in nature.

#### **9. Any significant dependence on a single or few suppliers or customers**

Our Company does not depend on few customers or few suppliers. For further details, please refer chapter “*Our Business*” beginning on page no. 98 of this Prospectus.

#### **10. Competitive Conditions**

Our Company faces competition from players in the global market as well as domestic market. We expect competition to intensify due to possible changes in government policy in relation to exports and further compliance standards for the products manufactured by us, existing competitors globally and locally further expanding their operations and further many small and medium-sized companies and entities engaged in manufacturing of chemicals. This we believe may impact our financial condition and operations.



## FINANCIAL INDEBTEDNESS

Set forth below, is a brief summary of our Company's borrowings as on March 31, 2018 together with a brief description of certain significant terms / material covenants of the relevant financing arrangements.

(₹ in lakhs)

Nature of Borrowing	Amount
Secured Borrowings <sup>(1)</sup>	3,307.88
Unsecured Borrowings	-
<b>Total</b>	<b>3,307.88</b>

<sup>(1)</sup>Includes ₹ 276.57 lakhs shown under Other Current Liabilities as 'Current Maturities of Long Term Debt'

### A. Details of Secured Loans (other than vehicle loans)

(₹ in lakhs)

Name of Lenders	Type of Loan	Date of Sanction	Amount Sanctioned	Amount outstanding as on March 31, 2018	Interest (in %)	Repayment	Security
Axis Bank <sup>(2)</sup>	Cash Credit <sup>(1)</sup>	November 09, 2017	200.00	(1,188.72)	3 months MCLR + 2.00 bps	On Demand	Note 1
	Bank Guarantee	November 09, 2017	2,480.00 <sup>(3)</sup>	2,478.75 <sup>(4)</sup>	0.65% p.a. plus applicable taxes, if any, payable upfront	12 months or tenor of counter BG to be received by GE corporation group companies whichever is lower	Note 2
State Bank of India	Cash Credit <sup>(5)</sup>	November 10, 2017	2,800.00 <sup>(5)</sup>	2,788.25	2.00% above 1 year MCLR	Valid till 11.10.2018	Note 3
	Bank Guarantee	November 10, 2017	6,000.00 <sup>(6)</sup>	1,956.52	SBI Card rate plus GST. Inland BG - Performance Bank Guarantee - 1.80% p.a. + GST, Minimum Commission per BG- Rs. 0.006+ GST, Financial Bank Guarantee- 2.10% p.a. + GST, Minimum Commission per BG- Rs. 0.006 + GST	Period of Advance 12 months	Notes 3
	LC/Buyers Credit /CEL	November 10, 2017	4,500.00 (Sublimit of BG limit of ₹ 6,000.00)	3,530.35	SBI Card rate +GST 0.90%p.a., Minimum commission per LCRs ₹ 0.02 Buyers Credit - 2.20%p.a. +GST	Upto 120 days usance (max)	Note 3
ICICI Bank <sup>(9)</sup>	Cash Credit	September 14, 2016	50.00	117.29	Sum of I-MCLR 6M +1.90% p.a. .Currently it is 8.25%	February 26, 2019	Note 4
	Derivative	September 14, 2016	100.00	-	-	-	Note 4



Name of Lenders	Type of Loan	Date of Sanction	Amount Sanctioned	Amount outstanding as on March 31, 2018	Interest (in %)	Repayment	Security
	Bank Guarantee	September 14, 2016	4,000.00	2,379.55	Commission is 1.25% p.a. all inclusive In case of foreign currency bank guarantees, the following charges will be additional: SWIFT/communication charges ₹ 500 per guarantee Correspondent bank charges, if any, shall be charged on actuals	February 26, 2019	Note 4
	Term Loan 1	September 29, 2016	226.00 <sup>(7)</sup>	184.38	LIBOR 3M +4.05%	Maturity date is August 31, 2019	Note
	Term Loan 2	March 06, 2017	205.00 <sup>(8)</sup>	184.40	I-MCLR 1Year +Spread of 1.90%	Maturity date is August 30, 2020	Note 6

<sup>(1)</sup> One way interchangeable from CC to BG)

<sup>(2)</sup> A new sanction letter dated 14<sup>th</sup> August, 2018 has been issued, wherein the limits of cash credit has been revised as ₹ 50 lakhs and limits of non fund based facility has been revised to ₹ 3,450 lakhs as per the new sanction letter

<sup>(3)</sup> One new sanction of Rs 180 lakh, Bank Guarantee facility has been issued against security of Fixed Deposit of Rs 180 lakhs

<sup>(4)</sup> Refund Bank Guarantee given to customers (Net of liabilities accounted for) reduced by an amount of ₹ 1,305.66 lakhs towards the counter bank guarantee received from subcontractor (GE)

<sup>(5)</sup> One way interchangeability from FBWC limit to BG limit to the extent of 100% i.e Rs.28 cr. of FBWC limit

<sup>(6)</sup> It includes ₹ 4,500.00 lakh of limit interchangeable for LC/Buyers Credit /CEL

<sup>(7)</sup> It can be used as FCNR –Term loan in foreign currency, exposure to be restricted to ₹ 226 lakhs in INR Equivalent.

<sup>(8)</sup> It can be used as CAPEX Buyers credit –For Capita Expenditure equivalent to ₹ 205 lakhs in INR Equivalent<sup>1</sup>.

<sup>(9)</sup> A new sanction letter dated 27<sup>th</sup> April, 2018 has been issued to upgrade the sanction limits, the limits has been taken as per the new sanction letter.

#### Note 1: Primary Security:

Hypothecation of entire current assets including stock, raw material, semi finished goods, consumable stores, receivables, bills, deposits etc. both present and future of the Company paripasu with other banks

#### Collateral Security:

Industrial Property situated at plot no: C1, B-71 and C1, B-72, GIDC Industrial Estate, Surat Hazira road, Ichhpore Bhatpore, Opp GAIL colony, Surat- 394510 owned by Marine Electricals (India) Limited

#### Guarantees:

##### A. Personal Guarantees

1. Venkatesh Krishnappa Uchil,
2. Vinay Krishna Uchil



## **B. Corporate guarantee**

1. KDU Enterprises Private Limited

### **Note 2: Collateral for BG:**

Assignment of BG from GE Corporation group companies (i.e. GE T&D India Ltd and GE Power Conversion India Ltd.) in favour of Marine Electricals (India) Limited (Value of the BG to be minimum 62.44 % of the value of BG to be issued by our Bank)

Any shortfall if any to be covered by cash margin.

### **Note 3: Primary Security:**

1st pari-passu Hypothecation charge over inventory, book debts and other movable current assets, present & future at Mumbai and Goa plants.

### **Collateral Security:**

1. EM/RM on Unit No B-1, Ground Floor, Industrial Computer and Software Premises Co. Op. Soc. Ltd., Udyog Sadan-3, Plot no-F-4+5+6, MIDC, Andheri (E), Mumbai owned by Marine Electricals(l) Pvt. Ltd. (area 204 sq.mtrs i.e. 2195 sq.ft.built up)
2. EM on factory premises at S-17/18, Verna Industrial Estate. Phase-I, Verna Electronic City, Saleete, Goa owned by Marine Electricals(l) Pvt. Ltd. (Plot area 2000 sq.mtrs & factory building 1334.07 sq.mtrs built up) Hypothecation of existing P&M at B-1, Udyog Sadan- Andheri.
3. Hypothecation of existing P&M at S-17/18, Goa
4. EM/RM on Unit No A-2, Ground Floor, Industrial Computer and Software Premises Co. Op. Soc. Ltd., Udyog Sadan No.3, Central Road, Near Seepz Bus Depot, Andheri (E) Mumbai owned by M/s Philins Industrial Corporation (Area- 184 sq. mt. of Built up)
5. EM/RM on Unit No B-2, Ground Floor, Industrial Computer and Software Premises Co. Op. Soc. Ltd., Udyog Sadan No.3, Central Road, Near Seepz Bus Depot, Andheri (E) Mumbai owned by KDU Enterprises Pvt. Ltd. (Area- 223 sq. mt. of Built up).
6. EM/RM on Unit No D-1, Ground Floor, Industrial Computer and Software Premises Co. Op. Soc. Ltd., Udyog Sadan No.3, Central Road, Near Seepz Bus Depot, Andheri (E) Mumbai owned by KDU Enterprises Pvt. Ltd. (Area- 184 sq. mt. of Built up).
7. EM/RM on Unit No B-3, Ground Floor, Industrial Computer and software Premises Co.Op. Soc. Ltd., Udyog Sadan No.3, Central Road, Near Seepz Bus Depot, Andheri (E) Mumbai owned by KDU Enterprises Pvt. Ltd. (Area- 2195 sq. ft. of Built up).
8. EM/RM on 502/A and 502/B, Fifth Floor, Heritage, Hiranandani gardens, CTS Nos. 20(pt), 21{pt), 22(pt) and 30(ptj, Powai, Mumbai - 400076 owned by Mr. Venkatesh Uchil (Area - 1790 sq. ft.)

### **Guarantees:**

#### **A. Personal Guarantees**

1. Venkatesh Krishnappa Uchil
2. Vinay Krishna Uchil

#### **B. Corporate guarantee of**

1. KDU Enterprises Private Limited
2. M/s Philins Industrial Corporation

### **Note 4: Primary Security:**

Hypothecation on companies entire stocks of raw material, semi finished and finished goods, consumable stores and spares and such other movable including book-debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the Bank.

**Collateral Security:**

1. Equitable mortgage on commercial Property at C1 and C2, Udyog Sadan 3, MIDC, Andheri East Mumbai. (Owned by KDU Enterprises - Holding Company)
2. Equitable mortgage on commercial Property Plot no. 16, road no.9, MIDC, Andheri East (owned by MEIPL).

**Note 5: Primary Security:**

Equitable mortgage of commercial property at Plot no 16, Road no.9,MIDC,Andheri East (owned by MEIPL)

**Collateral Security:**

Hypothecation on firm's entire stocks of raw material , semi-finished and finished goods, consumable stores and spares and such other movable including book- debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the Bank

**Note 6: Primary Security:**

Exclusive charge on all of the Company's fixed assets (Plant and Machinery) funded by Rupee Term Loan 2)

**Personal Guarantees:**

Unconditional and irrevocable personal guarantee of the following person :

- Mr. Vinay Uchil
- Mr. Venkatesh Uchil

**C. Details of Vehicle Loans**

As on 31st March,2018 we have an outstanding amount of Rs 33.56 lakhs in respect to Vehicle Loans taken from ICICI Bank, Volkswagen Financial Services and Kotak Bank for six different vehicles .

**RESTRICTIVE / NEGATIVE COVENANTS**

The above loan agreements includes various restrictive covenants in relation to certain actions to be undertaken by our Company and for which prior written approval of the Bank(s) is required. The major restrictive covenants (which require prior approval) are mentioned below: (some of these may be common across all banks, while some may be specific to a particular bank).

1. Borrower/Obligor shall not, without the prior written approval of the Bank:
  - make any Restricted Payments other than as permitted;
  - wind up/liquidate its affair;
  - agree/authorize to settle any litigation/arbitration having a material adverse effect;
  - change the general nature of its business or undertake any expansion or invest in any other entity;
  - permit any change in its ownership/control/management (including by pledge of promoter/sponsor shareholding in the Borrower to any third party);
  - change remuneration of its directors in any manner other than as mandated by legal or regulatory provisions;
  - effect any change in its accounting method or policies;
  - make any amendments to it's constitutional documents;
  - avail any loan; and/or stand as surety or guarantor for any third party liability or obligation; and/or provide any loan or advance to any third party, save and except as follows;
  - pay any commission to its promoters/directors/security providers;
  - utilize the Facility sanctioned for any purpose other than the end use as permitted; change its financial year-end from the date it has currently adopted; and
  - Enter into arrangement whereby its business/ operations are managed or controlled, directly or indirectly, by any other person.



## SECTION VII: LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no (i) outstanding criminal proceedings; (ii) action taken by statutory or regulatory authorities; (iii) tax proceedings; (iv) material litigation, in each case, involving our Company, our Subsidiary, or our Directors; (v) any litigation involving our Company, our Subsidiary, our Directors or any other person whose outcome could have a material adverse effect on the position of our Company; (vi) inquiries, inspections or investigations initiated or conducted under the Companies Act against our Company and our Subsidiary in the preceding five (5) years from the date of this Red Herring Prospectus; (vii) pending proceedings initiated against our Company for economic offences; (viii) material frauds committed against our Company in the preceding five (5) years from the date of this Prospectus; (ix) defaults for non-payment of statutory dues; (x) fines imposed or compounding of offences against our Company or our Subsidiary in the preceding five (5) years from the date of this Prospectus; (xi) matters involving our Company and our Subsidiary pertaining to violations of securities law; and (xii) outstanding dues to material creditors and small scale undertakings.

The details of the outstanding litigation or proceedings involving our Company, Subsidiary and our Directors are described in this section in the manner as set forth below. Pursuant to SEBI (ICDR) Regulations, for the purposes of disclosure, our Board on August 06, 2018 has considered all other pending litigations involving our Company, Subsidiary and our Directors, other than criminal proceedings, statutory or regulatory actions, as 'material' if the monetary amount of claim by or against the entity or person in any such pending matter exceeds one per cent of the revenue of our Company as per the Audited Financial Information for fiscal 2018 is ₹ 289.07 lakhs. Further, pre-litigation notices received by our Company, Directors and Subsidiary (excluding those notices issued by statutory, regulatory or tax authorities), unless otherwise decided by the Board, are not evaluated for materiality until such time that such parties are impleaded as defendants in litigation proceedings before any judicial forum. Accordingly, we have only disclosed all outstanding litigations involving our Company and Subsidiary. In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation has been considered 'material' only in the event that the outcome of such litigation has a bearing on the operations or performance of our Company.

#### I. LITIGATION INVOLVING OUR COMPANY

##### A. Criminal cases filed by our Company

Our Company has instituted a criminal proceeding under the provisions of the Negotiable Instruments Act, 1881. The criminal complaint has been lodged with the Metropolitan Magistrate, Andheri, Mumbai, against Ishaan Gems Private Limited, Vikram Singh and Premlata Singh (collectively the “**Accused**”). The brief facts of the case are that the Accused issued a cheque of ₹ 20,97,416 in relation to the full and final settlement of rent payment of the property leased by the Company. The Accused dishonored the cheque by stopping payment of the same. The matter is pending.

##### B. Criminal cases filed against our Company

As on the date of this Prospectus, there are no criminal proceedings initiated against our Company.

##### C. Civil cases filed by our Company

As on the date of this Prospectus, there are no criminal proceedings initiated against our Company.

##### D. Civil cases filed against our Company

As on the date of this Prospectus, there are no civil proceedings initiated against our Company.

##### E. Revenue proceedings against our Company

Nature of case	Number of cases	Amount involved (₹ in lakhs)
Direct Tax	3	55.35
Indirect Tax	Nil	Nil



#### **F. Material frauds committed against our Company**

There have been no instances of material frauds committed against our Company in the preceding five (5) years from the date of this Prospectus.

#### **G. Past cases where penalties imposed**

There have been no past cases in the five (5) years preceding the date of this Prospectus, where penalties were imposed on our Company by concerned authorities.

#### **H. Past inquiries, inspections and investigations under the Companies Act**

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous Company law in the last five (5) years immediately preceding the year of issue of the Red Herring Prospectus in the case of our Company and its Subsidiary.

#### **I. Fines imposed or compounding of offences**

There have been no prosecutions filed by our Company and its Subsidiary (*whether pending or not*) fines imposed, compounding of offences in the last five (5) years immediately preceding the year of the Prospectus.

#### **J. Proceedings initiated against our Company for economic offences**

There are no pending proceedings initiated against our Company for any economic offences as on the date of this Prospectus.

#### **K. Defaults and non-payment of statutory dues**

Our Company has no outstanding defaults in relation to statutory dues, dues payable to holders of any debentures (*including interest*) or dues in respect of deposits (*including interest*) or any defaults in repayment of loans from any bank or financials institution (*including interest*).

