



VELTECH FORGING LIMITED

CIN: U27200MH1994PLC079501

Our Company was incorporated as Veltech Forging Private Limited on July 07, 1994 under Companies Act, 1956 with a certificate of incorporation bearing Registration No. 079501 issued by the Registrar of Companies, Mumbai. Subsequently, Our Company was converted to Public Company pursuant to a shareholders resolution dated January 06, 2020, and the name was changed to Veltech Forging Limited. A fresh certificate of incorporation consequent upon conversion was granted to our Company on January 10, 2020 by the Registrar of Companies, Mumbai. The Corporate Identity Number of our Company is U27200MH1994PLC079501. For further details pertaining to the change of name of our Company and the change in Registered Office, please refer the chapter “History and Certain Corporate Matters” on page no. 92 of this Draft Prospectus.

Registered Office: Plot No H-39 & H-40, Additional MIDC Area, Kudavli, MIDC, Murbad, Thane - 421401

Tel No.: +91-2524-222162; **Email:** info@veltechfpl.com; **Website:** www.veltechfpl.com,

Contact Person: Mr. Sagar Sawant, Company Secretary and Compliance Officer;

Our Promoters: Mr. Virabhai Panchal & Mr. Bhavesh Panchal

THE ISSUE

PUBLIC ISSUE OF UPTO 22,02,000 EQUITY SHARES OF ₹ 10 EACH (“EQUITY SHARES”) OF VELTECH FORGING LIMITED (“VFL” OR THE “COMPANY”) FOR CASH AT A PRICE OF ₹ [●] PER SHARE (THE “ISSUE PRICE”), AGGREGATING TO ₹ [●] LAKHS (“THE ISSUE”), OF WHICH UPTO 1,14,000 EQUITY SHARES OF ₹ 10 EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF UPTO 20,88,000 EQUITY SHARES OF ₹ 10 EACH IS HEREINAFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.85% AND 25.46%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.

THE FACE VALUE OF THE EQUITY SHARE IS ₹ 10 AND THE ISSUE PRICE IS [●] TIME OF THE FACE VALUE

In terms of Rule 19(2)(b)(i) of the SCRR this Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. This Issue is being made through Fixed Price process in accordance and compliance with Chapter IX and other applicable provisions of SEBI ICDR Regulations wherein a minimum 50% of the Net Issue is allocated for Retail Individual Applicants and the balance shall be offered to individual applicants other than Retail Individual Applicants and other investors including corporate bodies or institutions, QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price. Additionally, if the Retail Individual Applicants category is entitled to more than fifty per cent on proportionate basis, the Retail Individual Applicants shall be allocated that higher percentage. For further details please refer the section titled “Issue Information” beginning on page no. 173 of this Draft Prospectus.

In terms of the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 and SEBI/HO/CFD/DIL2/CIR/P/2018/138, all potential investors shall participate in the Issue only through an Application Supported by Blocked Amount (“ASBA”) process including through UPI mode (as applicable) by providing details about the bank account which will be blocked by the Self Certified Syndicate Banks (“SCSBs”) for the same. For details in this regard, specific attention is invited to “Issue Procedure” on page no. 180 of this Draft Prospectus. A copy will be delivered for registration to the Registrar of Companies as required under Section 26 of the Companies Act, 2013.

RISK IN RELATION TO THE FIRST ISSUE

This being the first Public Issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 10 each and the Issue Price is [●] times the face value. The Issue Price (determined and justified by our Company in consultation with the Lead Manager) as stated under “Basis for Issue Price” beginning on page no. 61 of this Draft Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of this Draft Prospectus. Specific attention of the investors is invited to “Risk Factors” beginning on page no. 16 of this Draft Prospectus.

COMPANY’S ABSOLUTE RESPONSIBILITY

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

LISTING

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

LEAD MANAGER TO THE ISSUE

REGISTRAR TO THE ISSUE



ARYAMAN FINANCIAL SERVICES LIMITED

60, Khatau Building, Ground Floor,
 Alkesh Dinesh Modi Marg, Fort, Mumbai – 400 001
Tel No.: +91 – 22 – 6216 6999

Email: ipo@afsl.co.in

Website: www.afsl.co.in

Investor Grievance Email: feedback@afsl.co.in

Contact Person: Mr. Jigar Sampat / Mr. Vatsal Ganatra

SEBI Registration No. INM000011344

BIGSHARE SERVICES PRIVATE LIMITED

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

Tel. No.: +91 – 22 – 6263 8200

Email: ipo@bigshareonline.com

Website: www.bigshareonline.com

Investor Grievance Email: investor@bigshareonline.com

Contact Person: Mr. Babu Raphael

SEBI Registration No.: INR0000011385

ISSUE OPENS ON

[●]

ISSUE CLOSES ON

[●]

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

General Terms

Term	Description
Veltech Forging Limited/ VFL/ The Company / Company / We / Us / Our Company	Unless the context otherwise indicates or implies refers to Veltech Forging Limited, a public limited Company incorporated under the provisions of the Companies Act, 1956 with its registered office in Thane.
Promoter(s) / Core Promoter	Mr. Virabhai Panchal & Mr. Bhavesh Panchal
Promoter Group	Such persons, entities and companies constituting our promoter group pursuant to Regulation 2(1)(pp) of the SEBI (ICDR) Regulations as disclosed in the Chapter titled “ <i>Our Promoter and Promoter Group</i> ” on page no. 108 of this Draft Prospectus.

Company related Terms

Term	Description
AoA/ Articles / Articles of Association	Unless the context otherwise requires, refers to the Articles of Association of Veltech Forging Limited.
Auditor of the Company	M/s. Krshna & Associates, Chartered Accountants, having their office at 1, Shree Ram Laxmi Niwas CHS, Near Anthony Bakery, Kolbad, Thane (West), Thane-400601.
Audit Committee	The committee of the Board of Directors constituted on January 13, 2020 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 Veltech Forging Limited, including all duly constituted Committees thereof.
Chief Financial Officer	Chief financial officer of our Company is Mr. Suresh Shiad
Company Secretary and Compliance Officer	The Company Secretary and Compliance officer of our Company is Mr. Sagar Sawant.
Director(s)	Director(s) of Veltech Forging Limited, unless otherwise specified.
Equity Shares	Equity Shares of our Company of Face Value of ₹ 100 each unless otherwise specified in the context thereof.
Equity Shareholders	Persons holding Equity Share of our Company
Group Company	Companies (other than our Promoters and Subsidiaries) with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, and as disclosed in “ <i>Our Group Company</i> ” beginning on page no. 113 of this Draft Prospectus
Key Management Personnel / KMP	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations as disclosed in the chapter titled “ <i>Our Management</i> ” on page no. 95 of this Draft Prospectus
MOA / Memorandum / Memorandum of Association	Memorandum of Association of Veltech Forging Limited
Nomination and Remuneration Committee	The committee of the Board of Directors constituted on January 13, 2020 as our Company’s Nomination and Remuneration Committee in accordance with Section 178 of the Companies Act, 2013
Registered Office	The Registered Office of our Company which is at Plot No H-39 & H-40, Additional MIDC Area, Kudavli, MIDC, Murbad, Thane - 421401.
Registrar of Companies / RoC	Registrar of Companies, Mumbai situated at Everest, 100, Marine Drive, Mumbai – 400 002.
Restated Financial Statements	Restated financial statements of our Company as at and for the period ended September 30, 2019 and the Fiscals ended March 31, 2019, 2018 and 2017 which comprises the restated balance sheet, the restated statement of profit and loss and the restated cash flow statement, together with the annexures and notes thereto, which have been prepared in accordance with the Companies Act, Indian GAAP, and restated in accordance with the SEBI ICDR Regulations.

Term	Description
Stakeholders' Relationship Committee	The committee of the Board of Directors constituted on January 13, 2020 as our Company's Stakeholders' Relationship Committee.
Stock Exchange	Unless the context requires otherwise, refers to, the NSE EMERGE of National Stock Exchange of India Limited.

Issue Related Term

Term	Description
Abridged Prospectus	Abridged Prospectus to be issued under Regulation 255 of SEBI ICDR Regulations and appended to the Application Form
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form.
Allotment	Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the Issue to the successful applicants, including transfer of the Equity Shares pursuant to the Issue to the successful applicants
Allotment Advice	Note, advice or intimation of Allotment sent to the Applicants who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottees	The successful applicant to whom the Equity Shares are being / have been allotted.
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Draft Prospectus
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of the Company.
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by ASBA Applicant to make an Application authorizing an SCSB to block the Application Amount in the specified Bank Account maintained with such SCSB and will include amounts blocked by RIIs using the UPI mechanism
ASBA Account	A bank account maintained with an SCSB and specified in the Application Form submitted by the Applicants or the account of the RII Applicants blocked upon acceptance of UPI Mandate Request by RIIs using the UPI mechanism, to the extent of the Application Amount specified by the Applicant
ASBA Applicant(s)	Any prospective investor who makes an Application pursuant to the terms of the Prospectus and the Application Form.
ASBA Application / Application	An application form, whether physical or electronic, used by ASBA Applicants which will be considered as the application for Allotment in terms of the Prospectus
Banker(s) to the Company	Such banks which are disclosed as Bankers to our Company in the chapter titled " <i>General Information</i> " on page no. 38 of this Draft Prospectus
Banker(s) to the Issue	The banks which are Clearing Members and registered with SEBI as Banker to an Issue with whom the Escrow Agreement is entered and in this case being [●].
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue and which is described in the chapter titled " <i>Issue Procedure</i> " beginning on page no. 180 of this Draft Prospectus.
Broker Centres	Broker centres notified by the Stock Exchanges where Applicants can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Broker are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Business Day	Monday to Friday (except public holidays)
CAN / Confirmation of Allocation Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange.
Client ID	Client identification number maintained with one of the Depositories in relation to Demat account.
Collecting Depository Participant(s) or CDP(s)	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular No. GR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI

Term	Description
Controlling Branches	Such Branches of the SCSBs which co-ordinate Applications by the Applicants with the Registrar to the Issue and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, Occupation and Bank Account details and UPI ID (if applicable).
Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996 i.e. CDSL and NSDL
Depositories Act	The Depositories Act, 1996, as amended from time to time
Designated Date	The date on which relevant amounts are transferred from the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, and the instructions are issued to the SCSBs (in case of RIIs using UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, in terms of the Prospectus following which Equity Shares will be Allotted in the Issue.
Designated Intermediaries / Collecting Agent	In relation to ASBA Forms submitted by RIIs authorizing an SCSB to block the Application Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by RIIs where the Application Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism, Designated Intermediaries shall mean syndicate members, sub-syndicate members, Registered Brokers, CDPs and RTAs. In relation to ASBA Forms submitted by QIBs and NIBs, Designated Intermediaries shall mean SCSBs, syndicate members, sub-syndicate members, Registered Brokers, CDPs and RTAs.
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange
Designated Market Maker	Aryaman Capital Markets Limited (formerly known as Aryaman Broking Limited) will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations.
Designated RTA Locations	Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms (other than ASBA Forms submitted by RIIs where the Application Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism), a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	National Stock Exchange of India Limited (NSE)
Draft Prospectus	This Draft Prospectus dated January 23, 2020 issued in accordance with the SEBI ICDR Regulations
Eligible NRI(s)	An NRI(s) from such a jurisdiction outside India where it is not unlawful to make an Issue or invitation under this Issue and in relation to whom the Application Form and the Prospectus will constitutes an invitation to purchase the equity shares.
Escrow Agreement	Agreement dated [●] entered into amongst the Company, Lead Manager, the Registrar and the Banker to the Issue to receive monies from the Applicants through the SCSBs Bank Account on the Designated Date in the Public Issue Account.
Foreign Portfolio Investor / FPIs	Foreign Portfolio Investor as defined under the SEBI (Foreign Portfolio Investors) Regulations, 2019.
Issue Proceeds	The proceeds of the Issue as stipulated by the Company. For further information about use of the Issue Proceeds please see the chapter titled “ <i>Objects of the Issue</i> ” beginning on page no. 56 of this Draft Prospectus

Term	Description
Issue/ Issue Size / Public Issue/ IPO	This Initial Public Issue of upto 22,02,000 Equity Shares of ₹ 10 each for cash at a price of ₹ [●] per equity share aggregating to ₹ [●] lakhs by our Company.
Issue Closing date	The date on which the Issue closes for subscription being [●]
Issue Opening date	The date on which the Issue opens for subscription being [●]
Issue Price	The price at which the Equity Shares are being issued by our Company in consultation with the Lead Manager under this Draft Prospectus being ₹ [●] per share.
LM / Lead Manager	Lead Manager to the Issue, is Aryaman Financial Services Limited.
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and NSE.
Lot Size	The Market lot and Trading lot for the Equity Share is [●] and in multiples of [●] thereafter; subject to a minimum allotment of [●] Equity Shares to the successful applicants.
Market Maker Reservation Portion	The Reserved portion of upto 1,14,000 Equity shares of ₹ 10 each at an Issue Price of ₹ [●] aggregating to ₹ [●] lakhs for Designated Market Maker in the Public Issue of our Company.
Market Making Agreement	The Agreement among the Market Maker, the Lead Manager and our Company dated January 13, 2020.
Mutual Fund	A Mutual Fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended.
Net Issue	The Net Issue of upto 20,88,000 Equity Shares of ₹ 10 each at ₹ [●] per Equity Share aggregating to ₹ [●] lakhs by our Company.
Non-Institutional Applicant	All Applicants including FPIs that are not Qualified Institutional Buyers or Retail Individual Applicants and who have Applied for Equity Shares for a cumulative amount more than ₹ 200,000 (but not including NRIs other than Eligible NRIs, QFIs other than Eligible QFIs)
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, Company, partnership, limited liability Company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Prospectus	The Prospectus, to be filed with the RoC containing, inter alia, the Issue opening and closing dates and other information.
Public Issue Account	Account opened with Bankers to the Issue for the purpose of transfer of monies from the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date.
Qualified Foreign Investors / QFIs	Non-resident investors other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs who meet 'know your client' requirements prescribed by SEBI
Qualified Institutional Buyers / QIBs	Public financial institutions as defined in Section 2(72) of the Companies Act, 2013, Foreign Portfolio Investor other than Category III Foreign Portfolio Investor, AIFs, VCFs, FVCIs, Mutual Funds, multilateral and bilateral financial institutions, scheduled commercial banks, state industrial development corporations, insurance companies registered with the IRDA, provident funds and pension funds with a minimum corpus of ₹ 250 million, insurance funds set up and managed by the army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, Government of India, eligible for Bidding and does not include FVCIs and multilateral and bilateral institutions.
Refund Bank(s)	The Banker(s) to the Issue with whom the Refund Account(s) will be opened, in this case being [●]
Registrar Agreement	The agreement dated January 13, 2020 among our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registrar and Share Transfer Agents/RTAs	Registrar and Share Transfer Agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registrar/ Registrar to the Issue	Registrar to the Issue being Big Share Services Private Limited

Term	Description
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2,00,000
Revision Form	Form used by the Applicants to modify the quantity of the Equity Shares or the Applicant Amount in any of their ASBA Form(s) or any previous Revision Form(s) QIB Applicants and Non-Institutional Applicants are not allowed to withdraw or lower their Applications (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Applicants can revise their Application during the Issue Period and withdraw their Applications until Issue Closing Date.
Self-Certified Bank(s) / SCSBs Syndicate	The banks registered with SEBI, offering services, i. in relation to ASBA where the Bid Amount will be blocked by authorizing an SCSB, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or such other website as updated from time to time, and ii. in relation to RIBs using the UPI Mechanism, a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time
Sponsor Bank	A Banker to the Issue which is registered with SEBI and is eligible to act as a Sponsor Bank in a public issue in terms of applicable SEBI requirements and has been appointed by the Company, in consultation with the LM to act as a conduit between the Stock Exchanges and NPCI to push the UPI Mandate Request in respect of RIIs as per the UPI Mechanism, in this case being [●]
TRS / Transaction Registration Slip	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the Applicant, as proof of registration of the Application.
“Unified Payments Interface” or “UPI”	The instant payment system developed by the National Payments Corporation of India
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India (NPCI)
UPI Mandate Request	A request (intimating the RII by way of a notification on the UPI application and by way of a SMS directing the RII to such UPI application) to the RII initiated by the Sponsor Bank to authorize blocking of funds on the UPI application equivalent to Application Amount and subsequent debit of funds in case of Allotment.
UPI mechanism	The bidding mechanism that may be used by an RII to make an Application in the Issue in accordance with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 01, 2018 read with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019 and SEBI Circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019.
UPI PIN	Password to authenticate UPI transaction
Underwriters	Aryaman Financial Services Limited and Aryaman Capital Markets Limited
Underwriting Agreement	The Agreement among the Underwriters and our Company dated January 13, 2020.
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Working Day	All trading days of the Stock Exchange excluding Sundays and Bank holidays in Mumbai.