#### **L. Outstanding dues to Creditors**

Our Board has, pursuant to its resolution dated August 06,2018, approved that all creditors of our Company to whom the amount due by our Company exceeds ₹ 289.07 lakhs, i.e. 1% of revenue of our Company as of March 31, 2018 as per the Audited Financial Information of our Company shall be considered "material" creditors of our Company.

The outstanding dues owed to small scale undertakings and other creditors, separately, giving details of number of cases and amounts for all dues where each of the dues exceeds ₹ 289.07 lakhs as on March 31, 2018, is set out below:

<b>Material Creditors</b>	<b>Number of cases</b>	<b>Amount involved (₹ in lakhs)</b>
Small scale undertakings	NIL	NIL
Other creditors	5	9,905.87

The details pertaining to outstanding dues towards our creditors are available on the website of our Company at [www.marineelectricals.com](http://www.marineelectricals.com). It is clarified that such details available on our website do not form a part of this Prospectus. Anyone placing reliance on any other source of information, including our Company's website, [www.marineelectricals.com](http://www.marineelectricals.com), would be doing so at their own risk.

## **II. LITIGATION INVOLVING OUR PROMOTERS AND DIRECTORS**

#### **A. Outstanding criminal litigation involving our Promoters and Directors**

As on the date of this Prospectus, there are no criminal proceedings initiated against or by our Promoters and Directors.





**B. Outstanding civil cases involving our Promoters and Directors**

As on the date of this Prospectus, there are no civil proceedings initiated against or by our Promoters and Directors.

**C. Pending action by statutory or regulatory authorities against any of our Promoters and Directors**

As on the date of this Prospectus, there are no pending actions by any statutory or regulatory authorities against our Promoters and Directors.

**D. Revenue proceedings involving our Promoters and Directors**

As on the date of this Prospectus, there are no revenue proceedings involving our Promoters and Directors.

**E. Other material outstanding litigation involving our Promoters and Directors**

As on the date of this Prospectus, there are no material outstanding litigation initiated by or against our Promoters and Directors.

**III. LITIGATION INVOLVING OUR GROUP COMPANIES**

**A. Outstanding criminal litigation involving our Group Companies**

As on the date of this Prospectus, there are no criminal proceedings initiated by or against our Group Companies.

**B. Outstanding civil case involving our Group Companies**

Dhirendra Plastic Industries (“**Plaintiff**”) filed a plaint dated December 20, 2017 before the Principal Senior Judge at Jamnagar against our Group Company Mcgeoch Marine Electricals Private Limited (“**Defendant**”), seeking damages amounting to ₹ 2,54,881 along with interest. The Plaintiff alleged non-payment of dues by the Defendant in exchange for goods sold and delivered to the Defendant. The matter is pending.

**C. Pending action by statutory or regulatory authorities against any of our Group Companies**

As on the date of this Prospectus, there are no pending actions by any statutory or regulatory authorities against our Group Companies.

**D. Tax proceedings involving our Group Companies**

As on the date of this Prospectus, please see below the tax proceedings involving our Group Company Mcgeoch Marine Electricals Private Limited:

Nature of case	Number of cases	Amount involved (₹ in lakhs)
Direct Tax	2	13.72
Indirect Tax	3	73.29

**E. Other material outstanding litigation involving our Group Companies**

As on the date of this Prospectus, there are no material outstanding litigation initiated by or against our Group Companies.

**IV. LITIGATION INVOLVING OUR SUBSIDIARIES**

**A. Outstanding criminal litigation involving our Subsidiaries**

As on the date of this Prospectus, there are no criminal proceedings initiated by or against our Subsidiaries.

**B. Outstanding civil case involving our Subsidiaries**



As on the date of this Prospectus, there are no material civil proceedings initiated by or against our Subsidiaries.

**C. Pending action by statutory or regulatory authorities against any of our Subsidiaries**

As on the date of this Prospectus, there are no pending actions by any statutory or regulatory authorities against our Subsidiaries.

**D. Tax proceedings involving our Subsidiaries**

As on the date of this Prospectus, please see below the tax proceedings involving our Subsidiaries i.e. Narhari Engineering Works:

Nature of case	Number of cases	Amount involved (₹ in lakhs)
Direct Tax	Nil	Nil
Indirect Tax	2	10.11

**E. Other material outstanding litigation involving our Subsidiaries**

As on the date of this Prospectus, there are no material outstanding litigation initiated by or against our Subsidiaries.

**V. MATERIAL DEVELOPMENTS**

There have not arisen, since the date of the last financial information disclosed in this Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our profitability taken as a whole, or the value of our consolidated assets or our ability to pay our liabilities within the next twelve (12) months.



## GOVERNMENT AND OTHER KEY APPROVALS

*We have received the necessary consents, licenses, permissions and approvals from the Government of India and various governmental agencies required by us to undertake this Issue and for our present business and except as mentioned below, no further material approvals are required for carrying on our present business operations. Unless otherwise stated, these approvals are valid as on the date of this Prospectus.*

*The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to undertake its existing business activities.*

### **I. Approvals for the Issue**

The following approvals have been obtained or will be obtained in connection with the Issue:

- a. Our Board, pursuant to its resolution dated August 03, 2018 authorized the Issue subject to approval of the shareholders of our Company under Section 23, 26, 62(1)(c) of the Companies Act, 2013;
- b. The shareholders of our Company have, pursuant to their resolution passed at the extra ordinary general meeting of our Company held on August 04, 2018 under Section 23, 26, 62(1)(c) of the Companies Act, 2013, authorized the Issue;
- c. Our Board approved the Draft Red Herring Prospectus pursuant to its resolution dated August 16, 2018;
- d. In-principle approval from NSE dated September 05, 2018.
- e. Central Depository Services (India) Limited by way of their letter dated August 29, 2018 intimated our Company about the activation of the ISIN for the purpose of availing depository services. The ISIN allotted to us is INE01JE01010 .
- f. National Securities Depository Limited by way of their e-mail dated September 05, 2018 intimated our Company about the activation of the ISIN for the purpose of availing depository services. The ISIN allotted to us is INE01JE01010 .

### **II. Corporate Approvals**

- a. Certificate of incorporation dated December 4, 2007 issued by the Registrar of Companies, Maharashtra, Mumbai in our former name, being Marine Electricals (India) Private Limited.
- b. Fresh certificate of incorporation dated August 1, 2018 issued by the Registrar of Companies, Maharashtra, Mumbai, consequent upon change of name on conversion to a public Company in the name of Marine Electricals (India) Limited.
- c. Corporate Identity Number (CIN): U31907MH2007PLC176443.

### **III. Tax Approvals in relation to our Company**

- a. The Permanent Account Number of our Company is AAFCM3153Q.
- b. The Tax Deduction Account Number (TAN) of our Company is MUMM33180A.
- c. The Tax Payer Identification Number (Central) of our Company is 27880637045C
- d. Registration certificate under The Central Goods and Services Tax Act, 2017 (GST) for the state of Maharashtra bearing registration no. 27AAFCM3153Q1Z0.
- e. Registration certificate under The Central Goods and Services Tax Act, 2017 (GST) for the state of Tamil Nadu bearing registration no.33AAFCM3153Q1Z7.
- f. Registration certificate under The Central Goods and Services Tax Act, 2017 (GST) for the state of Goa bearing



registration no. 30AAFCM3153Q1ZD.

- g. Registration certificate under The Central Goods and Services Tax Act, 2017 (GST) for the state of Gujarat bearing registration no. 24AAFCM3153Q1Z6.
- h. The Service Tax Code for our factory at Goa (*Plot No. N-51, N-52, N-59&N-60*) is AAFCM3153QSD003.
- i. The Service Tax Code for our factory at Goa (*Plot No.S-17 & S-18*) is AAFCM3153QST001.
- j. The Service Tax Code for our office at Mumbai (*Plot No. A-2, B-1, B-2, B-3, C-1, C-2 & D-2*) is AAFCM3153QST002.

Our Company is required to register itself under various national tax laws, as well as state specific tax laws such as the IT Act, CST Act, excise, and value added tax legislations. Our Company is also required to pay service tax. Our Company has obtained necessary licenses and approvals from the appropriate regulatory and governing authorities, in relation to such tax laws.

#### **IV. Approvals obtained in relation to business operations**

Our Company requires various approvals and/or licenses to carry on our business in India. Some of these may expire in the ordinary course of business and applications for renewal of these approvals are submitted in accordance with applicable procedures and requirements.

- a. Our Company has obtained a license to work a factory at Goa (*Plot No.S-17 & S-18*) bearing number GOA/1254 issued by Chief Inspector of Factories and Boilers.
- b. Our Company has obtained a license to work a factory at Goa (*Plot No.N-51, N-52, N-59&N-60*) bearing number GOA/1480 issued by Chief Inspector of Factories and Boilers.
- c. Our Company has obtained a license to work a factory at Mumbai (*Plot No.A-2, B-1, B-2, B-3, C-1, C-2 & D-2*) bearing number 31909/M1262 issued by the Inspector of Factories, Maharashtra, Mumbai.
- d. Our Company has obtained a no objection certificate for our factory at Goa (*Plot No. N-51, N-52, N-59&N-60*) bearing no. DFES/FP/C-1/17-18/621 dated March 3, 2018 issued by the Directorate of Fire and Emergency Services, Goa.
- e. Our Company has obtained a no objection certificate for our factory at Goa (*Plot No. S-17 & S-18*) bearing no. DFES/FP/C-1/18-19/315 dated August 3, 2018 issued by the Directorate of Fire and Emergency Services, Goa.
- f. Our Company has obtained a Load Approval Letter for our factory at Goa (*Plot No. N-51, N-52, N-59&N-60*) bearing no. EE/DIV.XIV/VR/PC-133/1015/2010-11 dated August 16, 2010 issued by the Executive Engineer, Verna, Goa.
- g. Our Company has obtained a Load Approval Letter for our factory at Goa (*Plot No.S-17 & S-18*) bearing no. AE/VSG-O&M/II(R)/Tech-1/1126/02-03 dated November 1, 2002 issued by the Assistant Electrical Engineer, Vasco, Goa.

#### **V. Approvals obtained in relation to labour laws**

Our Company has obtained the registrations under applicable labor laws including, but not limited to, registrations under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and the Employees' State Insurance Act, 1948 and Contract Labour (Regulation and Abolition) Act, 1970.

#### **VI. Approvals obtained in relation to Environmental Laws**

- a. Our Company has obtained a consent to operate and authorization for our factory at Goa (*Plot No. S-17 & S-18*) under the Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981 and Hazardous Waste (Management, Handling & Trans boundary Movement) Rules, 2008 bearing no. 5/4984/10-PCB/11831 dated December 26, 2013 issued by the Goa State Pollution Control Board.



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- b. Our Company has obtained a consent to operate and authorization for our factory at Goa (*Plot No. N-51, N-52, N-59&N-60*) under the Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981 and Hazardous Waste (Management, Handling & Trans boundary Movement) Rules, 2008 bearing no. 5/4585/10-PCB/CI-4389 dated July 26, 2018 issued by the Goa State Pollution Control Board.

**VII. Approvals applied for but not received**

- a. Our Company has applied for a consent to establish/ operate for our factory at Goa (*Plot No. N-54, N-55, N-56 &N-57*) under the Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981 and Hazardous Waste (Management, Handling & Trans boundary Movement) Rules, 2008 dated September 26, 2017 issued by the Goa State Pollution Control Board.

**VIII. Intellectual property related approvals**

Nil



## SECTION VIII – OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

Our Board of Directors have vide resolution dated August 03, 2018 authorized the Issue, subject to the approval by the shareholders of our Company under Section 62 (1) (c) of the Companies Act, 2013.

The shareholders have authorized the Issue, by passing a Special Resolution at the Extra-Ordinary General Meeting held with a shorter notice on August 04, 2018 in accordance with the provisions of Section 62 (1) (C) of the Companies Act, 2013.

The Company has obtained In-principle approval from NSE vide letter dated September 05, 2018 to use the name of NSE in the Offer Document for listing of equity shares on the SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE. NSE is the designated stock exchange.

### Prohibition by SEBI or Governmental Authorities

Our Company, our Promoter, our Directors, the members of the Promoter Group and our Group Companies have not been debarred from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies, with which our Promoter, our Directors or persons in control of our Company are or were associated as promoters, directors or persons in control have not been debarred from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

None of our Directors or any of the entities that our Directors are associated with are engaged in securities market related business or are registered with SEBI. There has been no action taken by the SEBI against our Directors or any entity in which our Directors are involved in as promoters or directors.

The listing of any securities of our Company or Associates has never been refused at any time by any of the stock exchanges in India or abroad.

### Prohibition by RBI

Neither our Company, nor our Promoter, Directors, Group Companies have been categorized as willful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

### Association with Securities Market

We confirm that none of our Directors are associated with the Securities Market in any manner and no action has been initiated against these entities by SEBI at any time except as stated under the chapters titled “*Risk factors*”, “*Our Promoter, Promoter Group*”, “*Group Company*” and “*Outstanding Litigations and Material Developments*” beginning on page nos. 17, 146, 151 and 229 respectively, of this Prospectus.

### Eligibility for the Issue

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulation; and this Issue is an “Initial Public Issue” in terms of the SEBI (ICDR) Regulations.

This Issue is being made in terms of Regulation 106(M)(2) of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue face value capital is more than ten crore rupees and upto twenty five crore rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE).



We confirm that:

1. In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, this issue has been hundred percent underwritten and that the Book Running Book Running Lead Manager to the Issue has underwritten more than 15% of the total Issue Size. For further details pertaining to the said underwriting please see “*General Information- Underwriting*” on page no. 62 of this Prospectus.
2. In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within eight (8) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act 2013. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.
3. In accordance with Regulation 106(O) the SEBI (ICDR) Regulation, we have not filed any Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Book Running Book Running Lead Manager submits the copy of the Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
4. In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we have entered into an agreement with the Book Running Book Running Lead Manager and the Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Issue. For further details of the arrangement of Market Making, please see “*General Information- Details of the Market Making Arrangements for this Issue*” on page no. 63 of this Prospectus.
5. The Company has track record of 3 Years and positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years preceding the application.
6. Net-worth of the Company is positive.
7. The Company has not been referred to Board for Industrial and Financial Reconstruction.
8. No petition for winding up is admitted by a court or a liquidator has not been appointed of competent jurisdiction against the Company.
9. No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.
10. Our Company has a website: [www.marineelectricals.com](http://www.marineelectricals.com)

We further confirm that we shall be complying with all other requirements as laid down for such offer under Chapter XB of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of the SEBI (ICDR) Regulations, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Regulation 49(1) of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Issue.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE BOOK RUNNING LEAD MERCHANT BANKER, ARYAMAN FINANCIAL SERVICES LIMITED, HAVE**





**CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 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 ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOUCMENT, THE BOOK RUNNING LEAD MERCHANT BANKER ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MERCHANT BANKER, ARYAMAN FINANCIAL SERVICES LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 14, 2018 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992, WHICH READS AS FOLLOWS:**

**WE, THE BOOK RUNNING LEAD MERCHANT BANKERS 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 IN CONNECTION WITH THE FINALISATION OF THE OFFER DOCUMENT 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) THE PROSPECTUS FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
  - b) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED / ISSUED BY SEBI, THE CENTRAL GOVERNMENT, AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
  - c) THE DISCLOSURES MADE IN THE PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE COMPANIES ACT, 2013, THE SECURITIES EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
- 3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
- 4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.**
- 5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN, SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE PROSPECTUS WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE PROSPECTUS.**



6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE PROSPECTUS.
7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO 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 PUBLIC ISSUE. – NOT APPLICABLE
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. – COMPLIED WITH
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM 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.
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE 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 SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE 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 SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE 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 SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE OFFER DOCUMENT WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)', AS PER FORMAT SPECIFIED BY THE SEBI 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 REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD 18 IN THE FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THE PROSPECTUS.
18. WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y (1) (A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THESE REGULATIONS – NOT APPLICABLE

**ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE**

1. WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE COMPANY OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES / ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.
3. WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009.
4. WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE EQUITY SHARES OF THE ISSUER.
5. WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISOR TO SUBREGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009; CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE PROSPECTUS.
6. WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.