Technical / Industry related Terms

Term	Description
TQM	Quality Management
GHP	Good Hygienic Practices
GMP	Good Manufacturing Practices
CAGR	Compound Annual Growth Rate
MT	Metric Tone
WEO	World Economic Outlook
ASSOCHAM	Associated Chambers of Commerce and Industry of India
NASSCOM	National Association of Software and Services Companies

Term	Description
FDI	Foreign Direct Investment
ISO	International Organization for Standardization
MIDC	Maharashtra Industrial Development Corporation
CAD	Computer-Aided Drafting
ISO	International Standards Organization
KW	Kilo-Watt
VMC	Vertical Milling Center
CNC	Computer Numerical Control

Conventional Terms / General Terms / Abbreviations

Term	Description
A/c	Account
AGM	Annual General Meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
AS / Accounting Standards	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
BSE	Bombay Stock Exchange Limited
CAGR	Compound Annual Growth Rate
Category I foreign portfolio investor(s) / Category I FPIs	FPIs who are registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations
Category II foreign portfolio investor(s) / Category II FPIs	FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Company Identification Number
CIT	Commissioner of Income Tax
Client ID	Client identification number of the Applicant’s beneficiary account
Companies Act	Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 (to the extent notified) and /or Provisions of Companies Act, 1956 w.r.t. the sections which have not yet been replaced by the Companies Act, 2013 through any official notification.
Companies Act, 1956	The Companies Act, 1956, as amended from time to time
Companies Act, 2013	The Companies Act, 2013 published on August 29, 2013 and applicable to the extent notified by MCA till date.
CSR	Corporate Social Responsibility
CST	Central Sales Tax
CY	Calendar Year
DIN	Director Identification Number
DP	Depository Participant, as defined under the Depositories Act 1996
DP ID	Depository Participant’s identification
EBITDA	Earnings before Interest, Taxes, Depreciation and Amortization
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EMDEs	Emerging Markets and Developing Economies
EPS	Earnings Per Share
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations there under
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
FIIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FPIs	Foreign Portfolio Investors as defined under the SEBI FPI Regulations

Term	Description
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investors as defined and registered under the SEBI FVCI Regulations
FY / Fiscal / Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
GDP	Gross Domestic Product
GoI/Government	Government of India
GST	Goods & Services Tax
HNIIs	High Net worth Individuals
HUF	Hindu Undivided Family
IAS Rules	Indian Accounting Standards, Rules 2015
ICAI	The Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
Indian GAAP	Generally Accepted Accounting Principles in India
Ind AS	Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015
I.T. Act	Income Tax Act, 1961, as amended from time to time
IPO	Initial Public Offering
ISIN	International Securities Identification Number
KM / Km / km	Kilo Meter
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MoF	Ministry of Finance, Government of India
MICR	Magnetic Ink Character Recognition
MOU	Memorandum of Understanding
NA / N. A.	Not Applicable
NAV	Net Asset Value
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
NRE Account	Non Resident External Account
NRIIs	A person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB / Overseas Corporate Body	A Company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60.00% by NRIs including overseas trusts, in which not less than 60.00% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
PLR	Prime Lending Rate
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RoC	Registrar of Companies
ROE	Return on Equity
RONW	Return on Net Worth
Rupees / Rs. / ₹	Rupees, the official currency of the Republic of India
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time

Term	Description
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI LODR Regulations, 2015 / SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified on September 2, 2015
SEBI SAST Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as repealed by the SEBI AIF Regulations
Sec.	Section
Securities Act	U.S. Securities Act of 1933, as amended
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
STT	Securities Transaction Tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
TIN	Taxpayers Identification Number
TDS	Tax Deducted at Source
UPI	Unified Payments Interface
US/United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the United States of America
VAT	Value Added Tax
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
Willful Defaulter(s)	Willful defaulter as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

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

Financial Data

Unless stated otherwise, the financial data included in this Draft Prospectus are extracted from the Financial Statements, for the period ended September 30, 2019 and for the financial year ended 2019, 2018 and 2017 of our Company, prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI ICDR Regulations and Guidance Note on “Reports in Company Prospectus (Revised 2019)” issued by ICAI, as stated in the report of our Statutory Auditor, as set out in the chapter titled “*Financial Statements as Restated*” beginning on page no. 115 this Draft Prospectus. Our Financial Statements are derived from our audited financial statements prepared in accordance with Indian GAAP, the Companies Act, and have been restated in accordance with SEBI ICDR Regulations and Guidance Note on “Reports in Company Prospectus (Revised 2019)” issued by ICAI. Our Fiscal commences on April 1st of each year and ends on March 31st of the next year. All references to a particular Fiscal are to the twelve (12) months period ended March 31st of that year. In this Draft Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off. There are significant differences between Indian GAAP, IFRS and US GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company’s financial data. Accordingly to what extent, the financial statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices / Indian GAAP. Any reliance by persons not familiar with Indian Accounting Practices on the financial disclosures presented in this Draft Prospectus should accordingly be limited. Any percentage amounts, as set forth in section titled “*Risk Factors*”, and chapters titled “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and elsewhere in this Draft Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s Financial Statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI ICDR Regulations and Guidance Note on “Reports in Company Prospectus (Revised 2019)” issued by ICAI as stated in the report of our Statutory and Peer Reviewed Auditor, set out in the chapter titled “*Financial Statements as Restated*” beginning on page no. 115 of this Draft Prospectus.

Consequent to the introduction of Goods and Service Tax (“GST”) central excise and value added tax have been subsumed into GST. In accordance with Ind AS 18, GST is not considered a part of revenue unlike excise duties which used to be included in revenue prior to July 01, 2017. Accordingly, our results of operations and our EBITDA for Fiscal 2018 are not directly comparable with the previous Fiscals.

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

Definitions

For definitions, please see the Chapter titled “*Definitions and Abbreviations*” on page no. 1 of this Draft Prospectus. In the Section titled “*Main Provisions of Articles of Association*” beginning on page no. 198 of this Draft Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

Industry and Market Data

Unless stated otherwise, the industry and market data and forecasts used throughout this Draft Prospectus has been obtained from industry sources as well as Government Publications. Industry sources as well as Government Publications generally state that the information contained in those publications has been obtained from sources believed to be reliable

but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Further, the extent to which the industry and market data presented in this Draft Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

FORWARD – LOOKING STATEMENTS

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

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

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

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

For further discussions of factors that could cause our actual results to differ, please 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.16, 73 and 141 of this Draft Prospectus, respectively.

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

SECTION II – OFFER DOCUMENT SUMMARY

A. Summary of Business

Veltech Forging Limited is one of the well established forging units since more than 25 years. The Primary business of the Company is manufacturing closed die forgings of critical shapes for Tractor, Automobile & other industries, to the specifications and drawings of the customers. Company's Forge Shop is well equipped with friction drop hammers, Die Shop, CAD facility for Die Designing, Metallurgical Laboratory to test raw material and forged components, Heat Treatment shop, Shot blasting and material Stock yard. We have Integrated Manufacturing Capacity wherein we in-house manufacture dies according to the specifications & design of the client.

For further details of our business please see "Our business" beginning on page no. 73 of this Draft Prospectus.

B. Summary of Industry

The Indian engineering sector is divided into two major segments - heavy engineering and light engineering. The turnover of capital goods industry in India is estimated at US\$ 70 billion in 2017 and is expected to grow to Rs 8,04,923.13 crore (US\$ 115.17 billion) by 2025. Likewise, electrical equipment production is expected to reach Rs 6,98,900 crore (US\$ 100 billion) by FY 2021-22 from Rs 39.06 crore (US\$ 5.58 million) in 2017-18. The electrical equipment industry grew 13.7 per cent year-on-year during April 2018-January 2019. Overall growth index for electrical equipment industry for 2018-19 stood at 11.2 per cent.

(Sources: <https://www.ibef.org/archives/industry/indian-engineering-industry-analysis-reports/indian-engineering-industry-analysis-december-2019>)

C. Our Promoters

The Promoters of our Company are Mr. Virabhai Panchal and Mr. Bhavesh Panchal.

D. Size of the Issue

Public issue of upto 22,02,000 equity shares of ₹ 10 each ("Equity Shares") of Veltech Forging Limited ("VFL" or the "Company") for cash at a price of ₹ [●] per share (the "Issue Price"), aggregating to ₹ [●] lakhs ("the Issue"), of which upto 1,14,000 equity shares of ₹ 10 each will be reserved for subscription by Market Maker to the issue (the "Market Maker Reservation Portion"). The Issue less Market Maker reservation portion i.e. Issue of upto 20,88,000 equity shares of ₹ 10 each is hereinafter referred to as the "Net Issue". The Issue and the Net Issue will constitute 26.85% and 25.46%, respectively of the post issue paid up equity share capital of the Company.

E. Object of the Issue

The fund requirements for each of the Object of the Issue are stated as below:

(₹ in lakhs)

Sr. No.	Particulars	Amount	% of Net Proceeds
1.	Funding Long Term Working Capital Requirement	700.00	[●]%
2.	Eexpenditure for General Corporate Purposes	[●]	[●]%
Total		[●]	[●]%

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

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

Category of Promoters	Pre Issue	
	No. of Shares	% of Pre-Issue Paid Up Capital
1. Promoters		
Mr. Virabhai Panchal	33,75,000	56.25%
Mr. Bhavesh Panchal	17,90,000	29.83%

Category of Promoters	Pre Issue	
	No. of Shares	% of Pre-Issue Paid Up Capital
Total	51,65,000	86.08%
2. Promoter Group		
Mr. Dahyalal Panchal	3,00,000	5.00%
Mrs. Shardaben Panchal	1,50,000	2.50%
Mrs. Hina Panchal	10,000	0.17%
Total	4,60,000	7.67%
3. Other Persons, Firms or Companies whose shareholding is aggregated for the purpose of disclosing in the Draft Prospectus under the heading “Shareholding of the Promoter Group”		
Mr. Mansukh Panchal	1,87,500	3.13%
Mr. Kantibhai Panchal	1,87,500	3.13%
Total	3,75,000	6.25%
Total Promoters & Promoter Group Holding	60,00,000	100.00%

G. Summary of Restated Financial Statement

(₹ in lakhs)

Particulars	For the period ended September 30, 2019	For the year ended March 31,		
		2019	2018	2017
Share Capital	200.00	200.00	200.00	200.00
Reserves & Surplus	601.68	575.49	547.26	515.53
Total Revenue	2,262.14	4,811.55	4,213.25	3,146.25
Profit after Tax	26.20	28.23	31.73	24.74
Basic & Diluted EPS	0.44	0.47	0.53	0.41
Net Asset Value Per Share (₹)	400.84	387.74	373.63	357.77
Total Borrowings	1502.39	1474.41	1222.60	989.75

As on September 30, 2019 - 2,00,000 fully paid up Equity Shares of Face Value of ₹ 100/- each were outstanding. However Company have splitted its share of ₹ 100/- each into 10 Shares of ₹ 10/- each w.e.f. November 26, 2019 & after that Company issued bonus shares in the ration of 2:1 w.e.f. December 28, 2019. Considering the above, pre issue NAV as on September 30, 2019 & March 31, 2019 should be read as ₹ 13.36/- & ₹ 12.92 per share respectively.

H. There are no Auditor’s Qualifications in any of the Financial Statements of the Company.

I. Summary of Outstanding Litigation are as follows

Sr. No.	Nature of Case	No. of Outstanding cases	Amount in dispute/demanded to the extent quantifiable (in ₹)
I.	Litigations filed against our Company		
(a)	Other Pending Litigations	1	Unascertainable

For further details, please refer to chapter titled ‘Outstanding Litigations and Material Developments’ on page no. 154 of this Draft Prospectus.

J. An investment in Equity Shares involves a high degree of financial risk. You should carefully consider all information in this Draft Prospectus, including the risks described below, before making an investment in our Equity Shares. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. The section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. For further details, please refer to chapter titled “Risk Factors” on page no. 16 of this Draft Prospectus.

K. Summary of contingent liabilities

Summary table of our contingent liabilities as indicated in our Restated Financial Statements and also certified by our statutory auditors is as follows:

(₹ in lakhs)

Particulars	For the period ended September 30, 2019	As at March 31,		
		2019	2018	2017
Bill Discounted Payment Received	521.16	257.61	336.52	317.19
Total	521.16	257.61	336.52	317.19

For further information, please refer “Annexure XXIV *Contingent Liability*” in the chapter titled “Financial Statements as Restated” beginning from page no. 115 of this Draft Prospectus

L. Summary of related party transactions

Our Company has entered into certain transactions with our related parties including our Promoters, Promoter Group, Directors and their relatives as mentioned below:

(₹ in lakhs)

Particulars	As at September 30, 2019	For the year ended March 31,		
		2019	2018	2017
1) Remuneration & Salary	27.96	57.62	36.00	25.48
Total	27.96	57.62	36.00	25.48
2) Expenses				
<i>Interest</i>	4.14	6.40	1.25	0.00
<i>Labour Charges</i>	105.84	262.77	218.25	225.28
Total	109.98	269.17	219.50	225.28
3) Finance				
<i>a) Loan Taken</i>	9.00	15.00	44.00	0.00
Total	9.00	15.00	44.00	0.00
<i>b) Loan Repaid</i>	0.00	3.00	0.00	0.00
Total	0.00	3.00	0.00	0.00
4) Outstanding				
<i>a) Unsecured Loans</i>	69.00	60.00	48.00	4.00
Total	69.00	60.00	48.00	4.00
<i>b) Salary Payable</i>	2.20	4.07	3.73	1.43
Total	2.20	4.07	3.73	1.43
<i>c) Interest payable</i>	0.62	0.54	0.43	0.00
Total	0.62	0.54	0.43	0.00
<i>d) Trade Payables</i>	20.18	42.58	54.38	71.24
Total	20.18	42.58	54.38	71.24

For further information, please refer “Annexure XXIII – Statement of Related Party Transactions” in the chapter titled “Financial Statements as Restated” beginning from page no. 115 of this Draft Prospectus

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

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

Name of Promoter	Average price of Acquisition (₹)
Mr. Virabhai Panchal	NIL*
Mr. Bhavesh Panchal	NIL*

* The weighted average cost of acquisition per Equity Share in last one year is Nil as the Equity Share acquired are only pursuant to the Bonus Issue.

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

Name of Promoter	Average price of Acquisition (₹)
Mr. Virabhai Panchal	0.67
Mr. Bhavesh Panchal	11.67

The Issue consists of only fresh Issue of Shares and there is no Offer for Sale, hence there is no Selling Shareholder.

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

Q. Our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Draft Prospectus except as disclosed below:

Date of Allotment of Fully paid-up Equity Shares	No. of Equity Shares	Face Value(₹)	Issue Price (₹)	Nature / Reason of Allotment	Nature of Consideration
December 28, 2019	40,00,000	10	NA	Bonus Issue	Other than Cash

R. Split / Consolidation of equity shares of our Company in the last one year

Pursuant to a resolution passed by our Shareholders at their meeting held on November 26, 2019, each equity share of our Company of face value ₹ 100 was sub-divided into ten Equity Shares of face value of ₹10 each. Please see “Capital Structure-Notes to the Capital Structure-Equity Share capital history of our Company” beginning on page no. 46 of this Draft Prospectus.

SECTION III – RISK FACTORS

An investment in Equity Shares involves a high degree of financial risk. You should carefully consider all information in this Draft Prospectus, including the risks described below, before making an investment in our Equity Shares. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, as well as the other risks and uncertainties discussed in this Draft Prospectus, could have a material adverse effect on our business and could cause the trading price of our Equity Shares to decline and you may lose all or part of your investment. In addition, the risks set out in this Draft Prospectus are not exhaustive. Additional risks and uncertainties, whether known or unknown, may in the future have material adverse effect on our business, financial condition and results of operations, or which we currently deem immaterial, may arise or become material in the future. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with the sections entitled “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page no. 73 and 141 of this Draft Prospectus respectively as well as other financial and statistical information contained in this Draft Prospectus. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other risks mentioned herein.

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

Materiality

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

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


Internal Risk Factors

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

We require several statutory and regulatory permits, licenses and approvals to operate our business. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Non-renewal of the said permits and licenses would adversely affect our Company’s operations, thereby having a material adverse effect on our business, results of operations and financial condition. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. Further, one of the conditions mentioned in the Consent to Operate dated March 16, 2019 obtained by the Company under Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981 and Hazardous and Other Waste (Management and Transboundary Movement) Rules, 2016 for the Manufacture of Forging Products (without blasting and heat treatment activity) from the Maharashtra Pollution Control Board requires the Company to set-up an alternate electric power source of electricity sufficient for operation of pollution control facilities installed. The Company has not set-up any alternate electric power source as required under the above consent. The Company is also in the process of applying to the concerned authorities for obtaining the fire approval in respect of its factory. However, till date no penalty has been levied on the Company in respect of the above non-compliances. Further, some of our permits, licenses and approvals are subject to several conditions and we cannot provide any assurance that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, which may lead to the cancellation, revocation or suspension of relevant permits, licenses or approvals. Any failure by us to apply in time, to renew, maintain or obtain the required permits, licenses or approvals, or the cancellation, suspension or revocation of any of the permits, licenses or approvals may result in the

interruption of our operations and may have a material adverse effect on the business. For further details, please see chapters titled “*Key Regulations and Policies*” and “*Government and Other Key Approvals*” at page nos. 85 and 158 respectively of this Draft Prospectus.

2. *Any infringement of our corporate logo or our trademarks and failure to protect them may adversely affect our business.*

Our corporate logo  is not registered. As on the date of the Draft Prospectus, we own 2 registered trademarks. Our Company has made 6 (six) applications to the Trademark Registry for registration of our corporate logo and our word mark “VELTECH FORGING” in various classes as per the provisions of the Trademarks Act, 1999 which are pending. We own intellectual property rights which are fundamental to our brand, which gives us a competitive advantage. We use our intellectual property rights to promote and protect the goodwill of our brand, enhance our competitiveness and otherwise support our business goals and objectives. Our inability to protect our existing and future intellectual property rights may adversely affect our Company’s business. Further, any delay or refusal to register the aforementioned pending trademarks could adversely affect our business. We cannot guarantee that the pending application or any application made by us in future seeking registration of our corporate logo will be granted by the relevant authorities in the favour of the Company or that third parties would not infringe upon our intellectual property or any order restraining or prohibiting us from using the trademarks would not be imposed upon us. If any of our trademarks are not registered it can allow any person to use a deceptively similar mark and market its product which could be similar to the products offered by us. We will also not enjoy the statutory protections accorded to a registered trademark holder and cannot prohibit the unauthorized use of our logo by third parties. In such a case, protection of the trademark may be difficult and we may be a party to litigation for infringement. In addition, we may not be able to detect any unauthorized use or take appropriate and timely steps to protect our intellectual property rights. Such infringement will hamper our business as prospective clients may go to such user of mark and our revenues may decrease. We cannot provide any assurance that third parties will not infringe upon our trademark, trade names, logos or brand names and thereby cause damage to our business prospects, reputation or goodwill. For more details please refer to the chapter titled “*Government and Other Key Approvals*” beginning on page no. 158 of this Draft Prospectus.

3. *We are and will continue to be highly dependent on our Promoters and our inability to retain their services for the Company could materially adversely affect our business operations and financial results.*

Our success depends heavily upon the continuing services of Mr Virabhai Panchal and Mr Bhavesh Panchal who are the natural person in control of our Company. Our Promoters have a vast experience of over 4 and 2 decades respectively in the field of Forging & Engineering Industry. They have established cordial relations with various customers and suppliers over the past several years, which have immensely benefitted our Company’s current customer and supplier relations. We believe that our relation with our Promoters, who have rich experience in Forging & Engineering Industry, managing customers and handling overall businesses, has enabled us to experience growth and profitability. We benefit from our relationship with our Promoters and our success depends upon the continuing services of our Promoters who have been responsible for the growth of our business and are closely involved in the overall strategy, direction and management of our business. Further, our Promoters are also part of certain other entities and may continue to do so. If they divert their attention to such other concerns, 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.

Further, we also depend significantly on our Directors for executing their day to day activities. If our Promoters /Directors or any member of the senior management team is unable or unwilling to continue in his present position, we may not be able to replace him easily or at all, and our business, financial condition, results of operations and prospects may be materially and adversely affected.

In addition, we depend on our Directors / Promoters in procuring certain bank loans and for the extension of unsecured loans and advances from time to time. We rely on our Directors and Promoters, in relation to our bank loans for which they have granted certain security and personal guarantees. For details, see “*Annexure XXIII – Related Party Transactions*” and chapter titled “*Financial Indebtedness*” on page no. 135 and 151 respectively of this Draft Prospectus. We cannot assure you that any future financing we obtain without guarantees from our Directors / Promoters or from unrelated third-parties will be on terms which are equal to or more favorable than the terms of our past financings.

4. *Our business is working capital intensive. If we are unable to generate sufficient cash flows to allow us to make required payments on our debt or fund working capital requirements, there may be an adverse effect on our results of operations.*

Our business is working capital intensive including fund requirement for payment for bulk purchases of various raw materials. Hence, major portion of our working capital is utilized towards debtors and inventory. Our debtors for the half year ended on September 30, 2019, F. Y. 2018-19, 2017-18 and 2016-17 was approximately 103.20%, 96.22%, 109.24% and 56.81% of the total net worth respectively in each year. Our inventories for the half year ended on September 30, 2019, F. Y. 2018-19, 2017-18 and 2016-17 was approximately 106.59%, 178.76%, 118.54% and 158.25% of the total net worth respectively in each year.

The results of operations of our business are dependent on our ability to effectively manage our inventory and trade receivables. To effectively manage our inventory, we must be able to accurately estimate customer demand and supply requirements and manufacture new inventory accordingly. However, if our management misjudges expected customer demand, it could cause either a shortage of products or an accumulation of excess inventory. Further, if we fail to sell the inventory we manufacture, we may be required to write-down our inventory or pay our suppliers without new purchases, or create additional vendor financing, all of which could have an adverse impact on our income and cash flows. 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.

We have a sanctioned limit for working capital of ₹ 900 lakhs from the existing bankers / financial institutions in addition to Bill Discounting Limit. Our inability to maintain sufficient cash flow, credit facility and other sourcing of funding, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations. In the event we are not able to recover our dues from our trade receivables or sell our inventory, we may not be able to maintain our Sales level and thus adversely affecting our financial health. If this situation persists, we may not be able to pay our lenders / creditors and we may be forced to go for Corporate Debt Restructuring (CDR) which may result in adversely affecting our operations and future prospects. For details, please refer "*Financial Indebtedness*" on page no. 151 of this Draft Prospectus.

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

We are a Manufacturing Company engaged in the production & sale of various Forging & Engineering products. For the financial years ended March 31, 2019, March 31, 2018 and March 31, 2017 our top three (3) customers accounted for approximately 84.16%, 85.83% and 94.50% respectively of our total revenues. The loss of a significant customer would have a material adverse effect on our financial results. A significant number of our customers are big multinational companies having multiple suppliers for their products and we cannot assure you that we can maintain our current levels of business from these customers or that we will be able to replace these customers in case we lose any of them. Also, any attempt to lower our dependence on our top customers, might expose us to credit risks and also affect our logistical set-up that we have with the existing customers. Furthermore, major events affecting our customers, such as bankruptcy, change of management, change in their country's policy and business framework, mergers and acquisitions, etc. could adversely impact our business. If any of our major customers becomes bankrupt or insolvent, we may lose some or all of our business from that customer and our receivable from that customer would increase and may have to be written off, adversely impacting our income and financial condition.

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

Our inability to regularly grow our turnover and effectively execute our key business processes could lead to lower profitability and hence adversely affect our operating results and financial conditions. Due to Competition & the nature and varied types of the products we sell, we may not be able to charge higher margins for our products. Hence, our business model is heavily reliant on our ability to effectively increase sale of value business products and / or grow our turnover and manage our key processes including but not limited to order procurement, timely order

execution, effectively delivery monitoring and continuous cost control of non-core activities. The table below gives details of our net profit margin based on restated financials.

(₹ in Lakhs)

Particulars	Six Months Period ended Sep 30, 2019	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017
Total Income	2,262.14	4,811.55	4213.25	3,146.25
PAT as a % of Total Income	1.19%	0.61%	0.78%	0.81%

We operate in a dynamic industry, and on account of changes in market conditions, industry dynamics or changes and any other relevant factors, our growth strategy and plans may undergo changes or modifications, and such changes or modifications may be substantial, and may even include limiting or foregoing growth opportunities if the situation so demands. For further details regarding the discussions and explanations of our results, please refer “*Management’s Discussions and Analysis of Financial Condition and Results of Operations*” on page no. 141 of this Draft Prospectus.

7. *We have incurred substantial indebtedness which exposes us to various risks which may have an adverse effect on our business and results of operations. We may also be unable to obtain future financing to fund our operations, expected capital expenditure and working capital requirements on favorable terms, or at all.*

As of September 30, 2019 and March 31, 2019, we have ₹ 1,502.39 lakhs and ₹ 1,474.42 lakhs respectively, of outstanding debt including current maturities of Long Term Debts on our balance sheet. Our level of indebtedness has important consequences to us, 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.

If any of these risks were to materialize, our business and results of operations may be adversely affected. Our business requires funding for capital expenditure and working capital requirements. The actual amount and timing of future capital expenditure may depend on several factors, among others, new opportunities, availability of land, regulatory approvals, regulatory changes, economic conditions, technological changes and market developments in our industry. Our sources of additional funding, if required, to meet our capital expenditure may include the incurrence of debt or the issue of equity or debt securities or a combination of both. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. In case there is insufficient cash flow to meet our working capital requirement or we are unable to arrange the same from other sources or there is delay in disbursement of arranged funds, or there is any increase in interest rate on our borrowings, it may adversely affect our operations and profitability. These factors may result in an increased amount of short-term borrowings. Continuous increase of our working capital requirements may have an adverse effect on our results of operations and financial condition.

Further our ability to arrange for additional funds on acceptable terms is subject to a variety of uncertainties, including future results of operations, financial condition and cash flows; economic, political conditions and market scenario for our products; costs of financing, liquidity and overall condition of financial and capital markets in India; issuance of necessary business/government licenses, approvals and other risks associated with our businesses; and limitations on our ability to raise capital in capital markets and conditions of the Indian and other capital markets in which we may seek to raise funds. Any such inability to raise sufficient funds could have a material adverse effect on our business and results of operations.

8. ***Our funding requirements and deployment of the issue proceeds 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 Proceeds from the Issue.***

Our Company intends to primarily use the Net Proceeds from the Issue towards working capital requirements as described in “*Objects of the Issue*” on page no. 56 of this Draft Prospectus. The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan, management estimates and have not been appraised by any bank, financial institution or any other external agency. Also, in terms of Regulation 262 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 Issue, and investors will be relying on the judgment of our Company's management regarding the application of the Net Proceeds from the Issue.

Given the dynamic nature of our business, we may have to revise our business plan from time to time and consequently our funding requirements and deployment on account of variety of factors such as our financial condition, business and strategy, including external factors such as market conditions, competitive environment, costs of commodities and interest/ exchange rate fluctuations which may not be within the control of our management. The deployment of the funds towards the objects of the Issue is entirely at the discretion of the Board and our Board will monitor the utilization of Net Proceeds through its Audit Committee. Our Company will disclose the utilization of the Net Proceeds under a separate head along with details in its balance sheet until the Net Proceeds remain unutilized, clearly specifying the purpose for which the Net Proceeds have been utilized. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our operational and financial performance. 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 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 the SEBI ICDR Regulations. 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.

9. ***Inventories and trade receivables form a major part of our current assets and net worth. Failure to manage our inventory and trade receivables could have an adverse effect on our net sales, profitability, cash flow and liquidity.***

Our Company's business is Working Capital Intensive and hence inventories and trade receivables form a major part of our current assets and net worth. The results of operations of our business are dependent on our ability to effectively manage our inventory and trade receivables.

To effectively manage our inventory, we must be able to accurately estimate customer demand and supply requirements and purchase new inventory accordingly. However, if our management misjudges expected customer demand, it could adversely impact the results by causing either a shortage of products or an accumulation of excess inventory. Further, if we fail to sell the inventory we manufacture or purchase, we may be required to write-down our inventory or pay our suppliers without new purchases, or create additional vendor financing, which could have an adverse impact on our income and cash flows.

10. ***Conflicts of interest may arise out of common business undertaken by our Company and our Promoter Group Entities.***

Our Promoter Group entity - M/S Amit Engineers wherein our Promoter Mr. Bhavesh Panchal is proprietor is also in same line of business as ours. Though, it may not have the exact product range, client base and supplier network as

our Company have. However, conflicts of interests may arise in allocating business opportunities amongst our Company and our Promoter Group entity in circumstances where our respective interests diverge. In cases of conflict, our Promoters may favour other firms in which our Promoters or their immediate relatives have interests. There can be no assurance that our Promoters or members & entities of our Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition.

To effectively manage our trade receivables, we must be able to accurately evaluate the credit assessment of our customers and ensure that suitable terms and conditions are given to them in order to ensure the profitability of each transaction done. However, if our management fails to evaluate the credit assessment of our customers accurately, it may lead to bad receivables or delays in recoveries and the same could lead to a liquidity crunch and a higher interest burden, thereby adversely affecting our business and results of operations.

11. Our Company is party to 1 (one) litigation pending before the Hon'ble High Court of Bombay. Any adverse decision in aforementioned proceeding may have a material adverse effect on our business, results of operations and financial condition.

Our Company is party to 1 (one) legal proceeding pending before the Hon'ble Bombay High Court. On the basis of the information available in the records of the Hon'ble Bombay High Court, it appears that proceedings are instituted against the Company under the Electricity Supplies Act, 1948 by Maharashtra State Electricity Distribution Company Limited. While the matter appears to have been filed on January 16, 2015, till date, the Company has not been served in the matter. The case status of the above matter on the website of the Hon'ble Bombay High Court reflects that the matter is at the preadmission stage. Mentioned below are the details of the outstanding proceedings involving our Company as on the date of this Draft Prospectus along with the amount involved, to the extent quantifiable, based on the materiality policy for litigations, as approved by the Company in its Board meeting held on January 13, 2020.

Sr. No.	Nature of Case	No. of Outstanding cases	Amount in dispute/demanded to the extent quantifiable (in ₹)
II.	Litigations filed against our Company		
(b)	Other Pending Litigations	1	Unascertainable

There cannot be any assurance that the matter will be not be admitted or that the Hon'ble Bombay High Court will consider the matter in favour of the Company, and consequently it may divert the attention of our management and Promoters and waste our corporate resources and we may incur significant expenses in such proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. If such claim is determined against us, there could be a material adverse effect on our reputation, business, financial condition and results of operations, which could adversely affect the trading price of our Equity Shares. For the details of the cases filed by and against our Company, please refer the chapter titled "Outstanding Litigations and Material Developments" on page no. 154 of this Draft Prospectus.

12. We are and will continue to be highly dependent on Promoters and our inability to retain their services for the Company could materially adversely affect our business operations and financial results.

Our success depends heavily upon the continuing services of Mr Virabhai Panchal and Mr Bhavesh Panchal who are the natural person in control of our Company. Our Promoters have a vast experience of over 4 and 2 decades respectively in the field of Forging & Engineering Industry. They have established cordial relations with various customers and suppliers over the past several years, which have immensely benefitted our Company's current customer and supplier relations. We believe that our relation with our Promoters, who have rich experience in Forging & Engineering Industry, managing customers and handling overall businesses, has enabled us to experience growth and profitability. We benefit from our relationship with our Promoters and our success depends upon the continuing services of our Promoters who have been responsible for the growth of our business and are closely involved in the overall strategy, direction and management of our business. Further, our Promoters are also part of certain other entities and may continue to do so. If they divert their attention to such other concerns, 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.

Further, we also depend significantly on our Directors for executing their day to day activities. If our Promoters /Directors or any member of the senior management team is unable or unwilling to continue in his present position, we may not be able to replace him easily or at all, and our business, financial condition, results of operations and prospects may be materially and adversely affected.

In addition, we depend on our Directors / Promoters in procuring certain bank loans and for the extension of unsecured loans and advances from time to time. We rely on our Directors and Promoters, in relation to our bank loans for which they have granted certain security and personal guarantees. For details, see “*Annexure XXIII – Related Party Transactions*” and chapter titled “*Financial Indebtedness*” on page no. 151 and 115 respectively of this Draft Prospectus. We cannot assure you that any future financing we obtain without guarantees from our Directors / Promoters or from unrelated third-parties will be on terms which are equal to or more favorable than the terms of our past financings.

13. *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:

- To make any change in the constitution without the prior written Consent.
- To create or allow to exist any encumbrance or security over assets specifically charged with the bank, without any prior written consent.
- To utilize the funds for the purposes other than for which they have been lent without prior written Consent.
- Withdrawal of unsecured loans during the currency of bank Finance.
- Sales, Purchases proceeds shall be credited / debited to CC Account exclusively with lenders.

Further the Company has created a charge on its assets in favour of their bankers against the assets of the Company. In case of default by the Company in repayment of the loans, bankers may exercise their rights over the security, which may be detrimental to the interest of the Company. For details, please refer "*Financial Indebtedness*" on page no. 151 of this Draft Prospectus.

Also, we are required to obtain the required consents of the lenders before undertaking certain significant corporate actions. We cannot assure you that the lenders will grant the required approvals in a timely manner, or at all. The time required to secure consents may hinder us from taking advantage of a dynamic market environment. 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.

Additionally, our borrowings are secured by our movable, immovable or tangible assets (whether existing or future) and by a personal guarantee of our Promoters. Such securities enable the lenders to cancel any outstanding commitments, accelerate the repayment, exercise cross default provisions and enforce their security interests on the occurrence of events of default such as a breach of financial covenants, failure to obtain the proper consents, failure to perfect security as specified and such other covenants that are not cured. It is possible that we may not have sufficient funds upon such an acceleration of our financial obligations to pay the principal amount and interest in full. Further, if we are forced to issue additional equity to the lenders, your ownership interest in our Company will be diluted. It is also possible that future financing agreements may contain similar or more onerous covenants and may also result in higher interest cost.

If any of these events were to occur, our business, results of operations and financial condition may be adversely affected.

14. We are dependent on certain suppliers for procurement of our raw materials for some of our products due to requirement of our customers. Any disruption of supply from such entities may affect our business operations.

We have to procure some raw materials like steel from some specific suppliers mentioned by our customers due to their stringent quality norms even if that raw material is available with other suppliers at cheaper rate. We believe that the quality of raw materials, the transparent pricing, location advantage, etc. are also some of the major reasons our Company prefers to procure these raw materials from these suppliers. However, the fact that we are so heavily dependent on these manufacturers exposes us indirectly to the risks that these manufacturers face. Any failure of the manufacturers to deliver these raw materials in the necessary quantities or to adhere to delivery schedules or specified quality standards and technical specifications would adversely affect our business operations and our ability to deliver orders on time and at the desired level of quality. As a result, we may lose customers and incur liabilities for failure to execute orders, which could have a material adverse effect on our business financial condition and results of operations.

15. Our Company has entered into certain related party transactions and may continue to do so in the future.

Our Company has entered into related party transactions with our Promoters, Directors, and their relatives aggregating ₹ 326.77 lakhs for the financial year ended March 31, 2019. While our Company believes that all such transactions have been conducted on the arms length basis, there can be no assurance that it could not have been achieved on more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that our Company will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. For details, please refer to “Annexure XXIII - Related Party Transactions” under section titled “Financial Statements” on page no. 115 of this Draft Prospectus.

16. We are dependent on third party transportation providers for the delivery of our products to our customers. Accordingly, continuing increases in transportation costs or unavailability of transportation services for our products, 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 rely substantially on third party transportation providers for the supply of our products to our customers. Transportation strikes / non-availability of Transportation could have an adverse effect on our ability to deliver the same to our customers. In addition, transportation costs in India have been steadily increasing over the past several years. While usually the end consumer bears the freight cost, we may not always be able to pass on these costs to our customers. 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 port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activity, including 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.

17. We sell our products in competitive markets and our inability to compete effectively may lead to lower market share or reduced operating margins, and adversely affect our results of operations.

The Forging & Engineering Industry is highly competitive, having presence of large number of small players. With the high level of competition, our results of operations are sensitive to, and may be materially and adversely affected by, competitive pricing, services offered, brand recognition and other factors. Competition may result in pricing pressure, reduced profit margin or a failure to increase our market share, any of which could substantially harm our business and results of our operations.