**AS PER REGULATION 106(O) OF THE SEBI ICDR REGULATIONS, ONLY THE PROSPECTUS AND THE PROSPECTUS HAS TO BE FILED WITH SEBI ALONG WITH A DUE DILIGENCE CERTIFICATE**



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**AS PER FORM A OF SCHEDULE VI OF THE SEBI ICDR REGULATIONS BY THE BOOK RUNNING LEAD MANAGER.**

**THE FILING OF THIS OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 34 AND 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 PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MERCHANT BANKERS ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.**

**Note:**

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Red Herring Prospectus and Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013.



### Price information of past issues handled by the BRLM

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 <sup>th</sup> calendar days from listing		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing	
1.	Sky Gold Limited	25.56	180	03/10/2018	180.45	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2.	Saketh Exim Ltd.	9.44	69.00	13/08/2018	69.30	0.00%	0.12%	N.A.	N.A.	N.A.	N.A.
3.	Supershakti Metaliks Limited	60.01	375.00	30/07/2018	377.10	12.00%	3.28%	N.A.	N.A.	N.A.	N.A.
4.	Ambani Organics Ltd.	9.03	66.00	18/07/2018	66.65	0.30%	4.47%	N.A.	N.A.	N.A.	N.A.
5.	Jakharia Fabric Ltd.	19.66	180.00	11/07/2018	181.35	5.56%	4.40%	N.A.	N.A.	N.A.	N.A.
6.	Garv Industries Ltd.	3.20	10.00	25/04/2018	10.00	-10.00%	1.23%	-10.60%	6.74%	N.A.	N.A.
7.	Giriraj Civil Developers Ltd.	9.00	100.00	02/04/2018	101.00	1.00%	4.96%	33.75%	4.92%	3.80%	7.50%
8.	Yasho Industries Ltd.	28.99	100.00	02/04/2018	106.00	6.00%	5.78%	6.00%	6.52%	10.00%	8.94%
9.	Karda Constructions Ltd.	77.40	180.00	02/04/2018	136.00	4.03%	5.78%	-3.36%	6.52%	-9.64%	8.94%
10.	Uravi T and Wedge Lamps Ltd.	15.00	100.00	28/03/2018	102.50	3.00%	5.72%	5.00%	6.48%	2.00%	8.44%

#### 1. Summary statement of price information of past issues

Financial Year	Total no. of IPOs	Total Funds Raised (₹ in Cr.)	Nos. of IPOs trading at discount - 30 <sup>th</sup> calendar day from listing day			Nos. of IPOs trading at premium - 30 <sup>th</sup> calendar day from listing day			Nos. of IPOs trading at discount - 180 <sup>th</sup> calendar day from listing day			Nos. of IPOs trading at premium - 180 <sup>th</sup> 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%
2018-19	9 <sup>(3)</sup>	242.28	-	-	1	-	-	6	-	-	1	-	-	2
2017-18	16	318.24	1	1	4	1	1	8	3	3	3	-	-	4



Financial Year	Total no. of IPOs	Total Funds Raised (₹ in Cr.)	Nos. of IPOs trading at discount - 30 <sup>th</sup> calendar day from listing day			Nos. of IPOs trading at premium - 30 <sup>th</sup> calendar day from listing day			Nos. of IPOs trading at discount - 180 <sup>th</sup> calendar day from listing day			Nos. of IPOs trading at premium - 180 <sup>th</sup> 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%
2016-17	10	147.26	-	1	-	1	-	8	-	1	-	2	3	4

<sup>(1)</sup>As on the 30th Calendar day from the listing day, the price of Saketh Exim Limited is exactly equal to its Issue Price and hence it is neither trading at Premium or Discount

<sup>(2)</sup>As on the 180th Calendar day from the listing day, the price of Advitya Trade India Limited is exactly equal to its Issue Price and hence it is neither trading at Premium or Discount

<sup>(3)</sup> Details indicated in 2018-19 are for the IPOs completed as on date.

**Notes:**

- Since the listing date of Sky Gold Limited is October 03, 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.
- Since the listing date of Saketh Exim Limited, Supershakti Metaliks Limited, Ambani Organics Limited and Jakharia Fabric Limited was August 13, 2018, July 30, 2018, July 18, 2018 and July 11, 2018 respectively, 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.
- Since the listing date of Garv Industries Limited was April 25, 2018, information related to closing price and benchmark index as on the 180th calendar day from the listing date is not available.
- The respective Designated Stock Exchange for each Issue has been considered as the Benchmark index for each of the above Issues.
- 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.

Source: [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) and BSE Sensex and NSE Nifty as the Benchmark Index.



### **Track record of past issues handled by the Book Running Lead Manager**

For details regarding the track record of the Book Running Lead Manager to the Issue as specified in Circular reference CIR/MIRSD/1/ 2012 dated January 10, 2012 issued by the SEBI, please see the website of Aryaman Financial Services Limited – [www.afsl.co.in](http://www.afsl.co.in)

### **Disclaimer from our Company, Directors and the Book Running Book Running Lead Manager**

Our Company, the Directors and the Book Running Book Running Lead Manager accept no responsibility for statements made otherwise than those contained in this Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

### **CAUTION**

The Book Running Lead Manager accepts no responsibility, save to the limited extent as provided in the MoU for Issue Management entered into among the Book Running Lead Manager and our Company dated August 06, 2018, the Underwriting Agreement dated August 29, 2018 (along with addendum dated October 05, 2018) entered into among the Underwriter and our Company and the Market Making Agreement dated August 29, 2018 (along with addendum dated October 05, 2018), entered into among the Market Maker, Book Running Lead Manager and our Company.

All information shall be made available by us and the Book Running Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centres or elsewhere.

The Book running lead manager and its associates and affiliates may engage in transactions with and perform services for, our Company and associates of our Company in the ordinary course of business and may in future engage in the provision of services for which they may in future receive compensation. Aryaman Financial Services Limited is not an "Associate" of the Company and is eligible to appoint as Book Running Lead Manager for this Issue, under the SEBI (Merchant Bankers) Regulations, 1992.

**Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriter and their respective Directors, Officers, Agents, Affiliates and representatives that they are eligible under all applicable Laws, Rules, Regulations, Guidelines and Approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the 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 Equity Shares of our Company.**

### **Disclaimer Clause of the NSE Emerge Platform**

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/255 dated September 05, 2018 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 promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.





## **Disclaimer in respect of Jurisdiction**

This Issue is being made in India to persons resident in India including Indian nationals resident in India (who are not minors, except through their legal guardian), Hindu Undivided Families (HUFs), companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to non-residents including NRIs and FIIs. The Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the 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 this Prospectus has been filed with National Stock Exchange of India Limited for its observations and National Stock Exchange of India Limited shall give its observations in due course. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly 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 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 since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction

Further, each bidder where required agrees that such bidder will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws, legislations and Prospectus in each jurisdiction, including India.

## **Disclaimer Clause under Rule 144A of the U.S. Securities Act**

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bidders may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

## **Filing with SEBI & RoC**

The Draft Red Herring Prospectus shall not be filed with SEBI, nor will SEBI issue any observation on the offer document in term of Reg. 106 (O) (1). However, the copies of the Red Herring Prospectus and the Prospectus shall be filed with SEBI at Plot No. C4-A, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.

A copy of the Red Herring Prospectus, along with the documents required to be filed, will be delivered for registration to the RoC in accordance with Section 32 of the Companies Act, 2013, and a copy of the Prospectus required to be filed under Section 26 of the Companies Act, 2013 will be delivered for registration to the RoC situated at Everest, 100, Marine Drive, Mumbai – 400 002.



## **Listing**

An application shall be made to SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE for obtaining permission for listing of the Equity Shares being offered and sold in the Issue on its SME Platform after the allotment in the Issue. NSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue.

The EMERGE Platform of National Stock Exchange of India Limited has given its in-principal approval for using its name in our Prospectus vide its letter Ref. NSE/LIST/255 dated September 05, 2018.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchange, our Company shall forthwith repay, without interest, all monies received from the applicants in reliance of the Prospectus. Our Company shall ensure that all steps for such completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges mentioned above are taken within 6 Working Days of the Bid/Issue Closing Date. If Equity Shares are not Allotted pursuant to the Issue within 6 Working Days from the Bid/Issue Closing Date or within such timeline as prescribed by the SEBI, our Company shall repay without interest all monies received from applicants, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period.

## **Impersonation**

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

*“Any person who –*

- a) makes or abets making of an application in a fictitious name to a Company for acquiring, or subscribing for, its securities, or*
- b) makes or abets making of multiple applications to a Company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- c) otherwise induces directly or indirectly a Company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term of not 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.

## **Consents**

Consents in writing of: (a) the Directors, the Chief Financial Officer, Company Secretary & Compliance Officer, the Statutory Auditor, the Peer Review Auditor and the Banker to the Company; and (b) the Book Running Lead Manager, Registrar to the Issue, the Legal Advisors to the Issue, Banker to the Issue, Market Maker, Syndicate Members and Underwriters to act in their respective capacities, have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Section 26 & 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.

## **Expert Opinion**

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

Our Company has received written consent from its Peer Review Auditor namely, M/s. V.N. Purohit & Co., Chartered Accountants, to include their name as required under section 26(1)(a)(v) of the Companies Act, 2013 in this Prospectus and as “Expert” as defined under section 2(38) of the Companies Act, 2013 in respect of the reports on the Restated Financial Statements dated September 07, 2018 and the reports on the Statement of Tax Benefits dated September 07, 2018, issued by them, included in this Prospectus and such consent has not been withdrawn as on the date of this Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.



## ISSUE RELATED EXPENSES

The total expenses of the Issue are estimated to be approximately ₹ 200.00 lakhs. The expenses of this Issue include, among others, fees payable to the BRLMs, selling commissions, legal fees, fees to the Registrar to the Issue, including processing fee to the SCSBs for processing ASBA forms submitted by the ASBA Bidders procured by the Syndicate and submitted to SCSBs, brokerage and selling commissions payable to the Registered Brokers, RTAs and CDPs, printing and stationery expenses, advertisements and publicity expenses and listing fees. The estimated Issue expenses are set forth below:

Item	Estimated expenses (₹ in lakhs)	As a % of the estimated Issue expenses	As a % of the total Issue size
Fees payable to the BRLM & Registrar to the Issue, etc.	50.00	25.00	1.17
Brokerage and selling commission for Registered Brokers, RTAs and CDPs, Commission/ processing fee for SCSBs	5.00	2.50	0.12
Advertisement, Printing & Stationery, Marketing Expenses, etc.	135.00	67.50	3.15
Listing Fees, Market Making, Market Regulatory & Other Expenses	10.00	5.00	0.23
<b>Total Estimated Issue Expenses</b>	<b>200.00</b>	<b>100.00</b>	<b>4.66</b>

- 1) *Selling commission payable to the SCSBs and to the members of the Syndicate (including their sub-Syndicate members) on the portion for Retail Individual Bidders and Non-Institutional Bidders, which are directly procured by them would be as follows:*

<i>Portion for Retail Individual Bidders<sup>#</sup></i>	<i>0.01 % of the Amount Allotted (plus GST)</i>
<i>Portion for Non-Institutional Bidders<sup>#</sup></i>	<i>0.01% of the Amount Allotted (plus GST)</i>

*# 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 and to the members of the Syndicate (including their sub-Syndicate members) on the Bid cum Application Forms directly procured by them. The selling commission payable to them will be determined on the basis of the bidding terminal ID as captured in the Bid book of NSE.*

- 2) *Syndicate Members (including their sub-Syndicate members), Registered Brokers, RTAs and CDPs will be entitled to a commission of ₹ 10 (plus applicable GST) per valid Bid cum Application Form directly procured by them from Retail Individual Investors and Non-Institutional Bidders and submitted to the SCSBs for processing. The commission payable to them will be determined on the basis of the bidding terminal id as captured in the Bid Book of NSE.*
- 3) *Further SCSBs will be entitled to a processing fee of ₹ 10/- (plus applicable GST), per valid ASBA Form, subject to total ASBA processing fees being maximum of ₹ 1 lakh (plus applicable GST), for processing ASBA Forms procured by Members of the Syndicate (including their sub-Syndicate members), Registered Brokers, RTAs or CDPs for Retail Individual Bidders and Non-Institutional Bidders and submitted to the SCSBs for blocking of funds in the ASBA Accounts. In case the total ASBA processing charges payable to SCSBs exceeds ₹ 1 lakh, the amount payable to SCSBs would be proportionately distributed based on the number of valid applications such that the total ASBA processing charges payable does not exceed ₹ 1 lakh.*
- 4) *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.*

### **Fees, Brokerage and Selling Commission Payable to the Book Running Lead Manager**

The total fees payable to the Book Running Lead Manager (including underwriting commission and selling commission) is as stated in the MOUs dated August 06, 2018, the Underwriting Agreement dated August 29, 2018 (along with addendum dated October 05, 2018) and the Syndicate Agreement dated August 29, 2018 among our



Company and the Book Running Lead Manager and other parties, a copy of which will be made available for inspection at our Registered Office.

#### **Fees Payable to the Registrar to the Issue**

The fees payable to the Registrar to the Issue, for processing of application, data entry, printing of refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the MoU between the Company, and the Registrar to the Issue dated August 06, 2018.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or Allotment advice by registered post/speed post.

#### **Fees Payable to Others**

The total fees payable to the Legal Advisor, Auditors, Advertiser, etc. will be as per the terms of their respective engagement letters if any.

### **CAPITAL ISSUE DURING THE LAST FIVE YEARS**

#### **Previous Public and Rights Issues**

We have not made any Public Issues and Rights Issue (in terms of SEBI ICDR Regulations) in the past, and we are an “Unlisted Company” in terms of the SEBI (ICDR) Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations.

#### **Previous Issues of Equity Shares otherwise than for Cash**

Except as stated in the chapter titled “*Capital Structure*” beginning on page no. 65 of this Prospectus, we have not issued any Equity Shares for consideration other than for cash.

#### **Commission and Brokerage Paid on Previous Issues of our Equity Shares**

Since this is an Initial Public Offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since inception of the Company.

#### **Capital Issues in the last three (3) years by the Issuer Company and other Listed Group Companies / Subsidiaries / Associates**

Neither the Issuer Company nor any of our Group Companies / Subsidiaries / Associates are listed on any Stock Exchange and has not made any Capital Issue in the last three (3) years.

#### **Performance vis-à-vis Objects**

Neither the Issuer Company nor any of our Group Companies / Subsidiaries / Associates are listed on any Stock Exchange and has not made any Capital Issue in the last ten (10) years.

#### **Outstanding Debentures, Bonds, Redeemable Preference Shares and Other Instruments Issued by the Company**

The Company has no outstanding debentures or bonds. The Company has not issued any redeemable preference shares or other instruments in the past.

#### **Stock Market Data for our Equity Shares**

This being an Initial Public Offer of the Company, the Equity Shares of the Company are not listed on any stock exchange.



## DISPOSAL OF INVESTOR GRIEVANCES

### Mechanism for Redressal of Investor Grievances

The agreement dated August 06, 2018 between the Registrar to the Issue and our Company provides for retention of records with the Registrar to the Issue for a period of at least three years from the last date of despatch of the letters of Allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB and the Syndicate Members at the Specified Locations with whom the Bid cum Application Form was submitted.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, application number, address of the Bidder, number of Equity Shares applied for, the Bid Amount paid on submission of the Bid cum Application Form, the Depository Participant and the bank branch or collection centre where the Bid cum Application Form was submitted.

In addition to the information indicated above, the ASBA Bidder should also specify the Designated Branch or the collection centre of the SCSB or the address of the centre of the Syndicate Member at the Specified Locations or the Registered Broker at the Broker Centre where the Bid cum Application Form was submitted by the ASBA Bidder.

Further, with respect to the Bid cum Application Forms submitted with the Registered Brokers, the investor shall also enclose the acknowledgment from the Registered Broker in addition to the documents/information mentioned hereinabove.

Our Board by a resolution on August 06, 2018 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. Venkatesh Uchil	Managing Director	Chairman
Mr. Nikunj Mishra	Non-Executive & Independent Director	Member
Mr. Madan Pednse	Non-Executive & Independent Director	Member

For further details, please see the chapter titled “*Our Management*” beginning on page no. 132 of this Prospectus.

The Company has also appointed Mr. Sudhir Gupta as the Company Secretary and Compliance Officer for this Issue and she may be contacted at the Registered Office of our Company. The contact details are as follows:

**Name:** Mr. Sudhir Gupta

**Address:** B/1, Udyog Sadan No.3, MIDC, Andheri (E), Mumbai, Maharashtra - 400093.

**Tel No:** +91 22 4033 4300 / 2834 9132

**Fax No:** +91 22 2836 4045

**Email:** [cs@marineelectricals.com](mailto:cs@marineelectricals.com)

Investors can contact the Compliance Officer or the Registrar to the Issue or the Book Running Lead Manager in case of any pre- Issue or post- Issue related problems, such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary accounts and refund orders.

### Status of Investor Complaints

We confirm that we have not received any investor complaint during the three years preceding the date of this Prospectus and hence there are no pending investor complaints as on the date of this Prospectus.

### Disposal of Investor Grievances by Listed Companies under the same Management



No Company under the same management as the Company within the meaning of Section 370(1B) of the Companies Act, 1956 has made any Public Issue (including any Rights Issues to the public) during the last three years and hence there are no pending investor grievances.

#### **Change in Auditors**

The details of change in the auditors of the Company in the last three years are given below:

<b>Sr. No.</b>	<b>Date</b>	<b>From</b>	<b>To</b>
1.	August 31, 2018	R R Bandekar & Associate	S G J & Co.

#### **Capitalisation of Reserves or Profits**

Except as stated in the chapter titled “*Capital Structure*” beginning on page no. 65 of this Prospectus, our Company has not capitalised our reserves or profits during the last five years.

#### **Revaluation of Assets**

We have not revalued our assets since incorporation.



## SECTION IX – ISSUE RELATED INFORMATION

### TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, the SEBI ICDR Regulations, SCRA, SCRR, the Memorandum and Articles of Association of our Company, conditions of RBI approval, if any, the terms of the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus, Bid-cum-Application Form, the Revision Form, the CAN, the Allotment Advice, the listing agreement with the Stock Exchanges and other terms and conditions as may be incorporated in the Allotment Advice, and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, Government of India, Stock Exchanges, RBI, ROC, FIPB and / or other authorities, as in force on the date of the Issue and to the extent applicable.

#### Ranking of Equity Shares

The Equity Shares being issued are subject to the provisions of the Companies Act, Memorandum and Articles of Association, and shall rank *pari passu* in all respects with the other existing shares of our Company including in respect of the rights to receive dividends. The Allottees of the Equity Shares in the Issue shall be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see the section titled “*Main Provisions of the Articles of Association*” on page 209 of this Prospectus.

#### Mode of payment of dividend

Our Company shall pay dividends, if declared, to shareholders of our Company as per the provisions of the Companies Act, 2013, our Memorandum and Articles, the SEBI Listing Regulations and other applicable laws. All dividends, if any, declared by our Company after the date of Allotment, will be payable to the Bidders who have been Allotted Equity Shares in the Issue. For further details in relation to dividends, please refer to the chapters “*Dividend Policy*” and “*Main Provisions of the Articles of Association*” on pages 163 and 302, respectively, of this Prospectus.

#### Face Value and Issue Price

The face value of each Equity Share is ₹ 10. The Issue Price of Equity Shares is ₹ 66 per Equity Share. The Issue Price is determined by our Company in consultation with the BRLM. At any given point of time there shall be only one denomination of Equity Shares, subject to applicable law.

#### Compliance with SEBI Rules and Regulations

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall also comply with all disclosure and accounting norms as specified by SEBI from time to time.

#### Rights of the Equity Shareholder

Subject to applicable laws, the equity shareholders of our Company shall have the following rights:

- the right to receive dividend, if declared;
- the right to attend general meetings and exercise voting powers, unless prohibited by law;
- the right to vote on a poll either in person or by proxy;
- the right to receive offers for rights shares and be allotted bonus shares, if announced;
- the right to receive surplus on liquidation subject to any statutory and other preferential claims being satisfied;
- the right of free transferability of Equity Shares, subject to applicable law, including RBI rules and regulations, if any; and
- such other rights, as may be available to a shareholder of a listed public Company under the Companies Act the terms of the listing agreements executed with the Stock Exchanges, and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association such as those dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and / or consolidation / splitting, please refer to the chapter “*Main Provisions of the Articles of Association*” on page 302 of this Prospectus.





## **Market Lot and Trading Lot**

Under Section 29 of the Companies Act, 2013, the Equity Shares shall be allotted only in dematerialized form for all investors. As per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated August 28, 2018 among CDSL, our Company and the Registrar to the Issue; and
- Agreement dated September 05, 2018 among NSDL, our Company and the Registrar to the Issue

Trading of the Equity Shares will happen in the minimum contract size of 2,000 Equity Shares in terms of the SEBI Circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012 and the same may be modified by NSE from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Issue will be done in multiples of 2,000 Equity Share subject to a minimum allotment of 2,000 Equity Shares to the successful Bidders.

## **Minimum Number of Allottees**

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be refunded within 6 Working days of Closure of Issue.

## **Joint Holders**

Subject to our Articles, where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint-tenants with benefits of survivorship.

## **Nomination facility to investors**

In accordance with Section 72 of the Companies Act, 2013 read with the Companies (Share Capital and Debenture) Rules, 2014, as amended, the sole or First Bidder, along with other joint Bidders, may nominate anyone person in whom, in the event of the death of the sole Bidder or in case of joint Bidders, the death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of death of the original holder(s), shall be entitled to the same advantages to which such person would be entitled if such person were the registered holder of the Equity Share(s). Where the nominee is am in or, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale or transfer of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation. A buyer will be entitled to make a fresh nomination in the manner prescribed. A fresh nomination can be made only on the prescribed form, which is available on request at our Registered Office or with the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 as mentioned above, shall, upon the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies 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 Bidder would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.



### Minimum Subscription

The requirement for 90% minimum subscription in terms of Regulation 14 of the SEBI (ICDR) Regulations is not applicable to the Issue. In terms of Regulation 106P(1) of the SEBI (ICDR) Regulations, the Issue is not restricted to any minimum subscription level. The Issue is 100% underwritten. Further, pursuant to Regulation 106R of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom Equity Shares will be allotted shall not be less than 50. Our Company in consultation with the BRLM, reserve the right not to proceed with the Issue for any reason at any time after the Bid/Issue Opening Date but before the Allotment of Equity Shares.

Further, in accordance with Regulation 106Q of the SEBI ICDR Regulations, the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

### Arrangement for disposal of odd lot

The trading of the Equity Shares will happen in the minimum contract size of 2,000 shares. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE

### Restriction on transfer and transmission of shares

Except for the lock-in of the pre-Issue Equity Shares, other than the minimum Promoter's contribution, as detailed in "Capital Structure" on page 65 of this Prospectus and except as provided in our Articles and under applicable laws, there are no restrictions on transfers and transmission of Equity Shares or on their consolidation or splitting. See "Main Provisions of the Articles of Association" at page 302 of this Prospectus.

### New Financial Instruments

As on the date of this Prospectus, there are no outstanding warrants, new financial instruments or any rights, which would entitle the shareholders of our Company, including our Promoter, to acquire or receive any Equity Shares after the Issue. The Issuer Company is not issuing any new financial instruments through this Issue.

### Bid/Issue Program

<b>BID/ISSUE OPENING DATE</b>	September 28, 2018
<b>BID/ISSUE CLOSING DATE</b>	October 03, 2018

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

<b>Event</b>	<b>Indicative Date</b>
Bid/Issue Closing Date	October 03, 2018
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or before October 08, 2018
Initiation of Refunds(if any)/unblocking of funds from ASBA Account	On or before October 09, 2018
Credit of Equity Shares to demat account of the Allottees	On or before October 10, 2018
Commencement of trading of the Equity Shares on the Stock Exchanges	On or before October 11, 2018

The above timetable is indicative and does not constitute any obligation on our Company or the BRLM. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within 6 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, 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.

Bids and any revision in Bids will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Bidding Period at the Bidding centers mentioned in the Bid-cum-Application Form or, in case of Bids submitted through ASBA, at the Designated Branches (a list of such branches is available at the website of the SEBI) or with the members of the Syndicate at the Specified Locations or with the Registered Brokers at the Broker Centers (a list of



such Broker Centers is available at the websites of the Stock Exchanges), as the case may be. On the Bid/Issue Closing Date, Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until (i) 4.00 p.m. in case of Bids by Non-Institutional Bidders; and until (ii) 5.00 p.m. or such extended time as may be 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 BRLM to the Stock Exchanges. It is clarified that Bids not uploaded on the electronic bidding system would be rejected.

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. (Indian Standard Time) on the Bid/Issue Closing Date. Any time mentioned in the Red Herring Prospectus, unless specifically mentioned otherwise, is in Indian Standard Time. 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, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation in the Issue. If such Bids are not uploaded, our Company and the Syndicate shall not be responsible. Bids will be accepted only on working days, i.e., Monday to Friday (excluding any public holiday). None among our Company or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software / hardware system or otherwise.

On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders, after taking into account the total number of Bids received and reported by the BRLM to the Stock Exchanges within half an hour of such closure.

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 Exchanges 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 SCSB or the member of the Syndicate for rectified data.

**It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs would be rejected.**

### **Withdrawal of the Issue**

Our Company in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before the Board meeting for Allotment. In such an event our Company would issue a public notice in the newspapers, in which the pre-issue advertisements were published, within two days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Book Running Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange on which the Equity Shares were proposed to be listed. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Draft Red Herring Prospectus. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which the Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

### **Migration to Main Board**

In accordance with the NSE Circular dated March 10, 2014, our Company will have to be mandatorily listed and traded on the NSE EMERGE for a minimum period of two years from the date of listing and only after that it can migrate to the Main Board of the NSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter XB of the SEBI (ICDR) Regulations.

As per the provisions of the Chapter XB of the SEBI (ICDR) Regulation, 2009, our Company may migrate to the main board of NSE from the NSE EMERGE on a later date subject to the following:

- If the Paid up Capital of the Company is likely to increase above ₹ 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution



through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the Company has obtained in-principal approval from the main board), we shall have to apply to NSE for listing our shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

- If the Paid up Capital of the Company is more than ₹ 10 crores but below ₹ 25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

### **Market Making**

The shares issued through this Issue are proposed to be listed on the NSE EMERGE with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on NSE EMERGE. For further details of the market making arrangement please refer the chapter titled "*General Information*" beginning on page no. 56 of this Prospectus.

### **Jurisdiction**

This Issue is being made in India to persons resident in India including Indian nationals resident in India (who are not minors, except through their legal guardian), Hindu Undivided Families (HUFs), companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to non-residents including NRIs and FIIs. The Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the 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.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.



## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106(M)(2) of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue face value capital is more than ten crore rupees and upto twenty five crore rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE).

Following is the Issue Structure:

*Public issue of 64,96,000 Equity Shares of ₹ 10/- each (the "Equity Shares") for cash at a price of ₹ 66 per Equity Share (including a Share premium of ₹ 56 per Equity Share) aggregating to ₹ 4,287.36 lakhs ("the Issue") by Marine Electricals (India) Limited ("MEIL" or the "Company" or the "Issuer").*

*\* Subject to finalisation of basis of Allotment*

*The Issue comprises a reservation of 3,36,000 Equity Shares of ₹ 10 each for subscription by the designated Market Maker ("the Market Maker Reservation Portion") and Net Issue to Public of 61,60,000 Equity Shares of ₹ 10 each ("the Net Issue"). The Issue and the Net Issue will constitute 26.48% and 25.11%, respectively of the post Issue paid up equity share capital of the Company. The Issue is being made through the Book Building Process:*

Particulars	Market Maker (Reserve Category)	Net Issue to the Public	
		Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for allocation	3,36,000 Equity Shares	30,80,000 Equity Shares	30,80,000 Equity Shares
Percentage of Issue Size available for Allotment/ Allocation	5.17 % of the Issue	47.41% of the Issue	47.41% of the Issue
Basis of Allotment	Firm Allotment	Proportionate subject to minimum allotment of 2,000 Equity Shares and further allotments in the multiples of 2,000 Equity Shares	2,000 Equity Shares
Minimum Bid	3,36,000 Equity Shares	Such number of Equity Shares that the Bid Amount exceeds ₹ 2,00,000 and in multiples of 2,000 Equity Shares thereafter.	2,000 Equity Shares
Maximum Bid	3,36,000 Equity Shares	Such number of Equity Shares in multiples of 2,000 Equity Shares so that the Bid does not exceed the Net Issue size, subject to applicable limits.	2,000 Equity Shares
Mode of Bidding	Through ASBA Process Only		
Mode of Allotment	Compulsorily in dematerialized form		
Allotment Lot	3,36,000 Equity Shares	2,000 Equity Shares	2,000 Equity Shares
Trading Lot / Market Lot	2,000 Equity Shares. However the Market Maker may buy odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.	2,000 Equity Shares	2,000 Equity Shares
Terms of Payment	The entire Bid Amount shall be payable at the time of submissions of Bid cum Application Form to the Designated Branch or the member of the Syndicate at the Specified Location or the Registered Broker at the Broker Centre, as the case may be. The SCSB will be authorized to block funds equivalent to the Bid Amount in the relevant ASBA Account as detailed in the Bid cum Application Form.		



**Notes:**

- 1) *The allotment of Equity Shares in Retail Individual Investors Category and Other Investors Category shall be subject to spill-over of Equity Shares from other category in case of under-subscription in either category.*
- 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) *SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.*

**Lot Size**

SEBI vide circular CIR/MRD/DSA/06/2012 dated February 21, 2012 (the “Circular”) standardized the lot size for Initial Public Offer proposing to list on SME exchange/platform and for the secondary market trading on such exchange/platform, as under:

<b>Issue Price (in ₹)</b>	<b>Lot Size (No. of shares)</b>
Up to 14	10000
More than 14 up to 18	8000
More than 18 up to 25	6000
More than 25 up to 35	4000
More than 35 up to 50	3000
More than 50 up to 70	2000
More than 70 up to 90	1600
More than 90 up to 120	1200
More than 120 up to 150	1000
More than 150 up to 180	800
More than 180 up to 250	600
More than 250 up to 350	400
More than 350 up to 500	300
More than 500 up to 600	240
More than 600 up to 750	200
More than 750 up to 1000	160
Above 1000	100

Further to the circular, at the Initial Public Offer stage the Registrar to Issue in consultation with Book Running Lead Manager, our Company and NSE shall ensure to finalize the basis of allotment in minimum lots and in multiples of minimum lot size, as per the above given table. The secondary market trading lot size shall be the same, as shall be the IPO Lot Size at the application/allotment stage, facilitating secondary market trading. At the Initial Public Offering stage if the 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. For example: if the proposed price band is at 24-28 than the Lot size shall be 4000 shares.





## 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") included below under sub-section "Part B – General Information Document", which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document has been updated to reflect various enactments and regulations as well as amendments to existing regulations, to the extent applicable to the Issue. The General Information Document is also available on the websites of the Stock Exchanges and the BRLM. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.

Please refer to the relevant provisions of the General Information Document which are applicable to the Issue. All Designated Intermediaries in relation to the Issue should ensure compliance with the SEBI circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, as amended and modified by the SEBI circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles.

Our Company and the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document 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 Equity Shares that can be held by them under applicable law or as specified in this Prospectus.

### PART A

#### Book Building Procedure

The Issue is being made through the Book Building Process wherein 50% of the Net Issue shall be available for allocation to Retail Individual Bidders and the balance shall be available to Non-Institutional Bidder, 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 and 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, in consultation with the BRLM and the Designated Stock Exchange.

Investors should note that the Equity Shares will be allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being allotted Equity Shares in physical form. The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

#### Bid cum Application Form

All Bidders are required to mandatorily participate in the Issue only through the ASBA process. Copies of the ASBA Forms and the Abridged Prospectus will be available with the Designated Intermediaries at the Bidding Centres and at our Registered Office and Corporate Office. Electronic copies of the ASBA Forms will also be available for download on the websites of the Stock Exchange namely NSE ([www.nseindia.com](http://www.nseindia.com)), at least one day prior to the Bid/Issue Opening Date.