Many of our competitors have significant competitive advantages, including longer operating histories, larger and broader customer base, greater financial, research and development, marketing, distribution budgets and other resources than we do. The number of our direct competitors and the intensity of competition may increase as we expand into other product lines or as other smaller players expand into other product lines. Our competitors may enter into business combinations or alliances. Our competitors may also be able to respond more quickly and effectively than we do to new or changing opportunities, technologies, trends or customer preferences, which could result in a decline in our revenues. There can be no assurance that we can effectively compete with our competitors

in the future, and any such failure to compete effectively may have a material adverse effect on our business, financial condition and results of operations.

- 18. *Our Promoters together with our Promoter Group will continue to retain majority shareholding in our Company subsequent to the Issue, which will allow them to exercise significant influence over our Company. We cannot assure you that our Promoters and/or our Promoter Group will always act in our Company's or your best interest.***

The majority of our issued and outstanding Equity Shares are currently beneficially owned by our Promoters and our Promoter Group. Upon completion of the Issue, our Promoters and Promoter Group will own 60,00,000 Equity Shares, or 73.15% of our post-Issue Equity Share capital. Accordingly, our Promoters and Promoter Group will continue to exercise significant influence over our business policies and affairs and all matters requiring shareholders' approval, including the composition of our Board, the adoption of amendments to our memorandum and articles of association, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of these shareholders. The interests of the Promoters and Promoter Group as our Company's controlling shareholders could conflict with our Company's interests or the interests of its other shareholders. We cannot assure you that the Promoters and Promoter Group will act to resolve any conflicts of interest in our Company's or the shareholders favour.

- 19. *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 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

- 20. *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 Exchange(s) which require us to file unaudited financial results on a half yearly 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.

- 21. *Our Company has availed unsecured loan from our Directors / Promoters, their relatives and Promoter Group which is repayable on demand. Any demand from the lender for repayment of such unsecured loan may affect our cash flow and financial condition.***

Our Company, as per the restated audited financial statement as on March 31, 2019 has availed unsecured loans of ₹ 115.00 lakhs at an interest rate of 12% p.a. which are repayable on demand. Further, as on September 30, 2019 the total outstanding of Unsecured Loans was ₹ 124.00 lakhs. Sudden recall may disrupt our operations and also may force us to opt for high interest bearing funding, resulting in financial burden. Further, we will not be able to raise funds at short notice and thus result in shortage of working capital fund. For further details, please refer to the section "Unsecured Loans" under "Financial Statements" beginning on page no. 115 of this Draft Prospectus. Any demand for the repayment of such unsecured loans, may adversely affect our cash flow and financial condition.

22. *Our Company has not entered into any long-term contracts with most of its customers and we typically operate on the basis of orders. Inability to maintain regular order flow would adversely impact our revenues and profitability*

Our Company has had long standing business relationships with various customers and has been supplying our products to several customers including repeat orders received from them. A substantial number of our customers are big brands engaged in varied industry segments like automobiles, engineering, infrastructure, construction, Safety Solutions etc. However, we have not entered into any fixed contracts with these customers and we cater to them on an order-by-order basis. As a result, our customers can terminate their relationships with us without any notice and, without consequence, which could materially and adversely impact our business. Consequently, our revenue may be subject to variability because of fluctuations in demand for our products. Our Company's customers have no obligation to place order with us and may either cancel, reduce or delay orders. The orders placed by our Company's customers are dependent on factors such as the customer satisfaction with the level of service that our Company provides, quality consistency, fluctuation in demand for our Company's products and customer's inventory management.

Although we place a strong emphasis on quality, pricing and timely delivery of our products and after sales service such as feedback on the trends in their market, personal interaction by the top management with the customers, etc., in the absence of contracts, any sudden change in the buying pattern of buyers could adversely affect the business and the profitability of our Company.

23. *If we are unable to manage our growth effectively or if our estimates or assumptions used in developing our strategic plan are inaccurate or we are unable to execute our strategic plan effectively, our business and prospects may be materially and adversely affected.*

Our revenue and our business operations have grown in recent years. Although we plan to continue to expand our scale of operations, we may not be able to sustain these rates of growth in future periods due to a number of factors, including, among others, our execution capability, our ability to retain, maintain & enter into new supplier MOUs / agreements, our ability to maintain customer satisfaction, our ability to mobilize sufficient working capital, macroeconomic factors beyond our control such as decline in global economic conditions, availability of cheaper imported / domestic products / brands, competition within each product category from players in the organized and unorganized segments, the greater difficulty of growing at sustained rates from a larger revenue base, our inability to control our expenses and the availability of resources for our growth. There can be no assurance that we will not suffer from capital constraints, operational difficulties or difficulties in expanding existing business operations.

Our development and expansion strategies will require substantial managerial efforts and skills and the incurrence of additional expenditures may subject us to new or increased risks. We may not be able to efficiently or effectively implement our growth strategies or manage the growth of our operations, and any failure to do so may limit future growth and have an adverse effect on our business. For e.g. our strategy to increase operational efficiency is dependent on our ability to focus on better analysis of customer demand and accordingly managing our supply of the various manufactured products.

Further, if the estimates or assumptions used in developing our strategic plan vary significantly from actual conditions, our sales, margins and profitability could be impacted. For instance, sales of certain category of products may not grow as quickly as we currently expect, and we may be incorrect in our assumptions and expectations of customer preferences during our purchasing or entering into agreements with our suppliers. Also, the fund requirement and deployment for our strategies are based purely on management estimates and assumptions considering the current market scenario and are subject to revision in the light of changes in external circumstances or costs. If we are unsuccessful in executing our strategic plan, or if the underlying estimates or assumptions used to develop our strategic plan are materially inaccurate, our business and financial condition would have an adverse impact.

24. *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 manufactured 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, even though we may finalize the deal order with our customers, 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 the delivery of the orders placed will be made. 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.

- 25. *We have availed of certain loans from Banks, pursuant to the Financing Agreements that we have entered into with them. Pursuant to the terms of such agreements, we require consents from the respective Bankers for a number of corporate actions, including for undertaking this Issue, which have not been obtained as on date. Any failure to obtain such consents on a timely basis may result in a delay in the Issue.***

Pursuant to the Financing Agreements entered into by us with the Bankers, we are required to obtain consents from the respective Bankers to undertake certain actions, including this Issue and for completion of the requirements pertaining to this Issue. Though, we have informed our bankers orally of our intention to undertake this Issue, we have not obtained consents from these bankers and the same are awaited. While our Company intends to obtain all the necessary NoC and / or consents in relation to this Issue from our bankers prior to the filing of the Draft Prospectus with the RoC, any delay in obtaining the same may result in delay in undertaking this Issue, thus affecting our future plans and strategies.

- 26. *Our insurance coverage may not be sufficient or may not adequately protect us against any or all hazards, which may adversely affect our business, results of operations and financial condition.***

Our business and assets could suffer damage from fire, natural calamities and the goods transported to our customers by our supplier could suffer from damage, misappropriation or other causes, resulting in losses, which may not be covered / fully compensated by insurance. Legal proceedings or other actions may be initiated against us or any of our employees for acts and conduct of our employees which may occur due to various reasons including misconduct with customers. In the event of personal injuries, damage or other accidents suffered by our employees or our customers or other people, we could face claims alleging that we were negligent, provided inadequate supervision or be otherwise liable for the injuries.

While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our businesses, we cannot assure you that any claim under the insurance policies maintained by us will be honored fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. To the extent that we suffer loss or damage, or successful assertion of one or more large claims against us for events for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered by insurance which exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, financial performance and cash flows could be adversely affected.

- 27. *Certain agreements may be inadequately stamped or may not have been registered as a result of which our operations may be adversely affected.***

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

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

Some of our Directors (including our Promoters) and Key Management Personnel may be interested in our Company to the extent of their shareholding and dividend entitlement, 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 Promoters & 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 Promoters and 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 Promoters and Directors will always act to resolve any conflicts of interest in our favour, thereby adversely affecting our business and results of operations and prospects. For further details of our transactions or interests of our promoters / promoter group, please refer the chapters titled “Our Business” and “Our Promoters, Promoter Group” and “Our Group Companies”, “Related Party Transactions” and “Financial Information” beginning on page no. 73 108 113 115 & 115 respectively of this Draft Prospectus.

RISK FACTORS RELATED TO EQUITY SHARES

- 29. *The Equity Shares issued pursuant to the Issue may not be listed on the Stock Exchange(s) in a timely manner, or at all, and any trading closures at the Stock Exchange(s) may adversely affect the trading price of our Equity Shares.***

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

The regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in developed economies. The Stock Exchanges have in the past experienced problems, including temporary exchange closures, broker defaults, settlements delays and strikes by brokerage firm employees, which, if continuing or recurring, could affect the market price and liquidity of the securities of Indian companies, including the Equity Shares, in both domestic and international markets. A closure of, or trading stoppage on, either of the Stock Exchanges could adversely affect the trading price of the Equity Shares.

- 30. *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.

- 31. *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 Securities Markets;
- The performance of the Indian and Global Economy;
- Risks relating to our business and industry, including those discussed in this Draft 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 half-yearly 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 agriculture companies generally;
- Performance of our competitors in the forging and engineering industry and the perception in the market about investments in the forging sector;
- Significant developments in the regulation of the agriculture industry in our key trade 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.

32. *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.

33. *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, up to an amount of ₹1 lakh, 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 recognized 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.

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

Our future ability to pay dividends will depend on the earnings, financial condition and capital requirements of our Company. Dividends distributed by us will attract dividend distribution tax at rates applicable from time to time. We

cannot assure you that we will generate sufficient income to cover our operating expenses and pay dividends to our shareholders, or at all.

Our business is working capital intensive and we may plan to invest additional working capital expenditures to effect purchase of inventory or pay creditors. Our ability to pay dividends could also be restricted under certain financing arrangements that we may enter into. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements for the products proposed to be purchased, financial condition and results of operations.

EXTERNAL RISK FACTORS

35. *Any change in the government policies in India or that of any State in India vis-à-vis expenditure, subsidies and policies etc. in the Forging & Engineering sector and also in various other rules in India could affect our ability to carry on our trade, thereby affecting our business and profitability.*

Any changes in government policies in India or that of any State in India, relating to the Forging & Engineering industry such as reduction of government expenditure, withdrawal or changes in incentives and subsidy systems, or adverse changes in overall prices and / or minimum support prices could have an adverse effect on the ability of various traders and stockiest to spend on a large variety of traded products.

Our ability to exploit the prices for different products used in a varied industry segments may be restricted by the various government policies and restrictions and our profits may be affected accordingly. End users of our various products may seek to find ways to reduce or contain related costs. We cannot predict the nature of the measures that may be adopted by governments or private organizations or their impact on our revenues. In the event such measures result in increased costs for our suppliers to undertake the trading activity, their concentration in this area may reduce which could affect our supply chain and our overall revenues may decrease and our cash flows and profits could be adversely affected even in cases where the demand for our products increases.

36. *Environmental and safety regulations impose additional costs and may affect Our Company's results of operations.*

We are subject to various central, state and local environmental and safety laws, concerning issues such as harm caused by air or waste water emission and the investigation and contamination. While we believe that we are currently in compliance with all material respects with applicable environmental laws and regulations, additional costs and liabilities related to compliance with these laws and regulations are an inherent part of business. Further, while we currently intend to continue to comply with applicable environmental legislation and regulatory requirements, any changes in the applicable laws and regulations in the future may create substantial environmental compliance or remediation liabilities and costs, including monetary fines, criminal penalties on us for violation of applicable laws, or imposition of restrictions on our operations (which may include temporary suspension or closure of operations). This may also increase our Company's cost and affect our revenues in the future.

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

Our business and financial performance could be adversely affected by unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. Please refer to "Key Industry Regulations and Policies" on page no. 85 of this Draft Prospectus for details of the laws currently applicable to us. There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. Any unfavorable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

GST has been implemented with effect from July 1, 2017 and has replaced the indirect taxes on goods and services such as central excise duty, service tax, central sales tax, state VAT and surcharge currently being collected by the central and state governments. The GST is expected to increase tax incidence and administrative compliance. Given the limited availability of information in the public domain concerning the GST, we are unable to provide any

assurance as to the tax regime following implementation of the GST. The implementation of this new structure may be affected by any disagreement between certain state Governments, which could create uncertainty. Any future amendments may affect our overall tax efficiency, and may result in significant additional taxes becoming payable.

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

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

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

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

39. We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and Forging & Engineering industry contained in the Draft Prospectus.

While facts and other statistics in this Draft Prospectus relating to India, the Indian economy and the Forging & Engineering industry has been based on various publications and reports from agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled ‘*Industry Overview*’ beginning on page no. 67 of this Draft Prospectus. Due to possibly flawed or ineffective data or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and we have placed our reliance on such publically available data.

40. 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 in India or any region of our trade 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.

41. Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.

Terrorist attacks and other acts of violence or war in any region of our trade may negatively affect the Indian 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 deterioration in relations between India and Pakistan might result in investor concern about stability in the region, which could adversely affect the price of our Equity Shares.

India, Africa and Middle East are regions that have witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in any such region could have a negative impact on the value of business and eventually the price of our Equity Shares. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of our Equity Shares.

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

Our financial statements, including the financial statements provided in this Draft Prospectus, are prepared in accordance with Indian GAAP. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Draft Prospectus, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Indian GAAP. For details, see “Certain Conventions, Presentation of Financial, Industry and Market Data” on page no. 9 of this Draft Prospectus. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Prospectus should accordingly be limited.

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

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

43. 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.

44. 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.

SECTION IV – INTRODUCTION

THE ISSUE

PRESENT ISSUE IN TERMS OF THIS DRAFT PROSPECTUS

Equity Shares⁽¹⁾ : Present Issue of Equity Shares by our Company ⁽²⁾	Upto 22,02,000 Equity Shares of ₹ 10 each for cash at a price of ₹ [●] per share aggregating ₹ [●] lakhs
Of which:	
Issue Reserved for the Market Maker	Upto 1,14,000 Equity Shares of ₹ 10 each for cash at a price of ₹ [●] per share aggregating ₹ [●] lakhs
Net Issue to the Public	Upto 20,88,000 Equity Shares of ₹ 10 each for cash at a price of ₹ [●] per share aggregating ₹ [●] lakhs
	Of Which⁽³⁾:
	Upto 10,44,000 Equity Shares of ₹ 10 each at a price of ₹ [●] per Equity Share will be available for allocation for Investors of up to ₹ 2.00 lakhs
	Upto 10,44,000 Equity Shares of ₹ 10 each at a price of ₹ [●] per Equity Share will be available for allocation for Investors of above ₹ 2.00 lakhs
Equity Shares outstanding prior to the Issue	60,00,000 Equity Shares
Equity Shares outstanding after the Issue	Upto 82,02,000 Equity Shares
Objects of the Issue	Please see the chapter titled “ <i>Objects of the Issue</i> ” beginning on page no. 56 of this Draft Prospectus

⁽¹⁾ This issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details, please see the section titled “Issue Information” beginning on page no. 173 of this Draft Prospectus.

⁽²⁾ The present Issue has been authorized pursuant to a resolution of our Board dated January 10, 2020 and by Special Resolution passed under Section 62(1)(C) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of our shareholders held with a shorter notice on January 11, 2020.

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

a) Minimum fifty percent to retail individual investors; and

b) Remaining to:

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

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

If the retail individual investor category is entitled to more than fifty per cent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage. For further details please refer to the chapter titled “Issue Structure” beginning on page no.178 of this Draft Prospectus.