All Bidders shall ensure that their Bids are made on ASBA Forms bearing the stamp of a Designated Intermediary and submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. Additionally, ASBA Bidders must provide bank account details and authorization to block funds in the relevant space provided in the ASBA Form and ASBA Forms that do not contain such details are liable to be rejected. ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid.





The prescribed colour of the Bid cum Application Form for various categories of Bidders is as follows:

Category	Colour of Bid-cum Application Form *
Resident Indians including resident QIBs, Non- Institutional Investors, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including FPIs and Eligible NRIs, applying on a repatriation basis	Blue

\* Excluding electronic Bid-cum-Application Forms

Designated Intermediaries (other than SCSBs) shall submit/ deliver ASBA Forms to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or the Escrow Collection Bank.

#### Who can Bid?

In addition to the category of Bidders set forth in the sub-section “Part B – General Information Document for Investing in Public Issues – Category of Investors Eligible to Participate in an Issue” on page 271 of this Prospectus, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines:

- Scientific and/or industrial research organizations in India, which are authorised to invest in equity shares; and
- Any other person eligible to Bid in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, 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 U.S. Securities Act and in accordance with any applicable U.S. state securities laws. The Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of each jurisdictions where such offers and sales are made.**

**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.**

#### Participation by Promoter, Promoter Group, associates and affiliates of the BRLM and the Syndicate Members

The BRLM and the Syndicate Members shall not be allowed to subscribe to the Equity Shares in this Issue in any manner, except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLM and the Syndicate Members may subscribe to the Issue, in the Non-Institutional Portion as may be applicable to such Bidders. Such Bidding and subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLM and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

#### Bids by Mutual Funds

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.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid in whole or in part, in either case, without assigning any reason thereof.

No Mutual Fund scheme shall invest more than 10.00% of its net asset value in the equity shares or equity related instruments of any single Company provided that the limit of 10.00% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10.00% 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”) ASBA 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 a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (Blue in colour).

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (White in colour).

Pursuant to the provisions of the FEMA regulations, investments by NRIs under the Portfolio Investment Scheme (“PIS”) is subject to certain limits, i.e., 10.00% of the paid-up equity share capital of the Company. Such limit for NRI investment under the PIS route can be increased by passing a board resolution, followed by a special resolution by the shareholders, subject to prior intimation to the RBI. Our Company has not passed any resolution to increase this limit.

### **Bids by FPIs and FIIs**

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three (3) 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.

In case of bids made by FPIs, a verified true copy of the certificate of registration issued under the FPI Regulations is required to be attached along with the Bid cum Application form.

### **Bids by SEBI registered Venture Capital Funds, Alternative Investment Funds and Foreign Venture Capital Investors**

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI.

The holding in any Company by any individual VCF registered with SEBI should not exceed 25.00% of the corpus of the VCF. Further, FVCIs and VCFs can invest only up to 33.33% of the investible funds in various prescribed instruments, by way of subscription to an initial public offering.

Category I and II AIFs cannot invest more than 25.00% of the investible funds in one investee Company. A category III AIF cannot invest more than 10.00% of the investible funds 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 one third of its investible funds 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 SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up.

Further, according to the SEBI ICDR Regulations, the shareholding of VCFs and category I AIFs or FVCI held in a Company prior to making an initial public offering would be exempt from lock-in requirements provided that such equity shares held are locked in for a period of at least one year from the date of purchase by such VCF or category I AIFs or FVCI.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

### **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 reserves the right to reject any Bid without assigning any reason there for.

### **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 reserves the right to reject any Bid without assigning any reason thereof.

Insurer Companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by the IRDA from time to time including the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 (“**IRDA Investment Regulations**”).

### **Bids by Provident Funds / Pension Funds**

In case of Bids made by Provident Funds/ Pension Funds, subject to applicable laws, with minimum corpus of ₹ 2,500 lakhs, a certified copy of a 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 reserves 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 reserves the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended ("Banking Regulation Act"), and the Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10.00% of the paid-up share capital of the investee Company or 10.00% of the banks' own paid-up share capital and reserves, whichever is less. Further, the aggregate investment by a banking Company in subsidiaries and other entities engaged in financial and non-financial services Company cannot exceed 20.00% of the bank's paid-up share capital and reserves. A banking Company may hold up to 30.00% 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 ASBA Bids.

## **Bids under Power of Attorney**

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, FPIs, AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund, provident funds with minimum corpus of ₹ 250.00 million and pension funds with a minimum corpus of ₹ 2,500 lacs (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable, must be lodged with the Bid cum Application Form. Failing this, our Company and reserves the right to accept or reject any bidding whole or in part, in either case, without assigning any reason.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney with the Bid cum Application Form, subject to such terms and conditions that our Company and the BRLM deem fit, without assigning any reasons therefore.

In accordance with existing regulations, OCBs cannot participate in the Issue.

***The above information is given for the benefit of Bidders. Our Company, our Directors, the officers of our Company and the members of the Syndicate 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 the number of Equity Shares Bid for do not exceed the number of Equity Shares that can be held by them under applicable limits under laws or regulations.***

## **Pre- Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement in all the editions of Business Standard, English national daily newspaper with wide circulation, all the editions of Business Standard, Hindi national daily newspaper with wide circulation and Mumbai edition of a Marathi newspaper Navshakti (Marathi being the regional language where our Registered Office is located), each with wide circulation, respectively. In the pre- Issue advertisement, we shall state the Bid/Issue Opening Date and the Bid/Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI ICDR Regulations.



## Information for Bidders

In addition to the instructions provided to Bidders set forth in the sub-section “*Issue Procedure – Part B – General Information Document for Investing in Public Issues*” on page 269 of this Prospectus, Bidders are requested to note the following additional information in relation to the Issue.

1. The relevant Designated Intermediary will enter each Bid option into the electronic Bidding system as a separate Bid and generate an acknowledgement slip (“Acknowledgement Slip”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three Acknowledgement Slips for each Bid cum Application Form. It is the Bidder’s responsibility to obtain the Acknowledgment Slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/ allotted. Such Acknowledgement will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised Acknowledgment Slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.
2. In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLM are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
3. In the event of an upward revision in the Price Band, Retail Individual Bidders who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall 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 wants to continue to Bid at Cut-off Price). The revised Bids must be submitted to the same Designated Intermediary to whom the original Bid was submitted. If the total amount (i.e., the original Bid Amount plus additional payment) exceeds ₹ 200,000.00, the Bid will be considered for allocation under the Non-Institutional Portion. If, however, the Retail Individual Bidder 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 Retail Individual Bidder and the Retail Individual Bidder is deemed to have approved such revised Bid at Cut-off Price.
4. In the event of a downward revision in the Price Band, Retail Individual Bidders who have bid at Cutoff Price may revise their Bid; otherwise, the excess amount paid at the time of Bidding would be unblocked after Allotment is finalised.
5. Any revision of the Bid shall be accompanied by instructions to block the incremental amount, if any, to be paid on account of the upward revision of the Bid.

## Signing of the Underwriting Agreement and the RoC Filing

Our Company has entered into an Underwriting agreement dated August 29, 2018 (along with addendum dated October 05, 2018) with the Underwriters. After signing the Underwriting Agreement, our Company will file the RHP and the Prospectus with the RoC. The Prospectus would have details of the Issue Price, Issue size and underwriting arrangements and would be complete in all material respects.

## GENERAL INSTRUCTIONS

In addition to the general instructions provided in the sub-section “*Part B – General Information Document for Investing in Public Issues*” on page 269 of this Prospectus, Bidders are requested to note the additional instructions provided below.





**Do's:**

1. Check if you are eligible to apply as per 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 within the prescribed time, except in case of electronic forms.
6. With respect to the ASBA Bids, ensure that the ASBA Form is signed by the account holder in case the Bidder is not the ASBA Account holder. In case there are joint holders in ASBA Account, the ASBA Form should be signed by all joint holders in the same sequence as per the bank records. Ensure that you have mentioned the correct ASBA Account number in the ASBA Form;
7. All Bidders should submit their Bids through the ASBA process only;
8. With respect to Bids by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Bid;
9. Ensure that you request for and receive a stamped Acknowledgement Slip of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary as proof of registration of the Bid cum Application Form;
10. Ensure that you have funds equal to the Bid Amount in the ASBA Account with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;
11. Instruct your respective banks to release the funds blocked in accordance with the ASBA process;
12. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised Acknowledgement Slip;
13. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by 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, (ii) Bids by persons resident in the State of Sikkim, who, in terms of the SEBI circular dated July 20, 2006, are exempted from specifying their PAN for transacting in the securities market, and (iii) any other category of Bidders, including without limitation, institutions, which are exempted from specifying, may be exempted from specifying their PAN for transacting in the securities market, for Bids of all values, ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. 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;
14. Ensure that the Demographic Details are updated, true and correct in all respects;
15. 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;
16. 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. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;
17. Ensure that you tick the correct investor category and the investor status, as applicable, in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;
18. Ensure that for Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
19. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
20. Ensure that the DP ID, the Client ID and the PAN mentioned in the Bid cum Application Form and entered into the electronic system of the Stock Exchanges by the relevant Designated Intermediary match with the DP ID, Client ID and PAN available in the Depository database;
21. 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 system of the Stock Exchanges by the relevant Designated Intermediary, 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

22. 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;
23. Ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>).
24. Ensure that you have mentioned the correct ASBA Account number in the ASBA Form; and
25. In relation to the ASBA Bids, ensure that you have correctly signed the authorization/undertaking box in the ASBA 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 ASBA Form.

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 or revise the Bid to less than the Floor Price or higher than the Cap Price;
3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;
4. Do not pay the Bid Amount by cheques and demand drafts or in cash, by money order or by postal order or by stock invest or any mode other than blocked amounts in the bank account maintained with SCSB;
5. Do not send ASBA Forms by post. Instead submit the same to only a Designated Intermediary;
6. Do not Bid on a physical ASBA Form that does not have the stamp of a Designated Intermediary and not submit the Bid cum Application Forms to the Escrow Collection Bank(s) (assuming that such bank is not an SCSB), the BRLM or the Registrar to the Issue (assuming that the Registrar to the Issue is not one of the RTAs);
7. Bidders bidding in QIB and Non- Institutional Bidders category cannot Bid at the Cut-off Price.;
8. Do not Bid for a Bid Amount exceeding ₹ 2,00,000.00 (for Bids by Retail Individual Bidders);
9. 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;
10. Do not submit the General Index Register number instead of the PAN;
11. Do not instruct your respective banks to release the funds blocked in your ASBA Account;
12. Do not submit the Bids without instructions to block funds equivalent to the Bid Amount in the ASBA Account;
13. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
14. 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;
15. 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
16. If you are a Non-Institutional Bidder or Retail Individual Bidder, do not submit your Bid after 3.00 p.m. on the Bid/Issue Closing Date;
17. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872;
18. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a Non-Institutional Bidders;
19. Do not submit more than five ASBA Forms per ASBA Account;
20. Do not submit ASBA Bids to a Designated Intermediary at a Bidding Centre unless the SCSB where the ASBA Account is maintained, as specified in the ASBA Form, has named at least one branch in the relevant Bidding Centre, for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>); and
21. The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM**

In addition to the instructions for completing the Bid cum Application Form provided in the sub-section “Part B





– *General Information Document for Investing in Public Issues – Applying in the Issue – Instructions for filing the Bid cum Application Form/ Application Form*” on page no. 269 of this Prospectus, Bidders are requested to note the additional instructions provided below.

1. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal. Bids must be in single name or in joint names (not more than three, and in the same order as their Depository Participant details).
2. ASBA Bids must be made in a single name or in joint names (not more than three, and in the same order as their details appear with the Depository Participant), and completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the Red Herring Prospectus and in the ASBA Form.
3. Bids on a repatriation basis shall be in the names of FIIs or FPIs but not in the names of minors, OCBs, firms or partnerships and foreign nationals.

### **Designated Date and Allotment**

- (a) Our Company will ensure that the Allotment and credit to the successful Bidder’s depository account will be completed within Six Working Days, or such period as may be prescribed by SEBI, of the Bid/Issue Closing Date or such other period as may be prescribed.
- (b) Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.
- (c) Allottees will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act, 2013 and the Depositories Act.

### **Grounds for Technical Rejections**

In addition to the grounds for rejection of Bids on technical grounds as provided in the sub-section “*Part B – General Information Document for Investing in Public Issues – Issue Procedure in Book Built Issue – Rejection and Responsibility for Upload of Bids – Grounds for Technical Rejections*” on page 269 of this Prospectus, Bidders are requested to note that Bids may be rejected on the following additional technical grounds.

1. Bid submitted without payment of the entire Bid Amount;
2. Bids submitted by Bidders which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
3. Bids submitted on a plain paper;
4. Bids by HUFs not mentioned correctly as given in the sub-section “*Issue Procedure – Who can Bid?*” on page 259 of this Prospectus;
5. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
6. Bids submitted without the signature of the First Bidder or sole Bidder;
7. With respect to ASBA Bids, the ASBA Form not being signed by the account holders, if the accountholder is different from the Bidder;
8. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are ‘suspended for credit’ in terms of SEBI circular (reference number: CIR/MRD/DP/ 22 /2010) dated July29, 2010;
9. GIR number furnished instead of PAN;
10. Bids by Retail Individual Bidders with Bid Amount for a value of more than ₹ 200,000.00;
11. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
12. Bids by Bidders accompanied by cheques or demand drafts;
13. Bids accompanied by stock invest, money order, postal order or cash;
14. Bids uploaded by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/Issue Closing Date, and Bids by Retail Individual Bidders uploaded after 5.00 p.m. on the Bid/Issue Closing Date, unless extended by the Stock Exchanges.

### **Depository Arrangements**

The Allotment of the Equity Shares in the Issue shall be only in a de-materialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this



context, two agreements had been signed among our Company, the respective Depositories and the Registrar to the Issue:

1. Agreement dated August 28, 2018 among CDSL, our Company and the Registrar to the Issue.
2. Agreement dated September 05, 2018 among NSDL, our Company and Registrar to the Issue.

### **UNDERTAKINGS BY OUR COMPANY**

Our Company undertakes the following:

1. That if our Company does not proceed with the Issue after the Bid/Issue Closing Date but prior to Allotment, the reason thereof shall be given as a public notice 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. That the complaints received in respect of the Issue shall be attended to by the Company expeditiously and satisfactorily;
3. That all steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed are taken within six Working Days of the Bid/Issue Closing Date or such other period as may be prescribed;
4. If Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within 6 days from the Bid/Issue Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Bidders at the rate of 15.00% per annum for the delayed period;
5. That where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Bidder within 6 days from the Bid/Issue Closing Date or such lesser time as specified by SEBI, giving details of the bank where refunds shall be credited along with the amount and expected date of electronic credit for the refund;
6. That the Promoters' contribution in full, if required, shall be brought in advance before the Issue opens for subscription
7. That funds required for making refunds to unsuccessful bidders as per mode(s) disclosed shall be made available to the Registrar to the Issue by the Company;
8. No further offer of Equity Shares shall be made until the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in the ASBA Accounts on account of non-listing, under-subscription etc.;
9. That if our Company withdraws the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh draft offer document, in the event our Company subsequently decides to proceed with the Issue;
10. That our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time;
11. That the allotment of securities/refund confirmation to Eligible NRIs shall be dispatched within specified time; and
12. That our Company shall not have recourse to the Issue Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges.

### **Utilisation of Net Proceeds**

Our Company specifically confirms and declares:

- (i) all monies received out of issue of specified securities to public shall be transferred to separate bank account other than the bank account referred to in sub-section (3) of section 40 of the Companies Act, 2013;



- 
- (ii) details of all monies utilised out of the issue referred to in sub-item(i) shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilised under an appropriate separate head in the Balance Sheet of the Issuer indicating the purpose for which such monies had been utilised; and
  - (iii) details of all unutilised monies out of the issue of specified securities referred to in sub-item (i) shall be disclosed under an appropriate separate head in the balance sheet of the issuer indicating the form in which such unutilised monies have been invested.
  - (iv) that our Company shall not have recourse to the Issue Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges.
  - (v) that our Company shall comply with the requirements of the SEBI Listing Regulations in relation to the disclosure and monitoring of the utilisation of the proceeds of the Issue.

The decisions with respect to the Price Band, the minimum Bid lot, revision of Price Band, Issue Price, will be taken by our Company, in consultation with the BRLM.

### **Withdrawal of the Issue**

Our Company in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before the Board meeting for Allotment. In such an event our Company would issue a public notice in the newspapers, in which the pre-issue advertisements were published, within two days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Book Running Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange on which the Equity Shares were proposed to be listed. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Draft Red Herring Prospectus. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which the Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.



## **PART B - General Information Document for Investing In Public Issues**

*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 (the “General Information Document”) 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 SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document has been updated to reflect amendments to the SEBI ICDR Regulations including reference to the SEBI FPI Regulations and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the BRLM. Please refer to the relevant provisions of the General Information Document, which are applicable to the Issue.*

*Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of the 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 the Prospectus.*

### **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 Offers. 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 (“**SEBIICDR Regulations**”) 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 will be set out in the Red Herring Prospectus (“**RHP**”)/Prospectus that will be 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 Issuer is available on the websites of stock exchanges, on the website(s) of the **BRLM(s)** to the Issue and on the website of Securities and Exchange Board of India (“**SEBI**”) at [www.sebi.gov.in](http://www.sebi.gov.in).

For the definitions of capitalized terms and abbreviations used herein Bidders/Applicants may see “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 either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations. 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/ Regulation 27 of the SEBI ICDR Regulations. 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, the Companies Act, 2013, the Companies Act, 1956 (to the extent applicable), the Securities Contracts (Regulation) Rules, 1957 (the “SCR” ), 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 Red Herring 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**

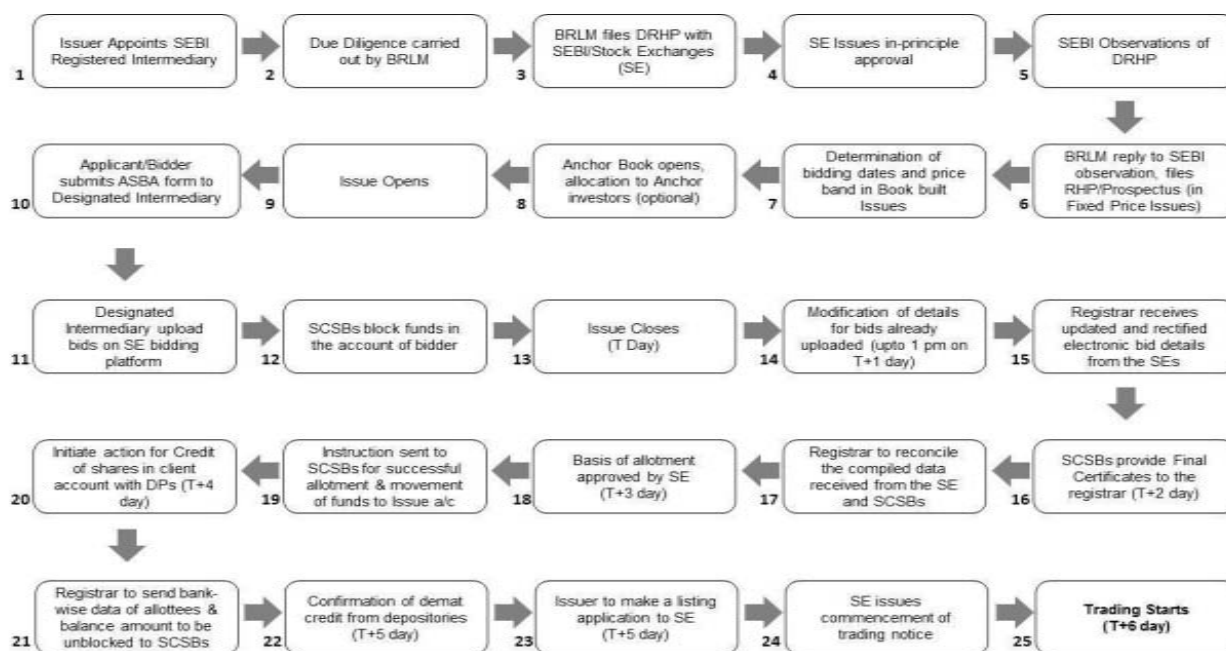
The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/ Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/ Issue Period. Details of Bid/ Issue Period are also available on the website of the 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 advertisement in the newspaper(s) issued in this regard.

### **2.6. FLOW CHART 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 Form with any of the Designated Intermediaries



### 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, FIIs, FPIs 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;
- 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 Bidder ("NIBs") 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 NIBs category;
- Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares;
- 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;
- 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; and
- As per the existing regulations, OCBs are not allowed to participate in an Offer.

#### **SECTION 4: APPLYING IN THE ISSUE**

**Book Built Issue:** Bidders should only use the specified ASBA Form (or in case of Anchor Investors, the Anchor Investor Application Form) bearing the stamp of a Designated Intermediary, as available or downloaded from the websites of the Stock Exchanges. Bid cum Application Forms are available with the book running lead managers, the Designated Intermediaries at the Bidding Centres 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 Bid cum Application Form bearing the stamp of the relevant Designated Intermediaries, as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the Registered and Corporate 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 colour of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

<b>Category</b>	<b>Colour of the Bid cum Application Form</b>
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, on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders Bidding/applying in the reserved category	As specified by the Issuer
Eligible Employees Bidding in the Employee Reservation Portion	Pink

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 rematerialized subsequent to Allotment.

#### **4.1 INSTRUCTIONS FOR FILLING 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:

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">TEAR HERE</p>	<b>COMMON BID CUM APPLICATION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b> Address : ..... Contact Details: ..... CIN No .....	<b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b>																																																
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">PLEASE FILL IN BLOCK LETTERS</p>	LOGO <b>XYZ LIMITED</b> <b>TO, THE BOARD OF DIRECTORS</b> <b>XYZ LIMITED</b>	<table border="1" style="margin: auto;"> <tr><td style="padding: 2px;">BOOK BUILT ISSUE</td></tr> <tr><td style="padding: 2px;">ISIN : .....</td></tr> </table>	BOOK BUILT ISSUE	ISIN : .....	Bid cum Application Form No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>																																														
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**COMMON BID CUM APPLICATION FORM**      **XYZ LIMITED - INITIAL PUBLIC ISSUE - NR**      **FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIS, FPIs OR FVCS, ETC APPLYING ON A REPATRIATION BASIS**

Address: \_\_\_\_\_ Contact Details: \_\_\_\_\_ CIN No \_\_\_\_\_

Logo: **THE BOARD OF DIRECTORS**      **BOOK-BUILT ISSUE**      Bid cum Application Form No. \_\_\_\_\_

**XYZ LIMITED**      **ISIN** \_\_\_\_\_

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	BSCBW BANK/SCSB BRANCH STAMP & CODE	Mr./Ms. _____
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	Address: _____
		Email: _____
		Tel. No (with STD code) / Mobile: _____
		2. PAN OF SOLE / FIRST BIDDER: _____

3. BIDDER'S REPOSITORY ACCOUNT DETAILS	<input type="checkbox"/> NSDL <input type="checkbox"/> CDSL	4. INVESTOR STATUS
License No. (For DP-1) DP ID followed by 3 digit Client ID / For CDSL enter 16 digit Client ID.		<input type="checkbox"/> NRI Non-Resident Indian (Repatriation Basis)
4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")	5. CATEGORY	<input type="checkbox"/> FI FI in Sub-account of a Corporate/Foreign Individual
Bid Option: No. of Equity Shares Bid (in Figures) (Bid must be in multiples of Bid Lot as advertised)	Price per Equity Share (IN) "Cut-off" (Price in multiples of 0.01 IN in Figures)	<input type="checkbox"/> FPI FI in Sub-account Corporate/Individual
Option 1	Bid Price    Retail Discount    Net Price    Cut-off (Price in IN)	<input type="checkbox"/> FVCI Foreign Venture Capital Investor
Option 2		<input type="checkbox"/> FDI Foreign Portfolio Investor
Option 3		<input type="checkbox"/> OTH Other (Please Specify)

7. PAYMENT DETAILS      PAYMENT OPTION: FULL PAYMENT     PART PAYMENT

Amount paid (IN in Figures) \_\_\_\_\_ (IN words) \_\_\_\_\_

ASBA Bank A/c No. \_\_\_\_\_

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 ANNEXED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES (GIDPI) 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 BIDDER	REL. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) (We authorize the SCSB to do all acts as per necessary to make the Application in the line)	BROKER / SCSB / DP / RTA STAMP (As per bank record kept on file in Stock Exchange system)
_____	_____	_____

**XYZ LIMITED**      **Acknowledgement Slip for Broker/SCSB/DP/RTA**      **Bid cum Application Form No. \_\_\_\_\_**

Logo: **INITIAL PUBLIC ISSUE - NR**      **Stamp & Signature of Broker / SCSB / DP / RTA**      **PAN of Sole / First Bidder: \_\_\_\_\_**

DPID: \_\_\_\_\_ CLID: \_\_\_\_\_

Amount paid (IN in Figures) \_\_\_\_\_ Bank & Branch: \_\_\_\_\_ Stamp & Signature of SCSB Branch

ASBA Bank A/c No: \_\_\_\_\_

Received from Mr./Ms. \_\_\_\_\_

Telephone/Mobile: \_\_\_\_\_ Email: \_\_\_\_\_

XYZ LIMITED - INITIAL PUBLIC ISSUE - NR	Option 1	Option 2	Option 3	Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Bidder
	No. of Equity Shares				
	Bid Price				
	Amount Paid (IN)				
	ASBA Bank A/c No.				
	Bank & Branch				

**Acknowledgement Slip for Bidder**

Bid cum Application Form No. \_\_\_\_\_



#### 4.1.1. FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST 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 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 Designated Intermediaries 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.
- (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:*

- 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.

(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 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 in whose sole or first 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 residing in Sikkim (“PAN Exempted Bidders/Applicants”). Consequently, all 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. 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 which provide the GIR Number instead of PAN may be rejected.
- e. Bids/Applications by Bidders/Applicants whose demat accounts have been ‘suspended for credit’ are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/ MRD/DP/22/2010. Such accounts are classified as “Inactive demat accounts” and Demographic Details are not provided by depositories.

#### 4.1.3. FIELD NUMBER 3: 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 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 the 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 other correspondence(s) related to an Offer.
- (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 Bidders 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 NIBs and such Bids from QIBs and NIBs 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 RIB shall not be less than the minimum Bid Lot, subject to availability of shares in the RIB 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 Bidders, 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. Bids by Employees must be for such number of equity shares to as to ensure that the Bid Amount less Discount (if applicable), payable by the Bidder does not exceed ₹ 500,000.
- (b) 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.
- (c) In case of a Bid by an Eligible Employee Bidding under the Employee Reservation Portion which exceeds ₹ 200,000 but does not exceed ₹ 500,000, may not be considered for allocation under the Non-Institutional Category,. However, in case the Bid Amount exceeds ₹ 500,000 due to revision in 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.
- (d) 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.
- (e) Bids by QIBs and NIBs 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. NIBs and QIBs are not allowed to Bid at Cut-off Price.
- (f) RIBs may revise their Bids or withdraw their bids until the Bid/Issue Closing Date. QIBs and NIBs cannot withdraw or lower their Bids (in terms of quantity of Equity Share or the Bid Amount) at any stage after Bidding.
- (g) In case the Bid Amount reduces to ₹ 200,000 or less due to a revision of the Price Band, Bids by the NIBs who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- (h) 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 Category 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.
- (i) A Bid cannot be submitted for more than the Issue size.
- (j) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.
- (k) 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 highest 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 three Bids at different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.
- (b) Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary 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.
- (c) 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.
- (d) 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 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. FIELDNUMBER 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 RIBs, NIBs 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, FPIs 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) The full Bid Amount (net of any Discount, as applicable) shall be blocked in the ASBA Account based on the authorisation provided in the ASBA Form. If Discount is applicable in the Issue, RIBs should indicate the full Bid Amount in the Bid cum Application Form and funds shall be blocked for the 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) RIBs who Bid at Cut-off Price shall arrange to block the Bid Amount based on the Cap Price.
- (c) All Bidders (except Anchor Investors) have to participate in the Issue only through the ASBA mechanism.
- (d) Bid Amount cannot be paid in cash, cheque, demand drafts, through money order or through postal order.

##### **4.1.7.1 Instructions for Anchor Investors:**

- (a) Anchor Investors may submit their Bids with a Book Running Lead Manager.
- (b) Payments should be made either by direct credit, RTGS or NEFT.
- (c) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Anchor Investors until the Designated Date.

##### **4.1.7.2 Payment instructions for ASBA Bidders**

- (a) Bidders may submit the ASBA Form either
  - i. 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
  - ii. in physical mode to any Designated Intermediary.
- (b) Bidders must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by Bidder and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will 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) Bidders should submit the Bid cum Application Form only at the Bidding Centers, i.e. to the respective member of the Syndicate at 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.
- (g) Bidders bidding through a Designated Intermediary, other than a SCSB, should note that ASBA Forms submitted to such Designated Intermediary may not be accepted, 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 such Designated Intermediary, to deposit ASBA Forms.
- (h) Bidders bidding directly through the SCSBs should ensure that the ASBA Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (i) Upon receipt of the ASBA 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 ASBA 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 accept such Bids and such bids are liable to be rejected.
- (l) Upon submission of a completed ASBA Form each 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 ASBA 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.

#### **4.1.7.2.1 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 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 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 ASBA 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 six Working Days of the Bid/ Issue Closing Date.

#### **4.1.7.3 Discount (if applicable)**

- (a) The Discount is stated in absolute rupee terms.
- (b) Bidders applying under RIB 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 block the Bid Amount less Discount.

Bidder may note that in case the net amount blocked (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 RIB 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 Bidder/Applicant, then the Signature of the ASBA Account holder(s) is also required.
- (c) The signature has to be correctly affixed in the authorisation/ 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 Slip duly signed and stamped by the Designated Intermediary, as applicable, for submission of the ASBA Form.
- (b) All communications in connection with Bids made in the Issue 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/ Applicant, Bid cum Application Form number, Bidders'/Applicants' 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 investor shall also enclose a copy of the Acknowledgment Slip duly received from the Designated Intermediaries in addition to the information mentioned hereinabove.

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 NIBs, 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) RIB may revise their bids or withdraw their Bids till the Bid/ Issue Closing Date.
- (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 Designated Intermediary 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.