SUMMARY OF FINANCIAL INFORMATION
STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED
(₹ in lakhs)

Particulars	As at September 30,	As at March 31,		
	2019	2019	2018	2017
EQUITY AND LIABILITIES				
<u>Shareholders' Funds</u>				
a. Share Capital	200.00	200.00	200.00	200.00
b. Reserves & Surplus	601.68	575.49	547.26	515.53
	801.68	775.49	747.26	715.53
<u>Non Current Liabilities</u>				
a. Long Term Borrowings	522.90	539.11	516.36	449.73
b. Deferred Tax Liabilities (Net)	59.75	58.60	56.15	51.92
c. Long Term Provisions	19.86	16.67	16.21	16.11
	602.50	614.38	588.73	517.76
<u>Current Liabilities</u>				
a. Short Term Borrowings	784.54	791.80	575.51	473.19
b. Trade Payables	683.13	1,159.75	750.24	844.54
c. Other Current Liabilities	220.78	149.07	160.28	75.23
d. Short Term Provisions	79.49	51.08	91.45	18.54
	1,767.93	2,151.69	1,577.48	1,411.49
T O T A L	3,172.12	3,514.56	2,913.47	2,644.79
ASSETS				
<u>Non Current Assets</u>				
a. Property, Plant and equipments				
i. Tangible Assets	1,121.45	1,023.49	989.39	1,023.26
ii. Intangible Assets	3.30	3.31	3.33	-
iii. Capital Work in Progress	252.01	267.75	128.85	-
b. Non Current Investment	11.65	10.65	5.50	5.50
c. Long Term Loans & Advances	23.68	23.68	23.53	23.51
	1,412.09	1,328.88	1,150.59	1,052.27
<u>Current Assets</u>				
a. Inventories	854.53	1,386.25	885.84	1,132.32
b. Trade Receivables	827.32	746.21	816.33	406.53
c. Cash and Cash Equivalents	6.28	11.46	5.26	0.79
d. Short Term Loans & Advances	71.89	68.76	55.45	52.88
	1,760.03	2,212.68	1,762.88	1,592.52
T O T A L	3,172.12	3,541.56	2,913.47	2,644.79

STATEMENT OF PROFIT AND LOSS, AS RESTATED
(₹ in lakhs)

Particulars	For the Period Ended September 30,	For the year ended March 31,		
	2019	2019	2018	2017
<u>INCOME</u>				
Revenue from Operations	2,249.55	4,809.10	4,209.49	3,141.99
Other Income	12.58	2.45	3.76	4.26
Total Income (A)	2,262.14	4,811.55	4,213.25	3,146.25
<u>EXPENDITURE</u>				
Cost of Materials Consumed	842.70	2,706.91	1,912.23	1,591.88
Other Manufacturing Expenses	715.42	1,683.87	1,354.15	1,153.84
Changes in Inventories of finished goods, Work in Progress & Stock in Trade	314.74	(334.20)	291.44	(167.04)
Employee benefit expenses	84.71	189.60	166.69	132.26
Finance costs	105.17	168.52	156.30	127.90
Depreciation and Amortization Expenses	59.20	107.51	105.54	79.93
Other Expenses	106.01	241.11	179.21	190.69
Total Expenses (B)	2,227.94	4,763.32	4,165.57	3,109.45
Profit before Prior Period Items and exceptional and extraordinary items and tax (C)	34.20	48.23	47.69	36.80
Prior period items (Net)	-	-	-	-
Profit before exceptional, extraordinary items and tax	34.20	48.23	47.69	36.80
Exceptional items	-	-	-	-
Profit before extraordinary items and tax	34.20	48.23	47.69	36.80
Extraordinary items	-	-	-	-
Profit before tax (D)	34.20	48.23	47.69	36.80
Tax expense :				
(i) Current tax	6.85	17.56	11.73	4.26
(ii) Deferred Tax	1.15	2.45	4.23	7.80
Total Tax Expense (E)	8.00	20.00	15.96	12.06
Profit for the year (D-E)	26.20	28.23	31.73	24.74
Earning Per Equity Share				
Basic & Diluted	0.44	0.47	0.53	0.41

CASH FLOW STATEMENT, AS RESTATED
(₹ in lakhs)

Particulars	For the Period Ended September 30,	For the year ended March 31,		
	2019	2019	2018	2017
<u>Cash Flow From Operating Activities:</u>				
Net Profit before tax as per Profit And Loss account	34.20	48.23	47.69	36.80
Adjusted for:				
Depreciation & Amortization Exp.	59.20	107.51	105.54	79.93
Loss (Profit) on Sale of Assets	(0.93)	25.46	6.90	(1.43)
Interest Income	-	(2.23)	(3.76)	(2.83)
Dividend Income	(0.20)	(0.22)	-	-
Finance Cost	105.17	168.52	156.30	127.90
Operating Profit Before Working Capital Changes	197.43	347.27	312.66	240.37
Adjusted for Increase/ Decrease in Operating Assets/Liabilities:				
Inventories	531.72	(500.42)	246.48	(152.09)
Trade Receivables	(81.11)	70.12	(409.80)	159.60
Short Term Loans and advances	(8.81)	0.07	19.12	(1.93)
Long Term Loans and advances	-	(0.15)	(0.02)	(6.05)
Trade Payables	(476.62)	409.51	(94.30)	38.65
Other Current Liabilities	20.27	(23.99)	21.14	(0.08)
Long term Provisions	3.19	0.46	0.10	0.22
Short term Provisions	35.67	(48.74)	71.17	6.13
Cash Generated From Operations	219.42	255.42	166.58	285.82
Direct Tax Paid	11.80	9.10	10.23	5.32
Net Cash Flow from/(used in) Operating Activities: (A)	207.62	246.32	156.35	280.50
<u>Cash Flow From Investing Activities:</u>				
Purchase of Property, Plant and equipments	(139.20)	(334.27)	(235.44)	(311.46)
Proceeds from Sale of Property, Plant and equipments	1.00	13.56	4.44	4.27
Purchase Non-current investment	(1.00)	(5.15)	-	-
Interest received	3.40	2.22	2.55	1.89
Dividend Income	0.20	0.22	-	-
Net Cash Flow from/(used in) Investing Activities: (B)	(135.60)	(323.41)	(228.44)	(305.30)
<u>Cash Flow From Financing Activities:</u>				
Increase / (Decrease) in Long Term Borrowing	35.23	35.52	142.60	147.50
Increase / (Decrease) in Short Term Borrowing	(7.26)	216.29	102.32	(26.99)
Payment of Deferred Sales Tax	-	-	(12.06)	-
Interest & Financial Charges	(105.17)	(168.52)	(156.30)	(127.90)
Net Cash Flow from/(used in) Financing Activities (C)	(77.20)	83.29	76.56	(7.38)
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(5.17)	6.20	4.47	(32.18)
Cash & Cash Equivalents As At Beginning of the Year	11.46	5.26	0.79	32.98
Cash & Cash Equivalents As At End of the Year	6.28	11.46	5.26	0.79
<u>Cash & Cash Equivalents comprises of :</u>				

Particulars	For the Period Ended September 30,	For the year ended March 31,		
	2019	2019	2018	2017
Balance with Bank	0.96	5.59	4.46	0.72
Cash in Hand	5.33	5.87	0.80	0.07
Closing Balance of Cash & Cash Equivalents	6.28	11.46	5.26	0.79

Reconciliation of Cash & Cash Equivalents –
(₹. in lakhs)

Particulars	For the Period Ended September 30,	For the year ended March 31,		
	2019	2019	2018	2017
Cash & Cash Equivalents as per Cash flow Statement	6.28	11.46	5.26	0.79
Bank Balance in Deposit Account	-	-	-	-
Cash & Cash Equivalents as per Statement of Assets & Liabilities	6.28	11.46	5.26	0.79

GENERAL INFORMATION

Our Company was incorporated as Veltech Forging Private Limited on July 07, 1994 under Companies Act, 1956 with a certificate of incorporation bearing Registration No. 079501 issued by the Registrar of Companies, Mumbai. Subsequently, Our Company was converted to Public Company pursuant to a shareholders resolution dated January 06, 2020, and the name was changed to Veltech Forging Limited. A fresh certificate of incorporation consequent upon conversion was granted to our Company on January 10, 2020 by the Registrar of Companies, Mumbai.

The Corporate Identity Number of our Company is U27200MH1994PLC079501.

For further details, please refer to the chapter titled “*History and Certain Corporate Matters*” beginning on page no. 92 of this Draft Prospectus.

BRIEF COMPANY AND ISSUE INFORMATION

Registered Office	Address: Plot No H-39 & H-40, Additional MIDC Area, Kudavli, MIDC, Murbad, Thane - 421401. Tel. No: 02524 - 222162 Email: info@veltechfpl.com Website: www.veltechfpl.com
Date of Incorporation	July 07, 1994
Company Registration No.	079501
Company Identification No.	U27200MH1994PLC079501
Address of Registrar of Companies	Everest, 100, Marine Drive, Mumbai – 400 002. Tel No.: +91 –22 - 22812627/22020295/22846954 Fax No.: +91 – 22 – 22811977 E-mail: roc.mumbai@mca.gov.in
Issue Programme	Issue Opens on: [●] Issue Closes on: [●]
Designated Stock Exchange	National Stock Exchange of India Limited
Company Secretary & Compliance Officer	Mr. Sagar Sawant Address: Plot No H-39 & H-40, Additional MIDC Area, Kudavli, MIDC, Murbad, Thane - 421401. Tel. No: 02524 - 222162 Email: info@veltechfpl.com Website: www.veltechfpl.com

BOARD OF DIRECTORS OF OUR COMPANY

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

Name	Designation	Address	DIN
Mr. Virabhai Panchal	Chairman & Managing Director	Flat No. A/403, 4 th Floor, Golden Willows, Swapna Nagari, Vasant Garden, Off. L.B.S. Marg, Mulund (West), Mumbai - 400080.	01111390
Mr. Bhavesh Panchal	Whole-Time Director	Flat No. A/403, 4 th Floor, Golden Willows, Swapna Nagari, Vasant Garden, Off. L.B.S. Marg, Mulund (West), Mumbai - 400080.	06979446
Mrs. Hina Panchal	Non - Executive Director	Flat No. A/403, 4 th Floor, Golden Willows, Swapna Nagari, Vasant Garden, Off. L.B.S. Marg, Mulund (West), Mumbai - 400080.	08647156
Mr. Vivek Redkar	Non - Executive Independent Director	B/702, Prem Vishnu Co-operative Housing Society, Near ITI, Chaphekar Bandhu Marg, Mulund (East), Mumbai - 400081.	08666053

Name	Designation	Address	DIN
Mr. Chhaganlal Chandra	Non - Executive Independent Director	B-501, Dhaivat, Kalp Nagrai, Vaishali Nagar, Balrajeshwar Road, Mulund (West), Mumbai - 400080.	02029873

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. 95 of this Draft Prospectus.

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 Applicant, application number, number of Equity Shares applied for, amount blocked on application and designated branch or the collection centre of the SCSB where the Application Form was submitted by the Applicants.

DETAILS OF KEY INTERMEDIARIES PERTAINING TO THIS ISSUE AND OUR COMPANY

LEAD MANAGER TO THE ISSUE



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

REGISTRAR TO THE ISSUE



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

LEGAL ADVISOR TO THE ISSUE



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

STATUTORY AUDITORS OF THE COMPANY

M/S. KRSHNA & ASSOCIATES
 1, Shree Ram Laxmi Niwas CHS,
 Near Anthony Bakery, Kolbad,
 Thane (West), Thane-400601
Tel No: +91 -022-25477009

Email: info@krshnaca.com / gst@krshnaca.com
Contact Person: CA Sandeep Maheshwari
Peer Review No.: 011819
Membership No.: 046045
Firm Registration No.: 122950W

CHANGE IN THE AUDITORS

Except as disclosed below, there has been no change in the statutory auditors during the three years immediately preceding the date of this Draft Prospectus:

Date	Name of the Auditor (From)	Name of the Auditor (To)	Reason for change
January 09, 2020	M/S. S. S. SANGHAVI & CO. 3, Supraj Apt., Ground Floor, Nr. Ahilyadevi Garden, Annaji Sunder Road, Charai, Thane-400601 Tel No: +91 -22-25378511 Email: sssanghavi@yahoo.com Contact Person: S. S. Sanghavi Membership No.: 031695 Firm Registration No.: 124847W	M/S. KRSHNA & ASSOCIATES 1, Shree Ram Laxmi Niwas CHS, Near Anthony Bakery, Kolbad, Thane (West), Thane-400601 Tel No: +91 -022-25477009 Email: info@krshnaca.com Contact Person: Sandeep Maheshwari Peer Review No.: 011819 Membership No.: 046045 Firm Registration No.: 122950W	Appointment to fill causal vacancy

BANKER TO THE COMPANY



APNA SAHAKARI BANK LTD. (MULTI STATE SCHEDULED BANK)

Bhhagyashree Apartment, Junction of Ganesh Gawde Road & Ambedkar Road, Mulund (W), Mumbai 400 080
Tel No.: +91 - 022 - 2591 9829 /
Fax No.: +91 - 022 - 2591 9828
Email: mlw@apnabank.co.in
Website: www.apnabank.co.in
Contact Person: Mrs. Gayatri Dattatraya Rodgaonkar

BANKER TO THE ISSUE AND SPONSOR BANK TO THE ISSUE

[•]

SELF CERTIFIED SYNDICATE BANKS

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

BROKERS TO THE ISSUE

Applicants can submit Application Forms in the Issue using the stock brokers network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres. 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 SEBI (www.sebi.gov.in) and updated from time to time. For details on Registered Brokers, please refer <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

REGISTRAR TO THE 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 the SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, as updated from time to time.

COLLECTING DEPOSITORY PARTICIPANTS

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

MONITORING AGENCY

As per Regulation 262(1) of the SEBI (ICDR) Regulations, 2018 the requirement of Monitoring Agency is not mandatory if the issue size is below ₹ 10,000 lakhs and hence our Company has not appointed a monitoring agency for this Issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Offer.

IPO GRADING

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

TRUSTEES

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

DETAILS OF THE APPRAISING AUTHORITY

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

CREDIT RATING

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

EXPERT OPINION

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

Our Company has received written consent from the Statutory Auditor namely Krshna & Associates, Chartered Accountants, to include their name in respect of the reports on the Restated Financial Statements dated January 21, 2020 and the Statement of Tax Benefits dated January 21, 2020, issued by them and included in this Draft Prospectus, as required under section 26(5) of the Companies Act, 2013 in this Draft Prospectus and as “Expert” as defined under section 2(38) of the Companies Act, 2013 and such consent has not been withdrawn as on the date of this Draft Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

FILING OF OFFER DOCUMENT

The Draft Prospectus has not been filed with SEBI, nor has SEBI issued any observation on the Offer Document in terms of Regulation 246 of SEBI (ICDR), 2018. However, pursuant to sub regulation (5) of regulation 246, the copy of Draft Prospectus shall also be furnished to the board in a soft copy. Pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. A copy of the Prospectus along with the documents required to be filed under Section 26 of the Companies Act, 2013 will be delivered to the Registrar of Company, Mumbai, situated at 100, Everest, Marine Drive, Mumbai – 400 002.

ISSUE PROGRAMME

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

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

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

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

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

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

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

UNDERWRITING

This Issue is 100% Underwritten. Our Company has entered into an Underwriting Agreement dated January 13, 2020 with the Underwriters for the Equity Shares proposed to be issued through the Issue. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have given their consent for inclusion of their name in the Draft Prospectus as Underwriters and have indicated their intention to underwrite the following number of specified securities being issued through this Issue:

Details of the Underwriter	No. of Shares Underwritten	Amt Underwritten (₹ in lakhs)	% of the Total Issue Size Underwritten
Aryaman Financial Services Limited 60, Khatau Building, Gr. Floor, Alkesh Dinesh Modi Marg, Opp. P.J. Tower (BSE Bldg.), Fort, Mumbai – 400 001 Tel. No.: +91 – 22 – 6216 6999 Email: jpo@afsl.co.in	Upto 20,88,000	[●]	94.82%
Aryaman Capital Markets Limited 60, Khatau Building, Gr. Floor, Alkesh Dinesh Modi Marg, Opp. P.J. Tower (BSE Bldg.), Fort, Mumbai – 400 001 Tel. No.: +91 – 22 – 6216 6999 Email: aryacapm@gmail.com	Upto 1,14,000	[●]	5.18%
Total	Up to 22,02,000	[●]	100.00%

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

In the opinion of the Board of Directors (based on certificate given by the Underwriters), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above – mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as broker with the Stock Exchange.

WITHDRAWAL OF THE ISSUE

Our Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before the Board meeting for Allotment. In such an event our Company would Issue a public notice in the newspapers, in which the pre-issue advertisements were published, within two days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Applicants within one day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange on which the Equity Shares were proposed to be listed. Notwithstanding the foregoing, 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 Prospectus.

MARKET MAKER



ARYAMAN CAPITAL MARKETS LIMITED

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

Tel. No.: +91 – 22 – 6216 6999

Fax No.: +91 – 22 – 2263 0434

Email: aryacapm@gmail.com

Contact Person: Mr. Harshad Dhanawade

SEBI Registration No.: INZ000004739

Details of the Market Making Arrangement for this Issue

Our Company and the Lead Manager, Aryaman Financial Services Limited have entered into an agreement dated January 13, 2020 with Aryaman Capital Markets Limited (“ACML”), a Market Maker registered with SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE in order to fulfil the obligations of Market Making and ACML has given its consent for inclusion of its name in the Draft Prospectus as Market Maker.

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 offer 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 SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE 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 SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE and Market Maker will remain present as per the guidelines mentioned under NSE and SEBI circulars.
7. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems or any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
8. The price band shall be 20% and the Market Maker Spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.
9. The Market Maker shall have the right to terminate the said arrangement by giving a three months notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker.

In case of termination of the above mentioned Market Making Agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI (ICDR) Regulations, 2018. Further the Company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time.

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

10. **Risk containment measures and monitoring for Market Maker:** SME Platform of NSE i.e. NSE EMERGE will have all margins which are applicable on the NSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.
11. **Punitive Action in case of default by Market Maker:** SME 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.

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 Crore	25%	24%
₹ 20 Crore to ₹ 50 Crore	20%	19%
₹ 50 Crore to ₹ 80 Crore	15%	14%
Above ₹ 80 Crore	12%	11%

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

On the listing date, there will be a pre-open session (call auction) and there after trading will commence as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction. The securities of the Company will be placed in SPOS and would remain in Trade for Trade settlement for 10 days from the date of listing of Equity Shares on the Stock Exchange.

CAPITAL STRUCTURE

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

(₹ in lakhs, except share data)

Sr. No.	Particulars	Aggregate Value at Nominal Value	Aggregate Value at Issue Price
A	Authorised Share Capital		
	85,00,000 Equity Shares of face value of ₹ 10 each	850.00	-
B	Issued, Subscribed and Paid-up Share Capital before the Issue		
	60,00,000 Equity Shares of face value of ₹ 10 each	600.00	-
C	Present Issue in terms of this Draft Prospectus⁽¹⁾		
	Issue of Upto 22,02,000 Equity Shares of ₹ 10 each at a price of ₹ [●] per equity Share	220.20	[●]
	Which comprises:		
	Upto 1,14,000 Equity Shares of ₹ 10 each at a price of ₹ [●] per Equity Share reserved as Market Maker Portion	11.40	[●]
	Net Issue to Public of Upto 20,88,000 Equity Shares of ₹ 10 each at a price of ₹ [●] per Equity Share to the Public	208.80	[●]
	Of which⁽²⁾:		
	Upto 10,44,000 Equity Shares of ₹ 10 each at a price of ₹ [●] per Equity Share will be available for allocation for Investors of up to ₹ 2.00 lakhs	104.40	[●]
	Upto 10,44,000 Equity Shares of ₹ 10 each at a price of ₹ [●] per Equity Share will be available for allocation for Investors of above ₹ 2.00 lakhs	104.40	[●]
D	Paid-up Equity Share Capital after the Issue		
	82,02,000 Equity Shares of ₹ 10 each	820.20	
E	Securities Premium Account		
	Before the Issue (as on date of this Draft Prospectus)	Nil	
	After the Issue	[●]	

¹⁾ The present Issue has been authorized pursuant to a resolution of our Board dated January 10, 2020 and by Special Resolution passed under Section 62(1)(C) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of our shareholder held with a shorter notice on January 11, 2020.