A sample revision form is reproduced below:

<b>COMMON BID REVISION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b>	<b>FOR RESIDENT INDIANS, INCLUDING RESIDENT OIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b>
Address : _____	Contact Details: _____	CIN No. _____
<b>LOGO</b>	<b>TO, THE BOARD OF DIRECTORS XYZ LIMITED</b>	<b>BOOK BUILT ISSUE</b> ISIN : _____
		<b>Bid cum Application Form No.</b> _____
<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>	<b>BROKER/SCSB/DP/RTA STAMP &amp; CODE</b>	<b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b>
		Mr./Ms. _____
		Address _____
		Email _____
<b>SUB-BROKER'S / SUB-AGENTS' STAMP &amp; CODE</b>	<b>EXCISE BANK/CSB BRANCH STAMP &amp; CODE</b>	<b>2. PAN OF SOLE / FIRST BIDDER</b>
		Tel. No. (with STD code) / Mobile _____
<b>BANK BRANCH SERIAL NO.</b>	<b>CSB SERIAL NO.</b>	<b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL
		For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID
<b>PLEASE CHANGE MY BID</b>		
<b>4. FROM (AS PER LAST BID OR REVISION)</b>		
<b>Bid Options :</b>	<b>No. of Equity Shares Bid</b> (Bid in multiples of Bid Lot as advertised) (In Figures)	<b>Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only)</b> (In Figures)
	8 7 6 5 4 3 2 1	<b>Bid Price</b> <b>Retail Discount</b> <b>Net Price</b> <b>"Cut-off"</b> (Please check)
Option 1		
(OR) Option 2		
(OR) Option 3		
<b>5. TO (Revised Bid) (Only Retail Individual Bidders can bid at "Cut-off")</b>		
<b>Bid Options :</b>	<b>No. of Equity Shares Bid</b> (Bid in multiples of Bid Lot as advertised) (In Figures)	<b>Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only)</b> (In Figures)
	8 7 6 5 4 3 2 1	<b>Bid Price</b> <b>Retail Discount</b> <b>Net Price</b> <b>"Cut-off"</b> (Please check)
Option 1		
(OR) Option 2		
(OR) Option 3		
<b>6. PAYMENT DETAILS</b>		
<b>Additional Amount Paid (₹ in figures)</b> _____		<b>₹ in words)</b> _____
<b>PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/></b>		
<b>ASBA Bank A/c No.</b>	_____	
<b>Bank Name &amp; Branch</b>	_____	
<small>UPON RECEIPT OF THIS APPLICATION, I/WE HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THE IPO AND I/WE AGREE TO BE BOUND BY THE TERMS AND CONDITIONS AND I/WE AGREE TO BE BOUND BY THE GENERAL INFORMATION DOCUMENT FOR RETAIL INDIVIDUAL BIDDERS (GIDIB) AND I/WE HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BIDDING FORM ON ENCLURE (I).</small>		
<b>7A. SIGNATURE OF SOLE / FIRST BIDDER</b>	<b>7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s)</b> (AS PER BANK RECORDS) <small>I/We authorize the SOLE / FIRST Bidder to sign on my/our behalf for Affiliation to Bidder.</small>	<b>BROKER / SCSB / DP / RTA STAMP</b> (A stamp is to be affixed on the Bid in Block & to be kept in system)
Date : _____	( ) _____ ( ) _____ ( ) _____	
<b>TEAR HERE</b>		
<b>LOGO</b>	<b>XYZ LIMITED</b> <b>BID REVISION FORM - INITIAL PUBLIC ISSUE - R</b>	<b>Acknowledgement Slip for Broker/SCSB/DP/RTA</b>
		<b>Bid cum Application Form No.</b> _____
<b>DPID / CLID</b>	<b>PAN of Sole / First Bidder</b>	
_____	_____	
<b>Additional Amount Paid (₹)</b>	<b>Bank &amp; Branch</b>	<b>Stamp &amp; Signature of SCSB Branch</b>
ASBA Bank A/c No. _____	_____	_____
<b>Received from Mr./Ms.</b>	_____	
<b>Telephone / Mobile</b> _____	<b>Email</b> _____	
<b>TEAR HERE</b>		
<b>XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R</b>	<b>Option 1</b> <b>Option 2</b> <b>Option 3</b>	<b>Name of Sole / First Bidder</b>
<b>No. of Equity Shares</b>	_____	_____
<b>Bid Price</b>	_____	_____
<b>Additional Amount Paid (₹)</b>	_____	_____
<b>ASBA Bank A/c No.</b>	_____	_____
<b>Bank &amp; Branch</b>	_____	_____
<b>Stamp &amp; Signature of Broker / SCSB / DP / RTA</b>		<b>Acknowledgement Slip for Bidder</b>
		<b>Bid cum Application Form No.</b> _____



Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

#### **4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/ APPLICANTS, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/ APPLICANT**

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

#### **4.2.2 FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'**

- (i) 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 Designated Intermediaries may not accept incomplete or inaccurate Revision Forms.
- (ii) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.
- (iii) In case of revision of Bids by RIBs, Employees and Retail Individual Shareholders, such Bidders/ Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹ 200,000 and Employees should ensure that the Bid Amount, subsequent to revision, does not exceed ₹ 500,000. In case the Bid Amount exceeds ₹ 200,000 (in case of RIBs) or ₹ 500,000 (in case of Employees) 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 RIBs, 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.
- (iv) 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 Category in terms of the RHP/ Prospectus, provided that in case of an Bid by an Employee Bidding in the Employee Reservation Portion, a Bid exceeding ₹ 500,000 will be considered for allocation under the Non-institutional category in terms of the Red Herring Prospectus/Prospectus. . If, however, the RIB 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, where possible, shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RIB and the RIB is deemed to have approved such revised Bid at Cutoff Price.
- (v) In case of a downward revision in the Price Band, RIBs 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 after the allotment is finalised.

#### **4.2.3 FIELD 6: PAYMENT DETAILS**

- (i) All Bidders/Applicants are required to authorise that the full Bid Amount (less Discount (if applicable) is blocked. 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.
- (ii) Bidder/Applicants 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 Designated Intermediary through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.
- (iii) 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, provided that in case of a Bid by an Employee Bidding in the Employee Reservation Portion, a Bid exceeding ₹ 500,000 will be considered for allocation under the Non-institutional Category in terms of the Red Herring Prospectus/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, where possible, may be adjusted downwards for the purpose of Allotment, such that additional amount is required blocked and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.

- (iv) In case of a downward revision in the Price Band, RIBs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount blocked at the time of Bidding may be unblocked after the finalisation of basis of allotment.

#### **4.2.4 FIELDS7: 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**

- (i) The Issuer may mention Issue Price or Price Band in the Draft Red Herring Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).
- (ii) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the Book Running Lead Manager 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.
- (iii) Applications by RIBs, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹ 200,000.
- (iv) Applications by Employees must be for such number of shares so as to ensure that the application amount payable does not exceed ₹500,000 on a net basis.
- (v) 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.
- (vi) An application cannot be submitted for more than the Issue size.
- (vii) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.
- (viii) **Multiple Applications:** An Applicant should submit only one Application Form.

Submission of a second Application Form to either the same or other SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

- (ix) 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, Applications bearing the same PAN may be treated as multiple applications by an Applicant and may be rejected.
  - ii. For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications, which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- (x) 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 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 subaccounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

#### **4.3.3 FIELDNUMBER 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 RIBs, individual applicants other than RIB'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 (other than Anchor Investors) are required to make use of ASBA for applying in the Issue
- (b) Application Amount cannot be paid in cash, through money order, cheque, demand draft or through postal order or through stock invest.

##### **4.3.5.1 Payment instructions for ASBA Applicants**

Applicants should refer to instructions contained in paragraphs 4.1.7.2.

##### **4.3.5.2 Unblocking of ASBA Account**

Applicants should refer to instructions contained in paragraphs 4.1.7.2.1.

##### **4.3.5.3 Discount (if applicable)**

Applicants should refer to instructions contained in paragraphs 4.1.7.3.



#### **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/APPLICATION FORM/REVISION FORM**

##### **4.4.1 Bidders/Applicants may submit completed Bid cum application form/Revision Form in the following manner: -**

<b>Mode of Acquisition</b>	<b>Submission of Bid cum Application Form</b>
Anchor Investors Application Form	To the Book Running Lead Managers at the locations mentioned in the Anchor Investors Application Form
ASBA Form	a. To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the RTA at the Designated RTA Location or the DP at the Designated DP Location. b. To the Designated Branches of the SCSBs.

- (a) Bidders/Applicants should submit the Revision Form to the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid.
- (b) 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 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.
- (c) 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, Bidders/ Applicants may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager, to register their Bid.
- (b) In case of Bidders/Applicants (excluding NIBs and QIBs) Bidding at Cut-off Price, the Bidders/ Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable).
- (c) 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 Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries 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 Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.





- (c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1 p.m. on the next Working Day following 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 to the Issue for further processing.

### **5.3 BUILD UP OF THE BOOK**

- (a) Bids received from various Bidders/Applicants through the Designated Intermediaries 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) RIBs can withdraw their Bids until Bid/ Issue Closing Date. In case a RIB 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 Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- (b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account upon or after the finaliation of basis of allotment. QIBs and NIBs can neither withdraw nor lower the size of their Bids at any stage.

### **5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS**

- (a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:
- i. the Bids accepted by the Designated Intermediary,
  - ii. the Bids uploaded by the Designated Intermediary, and
  - iii. the Bid cum application forms accepted but not uploaded by the Designated Intermediary.
- (b) The BRLM and their affiliate Syndicate Members, as the case may be, may reject Bids if all 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, NIBs & RIBs Bidders can be rejected on technical grounds listed herein.
- (f) The BRLM and their affiliate Syndicate Members, as the case may be, may reject Bids if all information required is not provided and the Bid cum Application Form is incomplete in any respect.
- (g) 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.
- (h) 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.
- (i) All bids by QIBs, NIBs & RIBs Bidders can be rejected on technical grounds listed herein.



- (j) The BRLM and their affiliate Syndicate Members, as the case may be, may reject Bids if all information required is not provided and the Bid cum Application Form is incomplete in any respect.
- (k) 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.
- (l) 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.
- (m) All bids by QIBs, NIBs & RIBs Bidders can be rejected on technical grounds listed herein.

#### **5.5.1 GROUNDS FOR TECHNICAL REJECTIONS**

Bid cum Application Forms/Application Forms can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, 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, 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;
- (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;
- (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) PAN not mentioned in the Bid cum Application Form/Application Forms 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;
- (h) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- (i) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- (j) Bids/Applications at a price less than the Floor Price & Bids/Applications at a price more than the Cap Price;
- (k) Bids/Applications at Cut-off Price by NIBs and QIBs;
- (l) The amounts mentioned in the Bid cum Application Form/Application Forms do not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- (m) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- (n) Bids/Applications for shares more than the prescribed limit by each Stock Exchange for each category.
- (o) Submission of more than five ASBA Forms/ Application Forms per ASBA Account;
- (p) Bids/Applications for number of Equity Shares which are not in multiples of Equity Shares as specified in the RHP;



- (q) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;
- (r) Bids not uploaded in the Stock Exchanges bidding system.
- (s) Inadequate funds in the bank account to block the Bid/Application Amount specified in the ASBA Form/Application Form at the time of blocking such Bid/Application Amount in the bank account;
- (t) Where no confirmation is received from SCSB for blocking of funds;
- (u) Bids/Applications by Bidders (other than Anchor Investors) not submitted through ASBA process;
- (v) Bids/Applications submitted to Designated Intermediaries at locations other than the Bidding Centers or 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;
- (w) Bids/Applications not uploaded on the terminals of the Stock Exchanges;
- (x) 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 any category (except QIB Portion) is allowed to be met with spillover 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 Issue, spill-over to the extent of such under subscription may be permitted from the Reserved Portion to the 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 Company at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Price (₹)	Cumulative Quantity	Subscription
500	24	500	16.70%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.70%
2,500	20	7,500	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 book running lead managers, will 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. RIBs, NIBs 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 Offer. 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 the Designated Intermediary.

Applicants may submit an Application Form either in physical form to the any of the Designated Intermediaries 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 Offer, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Bidders; and remaining to (i) individual investors other than Retail Individual Bidders; 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 Bidders 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 Bidder will be allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Bidder 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 Net 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 RIBs**

Bids received from the RIBs 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 RIBs 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 RIBs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot (“**Maximum RIB Allottees**”). The Allotment to the RIBs will then be made in the following manner:



- (a) In the event the number of RIBs who have submitted valid Bids in the Issue is equal to or less than Maximum RIB Allottees, (i) all such RIBs 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 RIBs 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 RIBs who have submitted valid Bids in the Issue is more than Maximum RIB Allottees, the RIBs (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 NIBS**

Bids received from NIBs at or above the Issue Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIBs 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 NIBs 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 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 in consultation with the BRLM, subject to compliance with the following requirements:
- i. not more than 60% of the QIB Category 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 ₹ 100 million;
    - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 100 million and up to ₹ 2,500 million subject to minimum Allotment of ₹ 50 million per such Anchor Investor; and



- a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million or part thereof, subject to minimum Allotment of ₹ 50 million per such Anchor Investor.
- (b) An Anchor Investor shall make an application of a value of at least ₹ 100 million in the Issue.
- (c) A physical book is prepared by the Registrar on the basis of the Anchor Investor 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.
- (d) **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.
- (e) **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), NIBs 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 to Anchor Investors 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 applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.
- (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 six Working Days of the Bid/ Issue Closing Date.

## SECTION 8: INTEREST AND REFUNDS

### 8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer shall 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 six Working Days of the Bid/ Issue Closing Date. The Registrar to the Issue may initiate corporate action for credit to Equity Shares the beneficiary account with Depositories within six 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) or obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer shall 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 an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith take steps to refund, without interest, all moneys received from Bidders/Applicants.

If such money is not refunded to the Bidders/ Applicants 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 NONRECEIPT 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, the Issuer may forthwith, take steps to unblock the entire subscription amount received within six Working Days of the Bid/ Issue Closing Date and repay, without interest, all moneys received from Anchor Investors. In case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable. In case of under subscription in the Issue involving a Fresh Issue and an Offer for Sale, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay the amount received from Bidders, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of 15 Working Days, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

## 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 INCASE 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:** Within six Working Days of the Bid/ Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Accounts for unsuccessful Bids or for any excess amount blocked on Bidding.
- (b) **In case of Anchor Investors:** Within six Working Days of the Bid/ Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors.
- (c) In case of Anchor Investors, the Registrar to the Issue may obtain from the depositories the Bidders' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Anchor Investor Application Forms for refunds.

Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their depositories. 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 Anchor Investors' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Anchor Investors 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.

### 8.3.1 Electronic mode of making refunds for Anchor Investors

The payment of refund, if any, may be done through various electronic modes as mentioned below:

**8.3.1.1 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;

**8.3.1.2 NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors' 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 Anchor Investors 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 Anchor Investors 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;

**8.3.1.3 RTGS**—Anchor Investors 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.

**8.3.1.4 Direct Credit**—Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;

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, Anchor Investors may refer to RHP/Prospectus.

#### **8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND**

The Issuer may pay interest at the rate of 15% per annum if Allotment is not made and refund instructions have not been given to the clearing system in the disclosed manner/instructions for unblocking of funds in the ASBA Account are not dispatched within the 15 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.

<b>Term</b>	<b>Description</b>
Allotment/Allot/ Allotted	The allotment of Equity Shares pursuant to the Issue to successful Bidders/Applicants
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been Allotted Equity Shares are the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	An Bidder/Applicant to whom the Equity Shares are Allotted
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
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 Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by ASBA Bidders/Applicants, to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
Application Supported by Blocked Amount Form /ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders/Applicants, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
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
ASBA Bidder	All Bidders/Applicants except Anchor Investors
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) for Anchor Investors 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



<b>Term</b>	<b>Description</b>
	under the Issue fixed price process, all references to a Bid should be construed to mean an Application.
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 Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder 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 Anchor Investor Application Form or the ASBA Form, as the context requires
Bid/ Issue Closing Date	Except in the case of Anchor Investors (if applicable), the date after which the Designated Intermediaries 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. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/ Issue Closing Date
Bid/ Issue Opening Date	The date on which the Designated Intermediaries 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. Bidders/Applicants 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 ASBA Bidders/Applicants 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. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Issue Period
Bidder/Applicant	Any Prospective investor who makes a Bid/Application 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/Applicants should be construed to mean an Applicant
Book Built Process /Book Building Process/Book Building Method Broker Centres	The book building process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the ASBA Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
Broker Centres	Broker Centres notified by the Stock Exchanges, where Bidders /Applicants can submit the ASBA Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the website of the Stock Exchanges.
BRLM(s)/Book Running Lead Manager(s)/ 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 Saturday (except 2nd and 4th Saturday of a month and public holidays)
CAN/Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/Issue Period
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
Collecting Depository Participant or CDPs	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
Cut-off Price	Issue Price, finalised by the Issuer in consultation with the Book Running Lead



<b>Term</b>	<b>Description</b>
	Manager(s), which can be any price within the Price Band. Only RIBs, 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 Bidders/Applicants (excluding Anchor Investors) and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms to Collecting Depository Participants.  The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> )
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) 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, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the Fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale.
Designated Intermediaries	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 ASBA Forms are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> )
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 SEBI ICDR Regulations, 2009 and including, in case of a new Company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details, Bidder/Applicant 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 Anchor Investors may transfer money through NEFT/RTGS/direct credit 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 Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors 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



<b>Term</b>	<b>Description</b>
Fixed Price Issue/ Fixed Price Process /Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
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
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable
Maximum RIB Allottees	The maximum number of RIBs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs 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 Offer	The Issue less reservation portion
Non Institutional Bidders or NIBs	All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign Corporates 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 NIBs 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, FPIs and FVCIs registered with SEBI
OCB/Overseas Corporate Body	A Company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer	Public issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholders
Other Investors	Investors other than Retail Individual Bidders in a Fixed Price Issue. These include individual applicants other than Retail Individual Bidders and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price The Issue Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)
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





Term	Description
	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 26 of the Companies Act, 2013 after the Pricing Date, containing the Issue Price, the size of the Issue and certain other information
Public Issue Account	A Bank account opened with the Banker to the Issue to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
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 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 to Anchor Investors, 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
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 issued by SEBI
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Issue/RTO	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 such category of eligible Bidders/Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual Bidders/ RIBs	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 RIBs which shall not be less than the minimum Bid Lot, subject to availability in RIB 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 indicated 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 <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>
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



<b>Term</b>	<b>Description</b>
	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 ASBA Forms by Syndicate Members
Syndicate Member(s) /SM Underwriters	The Syndicate Member(s) as disclosed in the RHP/Prospectus 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	All trading days of Stock Exchanges, excluding Sundays and holidays for commercial banks in Mumbai.