²⁾ Allocation to all categories shall be made on a proportionate basis subject to valid Applications received at or above the Issue Price. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.

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

Changes in Authorized Share Capital

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

- The Authorised share capital of ₹ 99,00,000 divided into 99,000 Equity Shares of ₹ 100 each was increased to ₹ 2,00,00,000 divided into 2,00,000 Equity Shares of ₹ 100 each, pursuant to resolution of shareholders passed at the EGM held on March 02, 2012.

2. The Authorised share capital of ₹ 2,00,00,000 divided into 2,00,000 Equity Shares of ₹ 100 each was increased to ₹ 2,50,00,000 divided into 2,50,000 Equity Shares of ₹ 100 each, pursuant to resolution of shareholders passed at the EGM held on December 03, 2014.
3. The Authorised share capital of ₹ 2,50,00,000 divided into 25,00,000 Equity Shares of ₹ 10 each was increased to ₹ 8,50,00,000 divided into 85,00,000 Equity Shares of ₹ 10 each, pursuant to resolution of shareholders passed at the EGM held on December 09, 2019.

Notes to the Capital Structure

1) Share Capital History of our Company:

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 Fully paid-up 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 (₹ in lakhs)	Cumulative Share Premium (₹ in lakhs)	
As on September 30, 2003 ^(a)	25,000	100	100	Subscription to MoA & Allotments	Cash & Other than Cash	25,000	25.00	Nil	
June 30, 2012 ^(b)	1,00,000	100	NA	Bonus Issue	Other than Cash	1,25,000	125.00	Nil	
November 26, 2014 ^(c)	75,000	100	400	Right Issue	Cash	2,00,000	200.00	225.00	
November 26, 2019	Sub-division of Face Value of the Shares from ₹ 100 to ₹ 10 each.						20,00,000	200.00	225.00
December 28, 2019 ^(d)	40,00,000	10	NA	Bonus Issue	Other than Cash	60,00,000	600.00	Nil	

Notes:

(a) As per the initial Memorandum of Association of the Company, the initial paid-up capital of the Company is 80 Equity Shares of ₹ 100/- each aggregating to ₹ 8,000/-. After incorporation the Company has taken over the running business of M/s Vishwarkarma Forging (Partnership concern of the Promoter), along with its assets & liabilities. As on September 30, 2003, the total Paid-up Capital of the Company was 25,000 Equity Shares of ₹ 100/- each aggregating to ₹ 25,00,000/-. However the exact details of dates & shares allotment are not available with the Company. The list of shareholders along with their shareholding as on September 30, 2003 is given below:

Sr. No.	Name of Shareholders	No. of Shares	% of shares of then Paid-up Capital
1.	Ugarchandbhai Patel	5,000	20.00
2.	Haren Amin	3,000	12.00
3.	Chetna Patel	3,000	12.00
4.	Mansukh Panchal	2,500	10.00
5.	Babubhai Panchal	2,500	10.00
6.	Amrutbhai Panchal	2,500	10.00
7.	Virabhai Panchal	2,498	9.99
8.	Ambaben Panchal	1,775	7.10
9.	Ketanbhai Vakharia	1,000	4.00
10.	Raichandbhai Panchal	708	2.83
11.	Jayantilal Mody	500	2.00
12.	Veenu Wakchaure	1	Negligible
13.	Geeta Chandra	1	Negligible
14.	Chunilal Panchal	1	Negligible

Sr. No.	Name of Shareholders	No. of Shares	% of shares of then Paid-up Capital
15.	Bhaskar Wakchaure	1	Negligible
16.	Ambaram Panchal	1	Negligible
17.	Dalpatbhai Panchal	1	Negligible
18.	Manilal Panchal	2	Negligible
19.	Kusumben Desai	1	Negligible
20.	Nagar Panchal	1	Negligible
21.	Devchand Panchal	1	Negligible
22.	Arvind Nanji	1	Negligible
23.	Duralal Panchal	1	Negligible
24.	Chimanlal Panchal	1	Negligible
25.	Bharat Panchal	1	Negligible
26.	Vico Forge Pvt. Ltd.	1	Negligible
27.	Baldev Panchal	1	Negligible
28.	Hasmukh Panchal	1	Negligible
29.	Ganpat Panchal	1	Negligible
	Total	25,000	100.00%

- (b) Pursuant to Board meeting held on June 30, 2012 our Company had issued 1,00,000 Bonus Shares in the ratio of 4:1 to all the existing shareholders of the Company i.e to Virabhai Panchal (90,000 Equity Shares), Mansukh Panchal (5000 Equity Shares) & Kantibhai Panchal (5000 Equity Shares).
- (c) Pursuant to Board meeting held on November 26, 2014, our Company has issued 75,000 Equity Shares on Right basis, partly for Cash & partly against conversion of unsecured loan. These shares were issued to Bhavesh Panchal (50,000 Equity Shares), Dahyalal Panchal (10,000 Equity Shares), Shardaben Panchal (5,000 Equity Shares) and Geeta Chandra (10,000 Equity Shares).
- (d) Pursuant to Board meeting held on December 28, 2019, our Company had issued 40,00,000 Bonus Shares in the ratio of 2:1 to all the existing shareholders of the Company i.e to Virabhai Panchal (22,50,000 Equity Shares), Mansukh Panchal (1,25,000 Equity Shares), Kantibhai Panchal (1,25,000 Equity Shares), Bhavesh Panchal (12,00,000 Equity Shares), Dahyalal Panchal (2,00,000 Equity Shares) and Shardaben Panchal (1,00,000 Equity Shares)
- 2) Our Company has not issued Equity Shares for consideration other than cash or out of Revaluation Reserves except as disclosed below:

Date of Allotment of Fully paid-up Equity Shares	No. of Equity Shares	Face Value(₹)	Issue Price (₹)	Nature / Reason of Allotment	Benefit Accrued to Company
As on September 30, 2003 ^(a)	25,000	100	100	Subscription to MoA & Allotments	Acquired running business of M/s Vishwarkarma Forging along with its Assets & Liabilities.
June 30, 2012 ^(b)	1,00,000	100	NA	Bonus Issue	Expansion of Capital
December 28, 2019 ^(c)	40,00,000	10	NA	Bonus Issue	Expansion of Capital

- (a) As per the initial Memorandum of Association of the Company, the initial paid-up capital of the Company is 80 Equity Shares of ₹ 100/- each aggregating to ₹ 8,000/-. After incorporation the Company has taken over the running business of M/s Vishwarkarma Forging (Partnership concern of the Promoter), along with its assets & liabilities. As on September 30, 2003, the total Paid-up Capital of the Company was 25,000 Equity Shares of ₹ 100/- each aggregating to ₹ 25,00,000/-. However the exact details of dates & shares allotment are not available with the Company.
- (b) Pursuant to Board meeting held on June 30, 2012, our Company had issued 1,00,000 Bonus Shares in the ratio of 4:1 to all the existing shareholders of the Company i.e to Virabhai Panchal (90,000 Equity Shares), Mansukh Panchal (5000 Equity Shares) & Kantibhai Panchal (5000 Equity Shares)..

- (c) Pursuant to Board meeting held on December 28, 2019, our Company had issued 40,00,000 Bonus Shares in the ratio of 2:1 to all the existing shareholders of the Company i.e to Virabhai Panchal (22,50,000 Equity Shares), Mansukh Panchal (1,25,000 Equity Shares), Kantibhai Panchal (1,25,000 Equity Shares), Bhavesh Panchal (12,00,000 Equity Shares), Dahyalal Panchal (2,00,000 Equity Shares) and Shardaben Panchal (1,00,000 Equity Shares)
- 3) No shares have been allotted in terms of any scheme approved under sections 391-394 of the Companies Act, 1956 or Sections 230-234 of the Companies Act, 2013.
- 4) Our Company has not issued any shares pursuant to an Employee Stock Option Scheme.
- 5) No shares have been issued at a price lower than the Issue Price within the last one year from the date of this Draft Prospectus except as mentioned below:

Date of Allotment	Name of Allottees	Number of Shares	Face Value(₹)	Issue Price (₹)	Reason of Allotment
December 28, 2019 ^(a)	Virabhai Panchal	22,50,000	10	NA	Bonus Allotment
	Bhavesh Panchal	12,00,000			
	Dahyalal Panchal	2,00,000			
	Mansukh Panchal	1,25,000			
	Kantibhai Panchal	1,25,000			
	Shardaben Panchal	1,00,000			
	Total	40,00,000			

- (a) Pursuant to Board meeting held on December 28, 2019, our Company had issued 40,00,000 Bonus Shares in the ratio of 2:1 to all the existing shareholders of the Company i.e to Virabhai Panchal (22,50,000 Equity Shares), Mansukh Panchal (1,25,000 Equity Shares), Kantibhai Panchal (1,25,000 Equity Shares), Bhavesh Panchal (12,00,000 Equity Shares), Dahyalal Panchal (2,00,000 Equity Shares) and Shardaben Panchal (1,00,000 Equity Shares). All the allottees belong to Promoter & Promoter Group.

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

Category (I)	Category of Share- holder (II)	No. of Share-holder (III)	No. of fully paid-up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares Underlying Depository Receipts (VI)	Total Nos. Shares held (VII) = (IV) + (V) + (VI)	Share holding as a % of total No. of Shares (calculated As per SCRR, 1957)(VIII)As a % of (A+B+C2)	Number of Voting Rights held in each Class of securities (IX)				No of Underlying Outstanding Convertible securities (incl. Warrants) (X)	Share Holding as a % assuming Full convertible securities (as a % of Diluted Share Capital)(XI)=(VII)+(X) As a % of (A+B+C2)	Number of Locked In shares (XII)		No. of shares Pledged Or Otherwise 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)	Promoters & Promoter Group	7	60,00,000	-	-	60,00,000	100.00%	60,00,000	-	60,00,000	100.00%	-	100.00%	-	-	-	-	56,25,000
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C)	Non Promoters Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares Underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	7	60,00,000	-	-	60,00,000	100.00%	60,00,000	-	60,00,000	100.00%	-	100.00%	-	-	-	-	56,25,000

- i. The list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as on the date of this Draft Prospectus are:

Sr. No.	Particulars	No. of Shares	% of Shares to Pre – Issue Share Capital
1.	Virabhai Panchal	33,75,000	56.25%
2.	Bhavesh Panchal	17,90,000	29.83%
3.	Dahyalal Panchal	3,00,000	5.00%
4.	Mansukh Panchal	1,87,500	3.13%
5.	Kantibhai Panchal	1,87,500	3.13%
6.	Shardaben Panchal	1,50,000	2.50%
Total		59,90,000	99.83%

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

Sr. No.	Particulars	No. of Shares	% of Shares to Pre – Issue Share Capital
1.	Virabhai Panchal	33,75,000	56.25%
2.	Bhavesh Panchal	17,90,000	29.83%
3.	Dahyalal Panchal	3,00,000	5.00%
4.	Mansukh Panchal	1,87,500	3.13%
5.	Kantibhai Panchal	1,87,500	3.13%
6.	Shardaben Panchal	1,50,000	2.50%
Total		59,90,000	99.83%

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

Sr. No.	Particulars	No. of Shares	% of Shares of then Paid-up Capital
1.	Virabhai Panchal	1,12,500	56.25%
2.	Bhavesh Panchal	60,000	30.00%
3.	Dahyalal Panchal	10,000	5.00%
4.	Mansukh Panchal	6,250	3.13%
5.	Kantibhai Panchal	6,250	3.13%
6.	Shardaben Panchal	5,000	2.50%
Total		2,00,000	100.00%

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

Sr. No.	Particulars	No. of Shares	% of Shares of then Paid-up Capital
1.	Virabhai Panchal	1,12,500	56.25%
2.	Bhavesh Panchal	60,000	30.00%
3.	Dahyalal Panchal	10,000	5.00%
4.	Mansukh Panchal	6,250	3.13%
5.	Kantibhai Panchal	6,250	3.13%
6.	Shardaben Panchal	5,000	2.50%
Total		2,00,000	100.00%

7) Shareholding of our Promoters

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

Date of Allotment of Fully Paid – up Equity Shares	Nature of Transaction	Consideration	No. of Shares	F.V (₹)	Issue / Transfer Price (₹)	Cumulative no. of Shares	% of Pre-Issue Paid Up Capital	% of Post-Issue Paid Up Capital
Mr. Virabhai Panchal								
September 30, 2003 ^(a)	Not Available	Cash & Other than Cash	2,498	100	100	2,498	0.04%	0.03%-
October 13, 2003	Transfer	Cash	(2)	100	100	2,496	Negligible	Negligible
June 30, 2011	Transfer	Cash	17,496	100	100	19,992	0.29%	0.21%
May 20, 2012	Transfer	Cash	2,508	100	100	22,500	0.04%	0.03%
June 30, 2012 ^(b)	Bonus Issue	Other than Cash	90,000	100	NA	1,12,500	1.50%	1.10%
November 26, 2019	Sub-division of Face Value of the Shares from ₹ 100 to ₹ 10 each.					11,25,000	-	-
December 28, 2019 ^(c)	Bonus Issue	Other than Cash	22,50,000	10	NA	33,75,000	37.50%	27.43%
Mr. Bhavesh Panchal								
November 26, 2014 ^(d)	Right Issue	Cash	50,000	100	400	50,000	0.83%	0.61%
June 18, 2017	Transfer	Cash	10,000	100	100	60,000	0.17%	0.12%
November 26, 2019	Sub-division of Face Value of the Shares from ₹ 100 to ₹ 10 each.					6,00,000	-	-
December 28, 2019 ^(c)	Bonus Allotment	Other than Cash	12,00,000	10	NA	18,00,000	20.00%	14.63%
January 04, 2020 ^(e)	Transfer	Cash	(10,000)	10	40	17,90,000	29.83%	21.82%

- (a) As per the initial Memorandum of Association of the Company, the initial paid-up capital of the Company is 80 Equity Shares of ₹ 100/- each aggregating to ₹ 8,000/-. After incorporation the Company has taken over the running business of M/s Vishwarkarma Forging (Partnership concern of the Promoter), along with its assets & liabilities. As on September 30, 2003, the total Paid-up Capital of the Company was 25,000 Equity Shares of ₹ 100/- each aggregating to ₹ 25,00,000/-. However the exact details of dates & shares allotment are not available with the Company.
- (b) Pursuant to Board meeting held on June 30, 2012, our Company had issued 1,00,000 Bonus Shares in the ratio of 4:1 to all the existing shareholders of the Company i.e to Virabhai Panchal (90,000 Equity Shares), Mansukh Panchal (5000 Equity Shares) & Kantibhai Panchal (5000 Equity Shares).
- (c) Pursuant to Board meeting held on December 28, 2019, our Company had issued 40,00,000 Bonus Shares in the ratio of 2:1 to all the existing shareholders of the Company i.e to Virabhai Panchal (22,50,000 Equity Shares), Mansukh Panchal (1,25,000 Equity Shares), Kantibhai Panchal (1,25,000 Equity Shares), Bhavesh Panchal (12,00,000 Equity Shares), Dahyalal Panchal (2,00,000 Equity Shares) and Shardaben Panchal (1,00,000 Equity Shares).
- (d) Pursuant to Board meeting held on November 26, 2014, our Company has issued 75,000 Equity Shares on Right basis, partly for Cash & partly against conversion of unsecured loan. These shares were issued to Bhavesh Panchal (50,000 Equity Shares), Dahyalal Panchal (10,000 Equity Shares), Shardaben Panchal (5,000 Equity Shares) and Geeta Chandra (10,000 Equity Shares).
- (e) Bhavesh Panchal transferred 10,000 Equity Shares to Hina Panchal as Inter-se transfer among Promoter Group to ensure minimum 7 shareholders before conversion from Private Limited to Limited.

8) Promoter' Contribution and other Lock-In details:

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

Pursuant to the Regulation 236 and 238 of the SEBI (ICDR) Regulations, an aggregate of 20% of the Post-Issue Equity Share Capital held by our Promoters shall be considered as promoter' contribution ("**Promoter's Contribution**") and locked-in for a period of three years from the date of Allotment. The lock-in of the Promoter' Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares. The details of the Promoter's Equity Shares proposed to be locked-in for a period of three years are as follows:

Name of Promoters	No. of Shares locked in	% of Post Issue Share Capital
Virabhai Panchal	Up to 11,00,000	13.41%
Bhavesh Panchal	Up to 5,50,000	6.71%
Total	Up to 16,50,000	20.12%

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

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

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

ii. *Details of Shares locked-in for one year*

- Pursuant to Regulation 238(b) of the SEBI (ICDR) Regulations, in addition to the Promoter's Contribution to be locked-in for a period of 3 years, if any, as specified above, the entire Pre-Issue Equity Share capital will be locked in for a period of one (1) year from the date of Allotment in this Issue.
- Pursuant to Regulation 242 of the SEBI Regulations, the Equity Shares held by our Promoters can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions for the purpose of financing one or more of the objects of the issue and the pledge of shares is one of the terms of sanction of such loan. However, as on date of this Draft Prospectus, none of the Equity Shares held by our Promoters have been pledged to any person, including banks and financial institutions.
- Pursuant to Regulation 243 of the SEBI (ICDR) Regulations, Equity Shares held by our Promoter, which are locked in as per Regulation 238 of the SEBI (ICDR) Regulations, may be transferred to and amongst our Promoters / Promoter Group or to a new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.
- Pursuant to Regulation 243 of the SEBI (ICDR) Regulations, Equity Shares held by shareholders other than our Promoter, which are locked-in as per Regulation 239 of the SEBI (ICDR) Regulations, may be transferred to any other person holding shares, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.