## 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. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are DIPP and the RBI.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("**DIPP**"), issued the Consolidated FDI Policy, which with effect from May 12, 2015, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on May 12, 2015. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, the Consolidated FDI Policy 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 Consolidated FDI Policy and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/ RBI.

As per the existing policy of the GoI, OCBs cannot participate in the Issue.

**The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and, unless so registered, 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 state securities laws.**

**The above information is given for the benefit of the Bidders. Our Company and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.**



## SECTION X – MAIN PROVISIONS OF ARTICLE OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Table F in Schedule I of the Companies Act, 2013 and the SEBI Regulations, the main provisions of the Articles of Association of our Company are detailed below:

These Articles of Association were adopted in substitution for and to the entire exclusion of the earlier Articles of Association at the Extra-ordinary General Meeting of the Company held on July 25, 2018.

### Public Company

2. The Company is a Public Company within the meaning of section 2(71) of the Companies Act, 2013.

### Share capital and variation of rights

3. (i) The Authorized Share Capital of the Company shall be as laid down in Memorandum of Association of the Company.

(ii) Subject to the provisions of the Companies Act 2013 and the applicable Rules made thereunder, the Company / Board shall have power to issue / allot shares, whether on preferential basis or otherwise, from time to time and the shares shall be under the control of the Directors who may allot or otherwise dispose off the same to such persons, on such terms and conditions and at such times as the Directors think fit.

4. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided:—

(a) One certificate for all his shares without payment of any charges; or

(b) Several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

(ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

(iii) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

5. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

(ii) The Company may issue new share certificates pursuant to consolidation or sub division of share certificate(s) upon written request received from shareholder together with production and surrender of respective original share certificate(s). Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

(iii) The provisions of Articles (5) and (6) shall mutatis mutandis apply to debentures of the Company.

6. Except as required by law, no person shall be recognized by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.



7. (i) The Company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.  
  
(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.  
  
(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
8. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48 and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.  
  
(ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
9. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.
10. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the Company before the issue of the shares may, by special resolution, determine.

#### **Lien**

11. (i) The Company shall have a first and paramount lien—
  - (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
  - (b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company:

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

  - (ii) The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
  - (iii) The fully paid shares shall be free from all lien and that in the case of partly paid shares the Company's lien shall be restricted to monies called or payable at a fixed time in respect of such shares.
12. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:  
  
Provided that no sale shall be made—
  - (a) unless a sum in respect of which the lien exists is presently payable; or
  - (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
13. (i) To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.  
  
(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.



(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

14. (i) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

#### **Calls on shares**

15. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.

(iii) A call may be revoked or postponed at the discretion of the Board.

(iv) The option or right to make call on shares shall not be given to any person except with the sanction of the Company in General Meetings. That is, it may delegate power to make calls on shares subject to approval of the shareholders in a general meeting of the Company.

16. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.

17. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

18. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. Per annum or at such lower rate, if any, as the Board may determine.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

19. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

20. The Board—

(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance but shall not confer a right to dividend or to participate in profits.



### **Transfer of shares**

21. (i) The Company shall use a Common form of transfer. The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.
- (ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
22. The Board may, subject to the right of appeal conferred by section 58 decline to register—
- (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
- (b) any transfer of shares on which the Company has a lien.
23. The Board may decline to recognize any instrument of transfer unless—
- (a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (c) the instrument of transfer is in respect of only one class of shares.
24. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:
- Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.
25. Subject to the provisions of Section 59 of Companies Act, 2013, the Board may decline to register any transfer of Shares on such grounds as it think fit in the benefit of the Company (notwithstanding that the proposed transferee be already a Member), but in such case it shall, within two (2) months from the date the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal to register such transfer giving reasons for such refusal. Provided that 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.

### **Transmission of Shares**

26. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares.
- (ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
27. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—
- (a) to be registered himself as holder of the share; or
- (b) to make such transfer of the share as the deceased or insolvent member could have made.
- (ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.



28. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
- (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
29. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

#### **Forfeiture of Shares**

30. If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.
31. The notice aforesaid shall—
- (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
- (b) State that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
32. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
33. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
34. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.
- (ii) The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.
35. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.
- (ii) The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.



(iii) The transferee shall thereupon be registered as the holder of the share; and

(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

36. The provisions of these regulations as to forfeiture shall apply in the case of non payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

#### **Alteration of Capital**

37. The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution. The Authorised Share Capital shall be as per the clause V (a) of Memorandum of Association of the Company.

38. Subject to the provisions of section 61, the Company may, by ordinary resolution,—

(a) increase its authorized share capital by such amount as it thinks expedient.

(b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

(d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;

(e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

39. Where shares are converted into stock,—

(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

(c) such of the regulations of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.

40. The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—

(a) its share capital;

(b) any capital redemption reserve account; or

(c) any share premium account.

#### **Capitalisation of profits**

41. (i) The Company in general meeting may, upon the recommendation of the Board resolve—





(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, Securities Premium Accounts or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—

- A. paying up any amounts for the time being unpaid on any shares held by such members respectively;
- B. paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
- C. partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);
- D. A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;
- E. The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

42. (i) whenever such a resolution as aforesaid shall have been passed, the Board shall—

- a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
- b) Generally do all acts and things required to give effect thereto.

(ii) The Board shall have power—

- a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable infractions; and
- b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

(iii) Any agreement made under such authority shall be effective and binding on such members.

#### **Dematerialisation of Securities**

43. (i) **For the purpose of this Article:-**

"Beneficial Owner": Beneficial Owner shall have the meaning assigned thereto in section 2(1)(a) of the Depositories Act, 1996.

"Depositories Act": Depositories Act shall mean the Depositories Act, 1996 and includes any statutory modification or re-enactment thereof for the time being in force.

"Depository": Depository shall mean a Depository as defined in section 2(1)(e) of the Depositories Act, 1996.

"Member": Member shall mean a duly registered holder from time to time of the security of the Company and includes every person whose name is entered as beneficial owner in the records of the Depository.



**"Security"**: Security shall mean such security as may be specified by SEBI.

- (ii) **"Dematerialisation of Securities"**: Notwithstanding anything on the contrary contained in this Article, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form and further to rematerialise the securities held on depository pursuant to the Depositories Act, 1996 or any amendment thereof.
- (iii) **"Option to hold securities in physical form or with depository"**: Every person holding securities of the Company through allotment or otherwise shall have the option to receive and hold the same in the dematerialised form with a depository.
- (iv) **"Beneficial Owner may opt out of a Depository"**: Every person holding securities of the Company with a depository, being the beneficial owner thereof, may at any time opt out of the depository in the manner provided under the provisions of the Depositories Act and the Rules, if any, prescribed there under and on fulfilment of the conditions prescribed by the Company from time to time, Company shall issue the relevant security certificates to the beneficial owner thereof.
- (v) **"Securities in Depositories to be in fungible form"**: All securities held by a depository shall be dematerialised and shall be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Companies Act, shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.
- (vi) **"Rights of depository and beneficial owners"**: A depository shall be deemed to be the registered owner for the purposes of affecting the transfer of ownership of securities on behalf of the beneficial owners and shall not have any voting rights or any other rights in respect of the securities held by it.
- (vii) 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 rights and benefits and be subject to all the liabilities in respect of his/her securities, which are held by a depository.
- (viii) **"Transfer of securities"**: Transfer of security held in a depository will be governed by the provisions of the Depository Act, 1996. Nothing contained in Section 56 of the Companies Act, 2013 or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.
- (ix) **"Register and Index of beneficial owners"**: The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and Security holders for the purpose of these Articles.
- (x) **"Other matters"**: Notwithstanding anything contained in these Articles, the provision of Depositories Act, 1996 relating to dematerialisation of securities including any modification(s) or re-enactment thereof and Rules/Regulations made there under shall prevail accordingly.
- (xi) Notwithstanding anything contained in the Act or the Articles, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or disks.

#### **Nomination**

44. Notwithstanding anything contained in Articles, every holder of shares(s) or debenture(s) of the Company may, at any time, nominate, in the prescribed manner, a person to whom these share(s) shall vest in the event of his death and the provisions of Section 109A and Section 109B of the Companies Act, 1956 shall apply in respect of such nomination.

The provisions of this Article shall apply mutatis mutandis to a depository of money with the Company as per the provisions of the Act.



### **Buy-Back of Shares**

45. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

### **General Meetings**

46. All general meetings other than Annual General Meeting shall be called extraordinary general meeting.
47. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.
- (ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

### **Proceedings at General Meetings**

48. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
- (ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.
49. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company.
50. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
51. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

### **Adjournment of Meeting**

52. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
- (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

### **Voting Rights**

53. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—
- (a) on a show of hands, every member present in person shall have one vote; and
- (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.
54. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
55. (i) 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.



- (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
56. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
57. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
58. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
59. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
- (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

### **Proxy**

60. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
61. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
62. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

### **Board of Directors**

63. The minimum number of Directors shall be 3 and maximum number of directors shall be 15.

The First Directors of the Company are:

1. Venkatesh Uchil
  2. Premlata Uchil
  3. Vinay Uchil
  4. Tanuja Pudhierkar
  5. Vilas Mahadeo Kulkarni
  6. BhalChandra Sitaram
  7. Kalpesh Mehta
64. (i) Subject to the provisions of the Act, the Company may pay any remuneration, as determined by the Board of Directors / General Meeting to all or any of its Directors for the services rendered by them / him in day to day management of the affairs of the Company or any other type of services, whether professional in nature or not, for any of the purposes of the Company, either by a fixed sum on monthly or annual basis and / or perquisites and / or a percentage of the profits or otherwise as may be determined by the Board or the members in General Meeting.

The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.



(ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—

(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or

(b) in connection with the business of the Company.

65. The Board may pay all expenses incurred in getting up and registering the Company.

66. The Company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.

67. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

68. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

69. (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.

(ii) Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.

#### **Proceedings of the Board**

70. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(ii) Subject to the Articles herein, a director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

(iii) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(iv) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

71. 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.

72. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.

73. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.

74. (i) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.



75. A committee may elect a Chairperson of its meetings.
76. 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.
77. (i) A committee may meet and adjourn as it thinks fit.
- (ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
78. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
79. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

#### **Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer**

80. 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.
81. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, Company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, Company secretary or chief financial officer.

#### **Managing Director**

82. The business of the Company may be carried on by the Managing Director(s) who may be appointed by the Board of Directors / members in their General Meeting, from time to time who shall fix the terms, qualifications, remuneration, duties, authorities and powers. The Board may from time to time and subject to the provisions of the Act delegate to the Managing Director(s) such of their powers and duties and subject to such limitations and conditions as they may deem fit. The Board may from time to time, revoke, withdraw, alter or vary all or any of the powers conferred on him or dismiss him from office and appoint another in his place.
83. Subject to the provisions of section 179 and 180 of the Companies Act, 2013, the Managing Director of the Company, if any, shall be empowered to carry on the day to day business affairs of the Company. He shall have the general control, management and superintendence of the business of the Company with power to appoint and to dismiss employees and to enter into contracts on behalf of the Company in the ordinary course of business and to do and perform all other acts, deeds and things which in the ordinary course of business may be considered necessary/proper or in the interest of the Company.

#### **The Seal**

84. (i) The Board shall provide for the safe custody of the seal.
- (ii) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two



directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

### **Dividends and Reserve**

85. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
86. 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.
87. (i) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.
- (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
88. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.
- (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
- (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
89. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
90. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent
91. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
92. 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.
93. No dividend shall bear interest against the Company.
94. No unclaimed Dividend shall be forfeited before the claim becomes barred by law, and unclaimed Dividends shall be dealt with in accordance with the applicable provisions of the Act

### **Accounts**





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95. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being directors.

(ii) No member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in general meeting.

#### **Winding Up**

96. 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.

97. 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.

98. 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**

99. Every officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.



## SECTION 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 the Company (not being contracts entered into in the ordinary course of business carried on by the Company or contracts entered into more than two years before the date of this Prospectus) which are or may be deemed material have been attached to the copy of the Prospectus delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from Application/Issue Opening Date until the Application/Issue Closing Date.

#### A. Material Contracts

1. Memorandum of Understanding dated August 06, 2018 between our Company and the Book Running Lead Manager and Addendum dated October 05, 2018.
2. Memorandum of Understanding dated August 06, 2018 between our Company and the Registrar to the Issue.
3. Escrow Agreement dated August 29, 2018 between our Company, the Book Running Lead Manager, Escrow Collection Bank(s) and the Registrar to the Issue.
4. Market Making Agreement dated August 29, 2018 between our Company, the Book Running Lead Manager and Market Maker and Addendum dated October 05, 2018.
5. Underwriting Agreement dated August 29, 2018 between our Company, the Book Running Lead Manager and Market Maker and Addendum dated October 05, 2018.
6. Tripartite agreement between the NSDL, our Company and the Registrar dated September 05, 2018.
7. Tripartite agreement between the CDSL, our Company and the Registrar dated August 28, 2018.
8. Syndicate Agreement dated August 29, 2018 between our Company, the BRLM and Syndicate Member.

#### B. Material Documents

1. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.
2. Copy of Certificates of Incorporation of Marine Electricals (India) Limited
3. Resolution of the Board of Directors meeting dated August 03, 2018 authorizing the Issue.
4. Shareholders' resolution passed at the EGM dated August 04, 2018 authorizing the Issue.
5. Peer Review Auditor's report for Restated Financials dated September 07, 2018 included in this Prospectus.
6. The Statement of Tax Benefits dated September 07, 2018 from our Peer Review Auditor.
7. Consent of our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, Peer Review Auditor, Banker to the Company, Banker(s) to the Issue, Book Running Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Market Maker, Underwriters and Syndicate Members as referred to in their specific capacities.
8. Due Diligence Certificate(s) dated September 14, 2018 and October 05, 2018 of the Book Running Lead Manager to be submitted to SEBI.
9. Approval from NSE vide letter dated September 05, 2018 to use the name of NSE in this Issue Document for listing of Equity Shares on the SME Platform of the NSE.



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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 the relevant provisions of the Companies Act, 1956, Companies Act, 2013 (to the extent notified) and the guidelines issued by the Government of India or the 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 the Prospectus is contrary to the provisions of the Companies Act, 1956, Companies Act, 2013 (to the extent notified), the Securities Contract (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992, each as amended or rules made there under or guidelines and regulations issued, as the case may be. We further certify that all the disclosures and statements made in the Prospectus are true and correct.

### SIGNED BY THE DIRECTORS OF OUR COMPANY:

\_\_\_\_\_  
**Mr. Vinay Uchil**  
Chairman & Whole-Time Director

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**Mr. Venkatesh Uchil**  
Managing Director

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**Mrs. Tanuja Pudhierkar**  
Non – Executive Non – Independent Director

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**Mr. Madan Pendse**  
Non – Executive Independent Director

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**Mr. Nikunj Mishra**  
Non – Executive Independent Director

### SIGNED BY THE CHIEF FINANCIAL OFFICER:

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**Mr. Rohit Shetty**  
Chief Financial Officer

### SIGNED BY THE COMPANY SECRETARY AND COMPLIANCE OFFICER:

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**Mr. Sudhir Gupta**  
Company Secretary and Compliance Officer

Date: October 05, 2018  
Place: Mumbai