Notes:

- None of the shares belonging to our Promoters have been pledged till date.
- The entire Promoter's shares shall be subject to lock-in from the date of allotment of the equity shares issued through this Draft Prospectus for periods as per applicable Regulations of the SEBI (ICDR) Regulations. For details please see Note no. 7 of "Capital Structure" on page no. 46 of this Draft Prospectus.
- Our Promoters have confirmed to the Company and the Lead Manager that the Equity Shares held by our Promoters have been financed from their personal funds and no loans or financial assistance from any bank or financial institution has been availed by them for this purpose.
- All the shares held by our Promoter, were fully paid-up on the respective dates of acquisition of such shares.

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

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

Category of Promoters	Pre Issue		Post Issue	
	No. of Shares	% of Pre-Issue Paid Up Capital	No. of Shares	% of Post-Issue Paid Up Capital
1. Promoters				
Virabhai Panchal	33,75,000	56.25%	33,75,000	41.15%
Bhavesh Panchal	17,90,000	29.83%	17,90,000	21.82%
Total	51,65,000	86.08%	51,65,000	62.97%
2. Promoter Group (as defined by SEBI (ICDR) Regulations)	-	-	-	-
Dahyalal Panchal	3,00,000	5.00%	3,00,000	3.66%
Shardaben Panchal	1,50,000	2.50%	1,50,000	1.83%
Hina Panchal	10,000	0.17%	10,000	0.12%
Total	4,60,000	7.67%	4,60,000	5.67%
3. Other Persons, Firms or Companies whose shareholding is aggregated for the purpose of disclosing in the Draft Prospectus under the heading "Shareholding of the Promoter Group".	-	-	-	-
Mr. Mansukh Panchal	1,87,500	3.13%	1,87,500	2.29%
Mr. Kantibhai Panchal	1,87,500	3.13%	1,87,500	2.29%
Total	8,35,000	13.92%	3,75,000	4.57%
Total Promoters & Promoter Group Holding	60,00,000	100.00%	60,00,000	73.21%

- ii. Except as disclosed below, none of the members of the Promoters, Promoter Group, Directors and their immediate relatives have purchased or sold any Equity shares of our Company within the last six months from the date of this Draft Prospectus:

Date of Transfer	Name of Transferor	Name of Transferee	No. of Shares (F.V. ₹ 10)	Price (₹)	Nature of Transaction	Nature of Consideration
January 04, 2020	Bhavesh Panchal	Hina Panchal	10,000	40	Inter-se Transfer	Cash

- iii. None of the members of the Promoter Group, Directors and their immediate relatives have financed the purchase by any other person of Equity shares of our Company other than in the normal course of business of the financing entity within the period of six months immediately preceding the date of this Draft Prospectus.

- 10) Except as disclosed in the Draft Prospectus, our Company presently does not have any intention or proposal to alter its capital structure for a period of six months commencing from the date of opening of this Issue, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares or securities convertible

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

- 11) Our Company has Seven (7) shareholders, as on the date of this Draft Prospectus.
- 12) Our Promoters and Promoter Group will not participate in the Issue. Neither the Company, nor its Promoter, Directors or the Lead Manager have entered into any buyback and/or standby arrangements for purchase of Equity Shares of the Company from any person. The Lead Manager and its associates do not directly or indirectly hold any shares of the Company.
- 13) None of our Directors or Key Managerial Personnel holds Equity Shares in the Company, except as stated in the chapter titled "Our Management" beginning on page no. 95 of this Draft Prospectus.
- 14) Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed under "Basis of Allotment" in the chapter titled "Issue Procedure" beginning on page no. 180 of this Draft Prospectus.
- 15) In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 253 (2) of SEBI (ICDR) Regulations, as amended from time to time.
- 16) An investor cannot make an application for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
- 17) An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
- 18) Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines
- 19) 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.
- 20) As on date of this Draft Prospectus, there are no outstanding financial instruments or any other rights that would entitle the existing Promoters or shareholders or any other person any option to receive Equity Shares after the Issue.
- 21) As on date of this Draft Prospectus, the entire issued share capital of our Company is fully paid-up. The Equity Shares issued through this Public Issue will be fully paid up.
- 22) 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.
- 23) The Lead Manager and its associates do not directly or indirectly hold any shares of the Company
- 24) Our Company has not made any public issue (including any rights issue to the public) since its incorporation
- 25) Our Company shall ensure that transactions in the Equity Shares by our Promoters and our Promoter Group between the date of this Draft Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within 24 hours of such transaction.

SECTION V – PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

The Issue comprises only Fresh Issue by our Company.

The Fresh Issue

The objectives of the Fresh Issue are to raise funds for:

- Funding Long Term Working Capital Requirements and
- Funding Expenditure for General Corporate Purposes

Also, the listing of our Equity Shares on the SME Exchange, we believe, would provide liquidity to our shareholders, enhance our visibility and better our brand name.

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

Fresh Issue Proceeds & Net Proceeds

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

Particulars	Amount (₹ in lakhs)
Gross Proceeds from Fresh Issue	[•]
Less: Issue related Expenses ⁽¹⁾	[•]
Net Proceeds from Fresh Issue	[•]

⁽¹⁾ The Issue expenses are estimated expenses and subject to change.

Requirements of Funds and Means of Finance

The fund requirements described below are based on internal management estimates and have not been appraised by any bank, financial institution.

The net proceeds of the Fresh Issue are to be utilized as shown below:

Sr. No.	Particulars	Amount (₹ in lakhs)
1.	Funding Long Term Working Capital Requirement	700.00
2.	Expenditure for General Corporate Purposes	[•]
Total		[•]

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

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 Fresh Issue Proceeds and increasing or decreasing expenditure for a particular object *vis-à-vis* the utilization of Fresh Issue Proceeds.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable or in case of cost overruns, we expect that the shortfall will be met from internal accruals and/or entering into funding arrangements as required. Any

variation in the objects of the Fresh Issue shall be undertaken in accordance with the terms of the Companies Act and the rules framed there under.

In case of delays in raising funds from the Fresh 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 repayment of Unsecured Loans or 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 Net Fresh Issue Proceeds.

For further details on the risks involved in our proposed fund utilization as well as executing our business strategies, please see the section titled “*Risk Factors*” beginning on page no. 16 of this Draft Prospectus.

DETAILS OF THE FUND REQUIREMENTS

1. Funding Long Term Working Capital Requirements:

Our Company deals in Forging and Engineering Products like Gear Fork, Shaft, Hinge, Clamp etc whose production require a significant amount of blockage of working capital. Also, the fact that we are planning to diversify in near future by trying to pitch different clients, the need of increased debtors level and inventory level is seen paramount which further concrete the need of funding the working capital in the business. Also, we have to provide credit period to our Customers in order to get new orders and maintain steady flow of orders. Further, our business is very competitive in terms of profit margin; hence this again increases the need of sufficient working capital so that order can be executed as soon as order is received.

The working capital needs as estimated by our management are as explained below:

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

(₹ in Lakhs)

Sr. No.	Particulars	Holding Levels (days)	Mar-19	Holding Levels (days) Estimated	Estimated for Fiscal Mar-20	Holding Levels (days) Estimated	Estimated for Fiscal Mar-21
I.	Current Assets:						
1	Inventories	102	1,386.25	105	1300.00	114	2,020.00
2	Trade Receivables	59	746.21	56	950.00	60	1,100.00
3	Short Term Loans & Advances	5	68.76	4	50.00	3	60.00
	Total Current Assets (A)		2,201.22		2300.00		3,180.00
II.	Current Liabilities						
1	Trade Payables	86	1,159.75	88	1,100.00	86	1,400.00
2	Other Current Liabilities	14	149.07	14	200.00	14	200.00
3	Short Term Provisions	6	51.08	6	110.00	7	90.00
	Total Current Liabilities (B)		1,359.90		1,410.00		1,690.00
III.	Total Working Capital Gap (A – B)		841.32		890.00		1,490.00
IV.	Funding Pattern:						

1	Working Capital Facilities from Banks ⁽¹⁾		791.80		800.00		700.00
2	Internal Accruals / Owned Funds		49.52		90.00		90.00
3	Part of the Net proceeds to be utilized						700.00

⁽¹⁾Our company enjoys sanctioned working capital facilities aggregating to ₹ 800 lakhs as on date of this Draft Prospectus. For further details of the sanctioned limits, please refer the chapter “Financial Indebtedness” on page no. 151 of this Draft Prospectus

⁽²⁾The Statutory Auditors of the Company, M/S KRSHNA & Associates, Chartered Accountants, vide their certificate dated January 21, 2020 have confirmed that Company’s “Internal Accruals” as on March 31, 2019 aggregates to ₹ 994.92 Lakhs

Hence, our Company proposes to utilise ₹ 700.00 lakhs of the Net Proceeds towards working capital requirements for meeting our future business requirements.

Justification for holding period levels:

Particulars	Details
Current Assets	
Inventories	Inventories days are computed as a function of purchases from the historic Restated Financial Statements and are adjusted for future expected. Our Company has a varied product portfolio in forging products and also we are planning to diversify by increasing the customer base and also entering in Non-Agro based forge products. We believe that proposed diversification will result into increased level of inventories & hence we have estimated an inventory level of 114 days for fiscal year 2020-21.
Trade Receivables	Trade Receivables days are computed as a function of Sales from the historic Restated Financial Statements and are adjusted for future estimates. Our Company operates in a highly competitive environment, including the organized and unorganized sector. Further, acquiring and retaining new customers requires us to provide them credit period, which sometimes may be a little higher than general industry standards, hence we believe that due to proposed diversification our debtors level will go up & we have estimated the same around 60 days for the Financial Year 2020-21.
Current Liabilities	
Trade Payables	Trade Payable days are computed as a function of purchases from the historic Restated Financial Statements and are adjusted for future estimates. Creditors include creditor for goods and expenses. We need to make payment within allowed credit to get timely raw materials and high quality goods from our suppliers and we believe that our strategy to diversify into new products and new customers will not going to affect this much. We have estimated trade payables days around 86 days for the Financial Year 2020-21.

2. Expenditure for General Corporate Purpose:

We propose to deploy ₹ [●] lakhs aggregating to [●] % of the Proceeds of the Fresh Issue towards General Corporate Purposes, including but not restricted to strategic initiatives, partnerships, joint ventures and acquisitions, meeting exigencies which our Company may face in the ordinary course of business, to renovate and refurbish certain of our existing Company owned/leased and operated facilities or premises or towards repayment/ pre-payment of liabilities or towards brand promotion activities or any other purposes as may be approved by our Board.

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

ISSUE RELATED EXPENSES

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

Sr. No.	Particulars	Amount (₹ in lakhs)	% of Total Expenses	% of Total Issue size
1.	Issue Management fees including fees and reimbursements of Market Making fees (1 st year), and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	[•]	[•]%	[•]%
2.	Brokerage and Selling Commission, Underwriting Commission, RTAs and CDPs ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	[•]	[•]%	[•]%
3.	Advertisement, Printing & Stationery, Marketing Expenses, etc.	[•]	[•]%	[•]%
4.	Listing Fees, Market Regulatory & Other Expenses	[•]	[•]%	[•]%
Total		[•]	[•]%	[•]%

- (1) The SCSBs and other intermediaries will be entitled to a commission of ₹10/- per every valid Application Form submitted to them and uploaded on the electronic system of the Stock Exchange by them.
- (2) The SCSBs would be entitled to processing fees of ₹ 10/- per Application Form, for processing the Application Forms procured by other intermediaries and submitted to the SCSBs.
- (3) Further the SCSBs and other intermediaries will be entitled to selling commission of 0.01% of the Amount Allotted (product of the number of Equity Shares Allotted and the Issue Price) for the forms directly procured by them and uploaded on the electronic system of the Stock Exchange by them.
- (4) The payment towards commission and processing fees will be completed within 30 days from the date of receipt of final invoice from the respective entities.

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 2020-21.

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 Draft Prospectus, which are proposed to be repaid from the Net Issue Proceeds.

Interim Use of Funds

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

Monitoring of Utilization of Funds

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

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

Exchange on a half yearly basis, a statement indicating (i) deviations, if any, in the utilisation of the proceeds of the Issue from the objects of the Issue as stated above; and (ii) details of category wise variations in the utilisation of the proceeds from the Issue from the objects of the Issue as stated above.

Variation in Objects

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

Other Confirmations

No part of the Net Proceeds of the Fresh Issue will be paid by our Company as consideration to our Promoters, our board of Directors, our Key Management Personnel or Group Company 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 Lead Manager on the basis of the key business strengths. The face value of the Equity Shares is ₹ 10/- and Issue Price is ₹ [●] /- per Equity Shares and is [●] times of the face value. Investors should read the following basis with the sections titled “Risk Factors” and “Financial Information” and the chapter titled “Our Business” beginning on page nos. 16, 115 and 73 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:

- Experienced Management & Promoters;
- Long Standing Relationship with key Customers & Suppliers;
- Diverse Product Portfolio;
- Integrated Manufacturing Capacity;
- Consistency in Quality and Service Standards;
- Facility Designed to Serve Multiple Product Range.

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. 73 of this Draft Prospectus.

Quantitative Factors

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

1) Earnings per Share (EPS)

Year ended March 31,	Basic & Diluted	
	EPS (in ₹) ⁽¹⁾⁽²⁾	Weight
2019	0.47	3
2018	0.53	2
2017	0.41	1
Weighted Average		0.48
For September 30, 2019*		0.44

⁽¹⁾ Based on Restated Financials of our Company

⁽²⁾ As on September 30, 2019 - 2, 00,000 fully paid up Equity Shares of Face Value of ₹ 100/- each were outstanding. However Company have splitted its share of ₹ 100/- each into 10 Shares of ₹ 10/- each w.e.f. November 26, 2019 & after that Company had issued bonus shares in the ration of 2:1 w.e.f. December 28, 2019. Adjustments of these transactions have been done while calculating Equivalent Weighted Average Number of Shares outstanding at the end of financial years 2017, 2018, 2019 & six months period ended on September 30, 2019

*Not Annualized

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 ₹ [●] /- per share of ₹ 10/- each.

Particulars	Standalone
P/E ratio based on Basic and Diluted EPS as at March 31, 2019	[●]
P/E ratio based on weighted average EPS	[●]

Industry P/E	
Highest – AIA Engineering Limited	26.6
Lowest – Electrosteel Castings Limited	5.90
Industry Average	19.80

(Source: Capital Market, Vol. XXXIV/24, Jan 13-26, 2020; Segment: Castings & Forgings)

3) Return on Net Worth (RoNW)

Year ended March 31	RoNW (%)	Weight
2019	3.64%	3
2018	4.25%	2
2017	3.46%	1
Weighted Average		3.81%
For September 30, 2019*		3.27%

*Not annualized

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 the Issue needed to maintain the Pre-Issue Basic & diluted EPS of ₹ [●] for the FY 2018-19 (based on Restated Financials) at the Issue Price of ₹ [●] /- is [●] %.

5) Net Asset Value (NAV)

Financial Year	Amount
NAV as at September 30, 2019	₹ 400.84
NAV as at March 31, 2019	₹ 387.74
NAV after Issue	₹ [●]
Issue Price	₹ [●]

*As on September 30, 2019 - 2, 00,000 fully paid up Equity Shares of Face Value of ₹ 100/- each were outstanding. However Company have splitted its share of ₹ 100/- each into 10 Shares of ₹ 10/- each w.e.f. November 26, 2019 & after that Company issued bonus shares in the ration of 2:1 w.e.f. December 28, 2019. Considering the above, pre issue NAV as on September 30, 2019 should be read as ₹ 13.36/- per share.

Note:

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

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

6) Comparison with Industry peers

Particulars	Face Value (₹)	EPS (₹)	P/E Ratio	RONW (%)	NAV (₹)
Hilton Metal Forgings Limited	10.00	1.25	16.04	2.54	49.20
MM Forgings Limited	10.00	33.70	16.13	18.65	180.71
Bharat Forge Limited	2.00	23.00	22.24	19.84	115.94
<i>Source: Company Financial Results for the F.Y. 2018-19 on BSE Ltd.</i>					
Veltech Forging Limited	10.00	0.47	[●]	3.64%*	387.74
<i>Source: Restated Financials for March 31, 2019</i>					

* As on March 31, 2019 - 2,00,000 fully paid up Equity Shares of Face Value of ₹ 100/- each were outstanding. However Company have splitted its share of ₹ 100/- each into 10 Shares of ₹ 10/- each w.e.f. November 26, 2019 & after that Company issued bonus shares in the ration of 2:1 w.e.f. December 28, 2019. Adjustments of these transactions have been done while calculating return on net worth for the Financial year 2018-19.

7) The Company and the Promoter Group in consultation with the Lead Manager believes that the Issue price of ₹ [●]/- 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 ₹ [●] /- times of the face value i.e. ₹ [●] /- per share.

STATEMENTS OF TAX BENEFITS

To
**The Board of Directors,
Veltech Forging Limited
Plot No H-39 & H-40,
Additional MIDC Area, Kudavli MIDC,
Murbad, Thane MH 421401**

Dear Sirs,

Sub: Statement of Possible Special Tax Benefits available to Veltech Forging Limited and its shareholders prepared in accordance with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI Regulations”) and the Companies Act, 2013, as amended (the “Act”).

We hereby report that the accompanying Statement states the possible special tax benefits available to the Company and shareholders of the Company (hereinafter referred to as “**the Statement**”) under the Income Tax Act, 1961 (read with Income Tax Rules, circulars, notifications) as amended by the Finance Act (No. 2) Act, 2019 presently in force in India (together referred to as the “**Direct Tax Laws**”) and The Goods and Service Tax Act, 2017 & Customs Act, 1962 (read with rules, circulars, notifications) presently in force in India (together referred to as the “**Indirect Tax Laws**”).

These possible special tax benefits are dependent on the Company and / or the Company’s shareholders fulfilling the conditions prescribed under the relevant Tax Laws, Indirect Tax Laws and other laws. Hence, the ability of the Company or the Company’s shareholders to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company or the Company’s shareholders may or may not choose to fulfil. Our Company does not have any Material Subsidiary as on date of this Draft Prospectus.

The benefits discussed in the enclosed Statement are not exhaustive and only cover the possible special direct and indirect tax benefits available to the Company and the Company’s shareholders. The Statement is neither designed nor intended to be a substitute for professional tax advice and 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 of the Company.

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

- a) the Company or its shareholders will continue to obtain these possible special tax benefits in future; or
- b) the conditions prescribed for availing the possible special tax benefits, where applicable, have been/would be met with; and

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

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

We conducted our examination in accordance with the “Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)” (“**Guidance Note**”) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We hereby give consent to include this Statement in the Draft Prospectus, Prospectus and Prospectus in connection with the proposed initial public offering of the Company.

Yours faithfully,

For KRSHNA & Associates
Chartered Accountants
(Firm Registration No. 122950W)

CA Sandeep Maheshwari
Partner
Membership No: 046045
Place: Thane
Date: January 21, 2020

Annexure**STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND COMPANY'S SHAREHOLDERS**

Outlined below are the possible special tax benefits available to **Veltech Forging Limited** (“the Company”) and to its Shareholders under the direct and indirect Tax Laws in force in India (i.e. applicable for the Financial Year 2019 – 20 relevant to the Assessment Year 2020 – 21).

A. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY**1. Direct Tax**

There are no special direct tax benefits available the Company.

2. Indirect Tax

There are no special indirect tax benefits available the Company.

B. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS OF THE COMPANY**1. Direct Tax**

There are no special direct tax benefits available the Company.

2. Indirect Tax

There are no special indirect tax benefits available the Company.

SECTION VI – ABOUT THE 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 Offer 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 ECONOMY

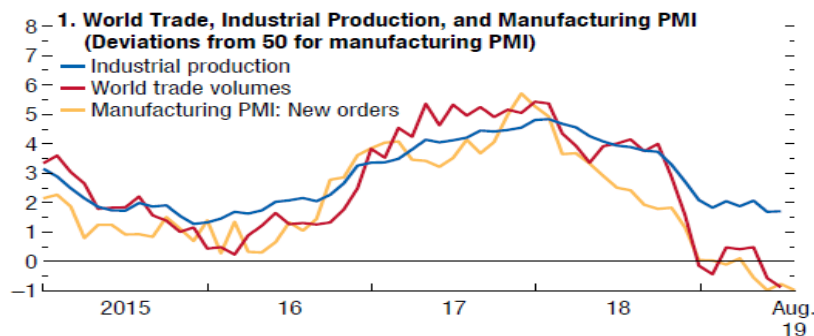
Global Economic Scenario

Over the past year, global growth has fallen sharply. Among advanced economies, the weakening has been broad based, affecting major economies (the United States and especially the euro area) and smaller Asian advanced economies. The slowdown in activity has been even more pronounced across emerging market and developing economies, including Brazil, China, India, Mexico, and Russia, as well as a few economies suffering macroeconomic and financial stress.

One common feature of the weakening in growth momentum over the past 12 months has been a geo- graphically broad-based, notable slowdown in industrial output driven by multiple and interrelated factors:

- A sharp downturn in car production and sales, which saw global vehicle purchases decline by 3 percent in 2018. The automobile industry slump reflects both supply disruptions and demand influences—a drop in demand after the expiration of tax incentives in China; production lines adjusting to comply with new emission standards in the euro area (especially Germany) and China; and possible preference shifts as consumers adopt a wait-and-see attitude with technology and emission standards changing rapidly in many countries, as well as evolving car transportation and sharing options.
- Weak business confidence amid growing tensions between the United States and China on trade and technology. As the reach of US tariffs and retaliation by trading partners has steadily broadened since January 2018, the cost of some intermediate inputs has risen, and uncertainty about future trade relationships has ratcheted up. Manufacturing firms have become more cautious about long-range spending and have held back on equipment and machinery purchases. This trend is most evident in the trade- and global-value-chain-exposed economies of east Asia. In Germany and Japan, industrial production was recently lower than one year ago, while its growth slowed considerably in China and the United Kingdom and, to some extent, in the United States

In China—the country with the highest investment spending in the world—the slowdown in investment in 2019 has been much more limited than the slowdown in imports, similar to what happened in 2015–16. Factors contributing to import weakness (beyond domestic capital spending) include reduced export growth, which is intensive in imports, and a decline in demand for cars and technology products, such as smartphones. The front-loading of exports, before tariffs were imposed in late 2018, likely also played a role by bringing forward demand for import components.



Growth Forecast for Emerging Market and Developing Economies

Growth in the emerging market and developing economy group is expected to bottom out at 3.9 per cent in 2019, rising to 4.6 percent in 2020. The forecasts for 2019 and 2020 are 0.5 percentage point and 0.2 percentage point lower, respectively, than in April, reflecting downward revisions in all major regions except emerging and developing Europe.

- Emerging and Developing Asia remains the main engine of the world economy, but growth is softening gradually with the structural slowdown in China. Output in the region is expected to grow at 5.9 per cent this year and at 6.0 percent in 2020 (0.4 and 0.3 percentage point lower, respectively, than in the April 2019 WEO forecast). In China, the effects of escalating tariffs and weakening external demand have exacerbated the slowdown associated with needed regulatory strengthening to rein in the accumulation of debt. With policy stimulus expected to continue supporting activity in the face of the adverse external shock, growth is forecast at 6.1 percent in 2019 and 5.8 percent in 2020—0.2 and 0.3 percentage point lower than in the April 2019 WEO projection. India's economy is set to grow at 6.1 percent in 2019, picking up to 7 percent in 2020. The downward revision relative to the April 2019 WEO of 1.2 percentage points for 2019 and 0.5 percentage point for 2020 reflects a weaker-than-expected outlook for domestic demand. Growth will be supported by the lagged effects of monetary policy easing, a reduction in corporate income tax rates, recent measures to address corporate and environmental regulatory uncertainty, and government programs to support rural consumption.
- Subdued growth in emerging and developing Europe in 2019 largely reflects a slowdown in Russia and flat activity in Turkey. The region is expected to grow at 1.8 percent in 2019 and 2.5 percent in 2020. The upward revision to 2019 growth relative to the April 2019 forecast reflects a shallower-than-expected downturn in Turkey in the first half of the year as a result of fiscal support. In Russia, by contrast, growth has been weaker this year than forecast in April, but is projected to recover next year, contributing to the upward revision to projected 2020 growth for the region. Several countries in central and eastern Europe, including Hungary and Poland, are experiencing solid growth on the back of resilient domestic demand and rising wages.

Forty emerging market and developing economies (about a quarter of the total) are projected to grow in per capita terms above the 3.3 percent weighted average of the group, which is more than 2 percentage points above the average for advanced economies. For these economies—which include China, India, and Indonesia—the challenge is to ensure that these growth rates materialize and that the benefits of growth are shared widely. Convergence prospects are instead bleak for some emerging market and developing economies. Across sub-Saharan Africa and in the Middle East and Central Asia region, 47 economies, accounting for about 10 percent of global GDP in purchasing-power-parity terms and close to 1 billion in population, are projected to grow by less than advanced economies in per capita terms.

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2019/10/01/world-economic-outlook-october-2019>)

Indian Economic Overview

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

Market size

India's nominal GDP growth rate is estimated at 12 per cent in 2019-20. The estimate for 2018-19 was 11.5 per cent. During Q1 of 2019-20, GDP (at constant 2011-12 prices) grew by 5 per cent. India has retained its position as the third largest startup base in the world with over 4,750 technology startups, with about 1,400 new start-ups being founded in 2016, according to a report by NASSCOM. India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute. India's foreign exchange reserves were US\$ 393.29 billion in the week up to December 21, 2018, according to data from the RBI.

Government Initiatives

Some of the recent major government initiatives in the sector are as follows:

- Prime Minister of India, launched the Pradhan Mantri Kisan Samman Nidhi Yojana (PM-Kisan) and transferred Rs 2,021 crore (US\$ 284.48 million) to the bank accounts of more than 10 million beneficiaries on February 24, 2019.

- The Government of India has come out with the Transport and Marketing Assistance (TMA) scheme to provide financial assistance for transport and marketing of agriculture products in order to boost agriculture exports.
- The Agriculture Export Policy, 2018 was approved by Government of India in December 2018. The new policy aims to increase India's agricultural exports to US\$ 60 billion by 2022 and US\$ 100 billion in the next few years with a stable trade policy regime.
- In September 2018, the Government of India announced Rs 15,053 crore (US\$ 2.25 billion) procurement policy named 'Pradhan Mantri Annadata Aay SanraksHan Abhiyan' (PM-AASHA), under which states can decide the compensation scheme and can also partner with private agencies to ensure fair prices for farmers in the country.
- In September 2018, the Cabinet Committee on Economic Affairs (CCEA) approved a Rs 5,500 crore (US\$ 820.41 million) assistance package for the sugar industry in India.
- The Government of India is going to provide Rs 2,000 crore (US\$ 306.29 million) for computerisation of Primary Agricultural Credit Society (PACS) to ensure cooperatives are benefitted through digital technology.
- With an aim to boost innovation and entrepreneurship in agriculture, the Government of India is introducing a new AGRI-UDAAN programme to mentor start-ups and to enable them to connect with potential investors.
- The Government of India has launched the Pradhan Mantri Krishi Sinchai Yojana (PMKSY) with an investment of Rs 50,000 crore (US\$ 7.7 billion) aimed at development of irrigation sources for providing a permanent solution from drought.
- The Government of India plans to triple the capacity of food processing sector in India from the current 10 per cent of agriculture produce and has also committed Rs 6,000 crore (US\$ 936.38 billion) as investments for mega food parks in the country, as a part of the Scheme for Agro-Marine Processing and Development of Agro-Processing Clusters (SAMPADA).
- The Government of India has allowed 100 per cent FDI in marketing of food products and in food product e-commerce under the automatic route.

Road Ahead

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

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

Global Forging Industry:

The global average price of automotive forging products is in the decreasing trend, from 2271 USD/MT in 2013 to 2164 USD/MT in 2017. With the situation of raw material, prices will be in increasing trend in the following five years. In terms of raw material, the segments of the global automotive forging market include aluminum, copper/brass/bronze, low-carbon & low-alloy steels, special alloy steel, stainless steel.

The segments of the global automotive forging market on the basis of type are closed die, open die, and rolled rings. Amongst them, the segment of closed die dominates in terms of revenue and the trend is expected to continue over the forecast period. This is due to the par excellence performance and finish of products that are obtained using this process.

The key application segments of the global automotive forging market are powertrain components, chassis components, transmission parts and other part. Amongst all, powertrain components are the leading application segment of the market. The leading share of the powertrain components segment is ascribed to the expansion of the automobile industry to cater to the high demand for automobiles. The powertrain components segment held almost 48.21% of the global automotive forging market in terms of volume in 2017.

Geography-wise, the global automotive forging market is segmented into North America, Europe, Asia Pacific (China, India, Japan, etc.). In the years ahead, Asia Pacific is expected to display the leading growth amongst other key regions. The growth of the region is mainly driven by the development of automotive industries. Emerging economies of the region are major consumers of forged metal for the rising urbanization and industrialization in these regions.

The capital-intensive nature of the global automotive forging market accounts for the clear dominance of well-entrenched players that operate in international markets. This poses challenge for small players that compete with large players with respect to quality, features, functionalities, and services. The use of newer technologies by large players to add qualitative value to existing products will further add to the woes of small players.

According to recent study, over the next five years the Forging market will register a 5.4% CAGR in terms of revenue, the global market size will reach US\$ 52000 million by 2024, from US\$ 38000 million in 2019.

(Source: <https://www.fiormarkets.com/report/global-forging-market-growth-2019-2024-368755.html>)

Indian Engineering Industry Analysis:

The Indian engineering sector is divided into two major segments - heavy engineering and light engineering. The turnover of capital goods industry in India is estimated at US\$ 70 billion in 2017 and is expected to grow to Rs 8,04,923.13 crore (US\$ 115.17 billion) by 2025. Likewise, electrical equipment production is expected to reach Rs 6,98,900 crore (US\$ 100 billion) by FY 2021-22 from Rs 39.06 crore (US\$ 5.58 million) in 2017-18. The electrical equipment industry grew 13.7 per cent year-on-year during April 2018-January 2019. Overall growth index for electrical equipment industry for 2018-19 stood at 11.2 per cent.

Comparative advantage vis-à-vis peers in terms of manufacturing costs, market knowledge, technology and creativity has been a driving force for engineering exports from India. In FY19, India's engineering export have crossed Rs 5,80,087 crore (US\$ 83 billion). Engineering exports grew 6.32 per cent year-on-year to Rs 5,66,248.78 crore (US\$ 81.02 billion) in FY19. In FY20 (April-August 2019), India's engineering export have crossed US\$ 32.39 billion.

As of 2017, India was the world's eighth largest consumer and 12th in production of machine tools globally. Production of machine tools in the country grew 25.7 per cent y-o-y to Rs 7,293 crore (US\$ 1.13 billion) in 2017-18, while exports reached Rs 355 crore (US\$ 55.08 million). Production is forecasted to increase to Rs 9,000 crore (US\$ 1.40 billion) in 2018-19. Construction equipment industry recorded sales of 98,204 and 78,109 units of construction equipment in 2018 and 2017, respectively. Construction equipment sales are expected to grow further to 110,815 units by 2022. Construction equipment market is projected to reach Rs 34,945 crore (US\$ 5 billion) by FY20 from around Rs 30,052.7 crore (US\$ 4.3 billion) in FY18.

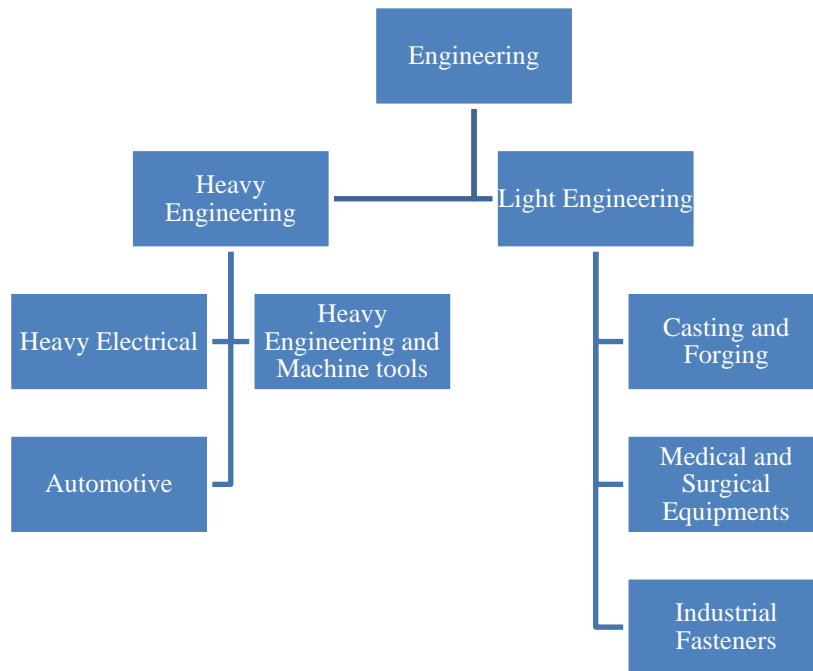
Government has also announced to invest Rs 10,000,000 crore (US\$ 1.5 trillion) in infrastructure over the next five years.

Companies engaged in the engineering sector are virtually on a roll. Capacity creation in sectors like infrastructure, power, mining, oil & gas, refinery, steel, automotive, and consumer durables has been driving demand in the engineering sector. Separately, the approval of significant number of special economic zones (SEZs) across the country and the development of the Delhi Mumbai Industrial Corridor (DMIC) across seven states is expected to further bolster the engineering sector.

Government has proposed granting of loans up to Rs 1 crore (US\$ 0.15 million) for MSMEs within 59 minutes through a committed online portal. Under the Interest Subvention Scheme for MSMEs, Rs 350 crore (US\$ 52.50 million) has been allocated for FY 2019-20.

With 100 per cent foreign direct investment (FDI) allowed through the automatic route, and initiatives like Make in India, major international players have entered the Indian engineering sector due to significant growth opportunities available. Miscellaneous mechanical and engineering industries have received FDI inflows worth US\$ 3.59 billion during April 2000-June 2019.

Flowchart Showing Division of Engineering Sector of India:



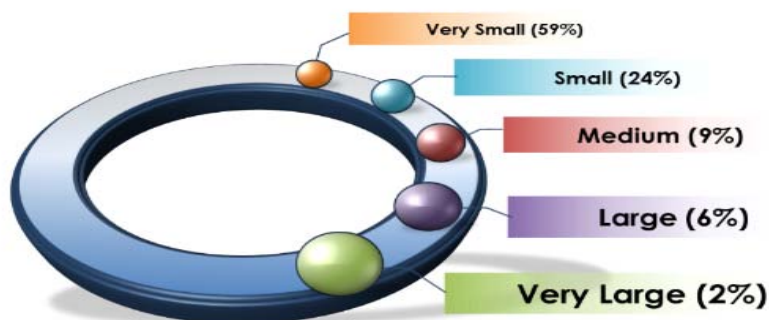
(Sources: <https://www.ibef.org/archives/industry/indian-engineering-industry-analysis-reports/indian-engineering-industry-analysis-december-2019>)

Indian Forging Industry:

Brief Overview:

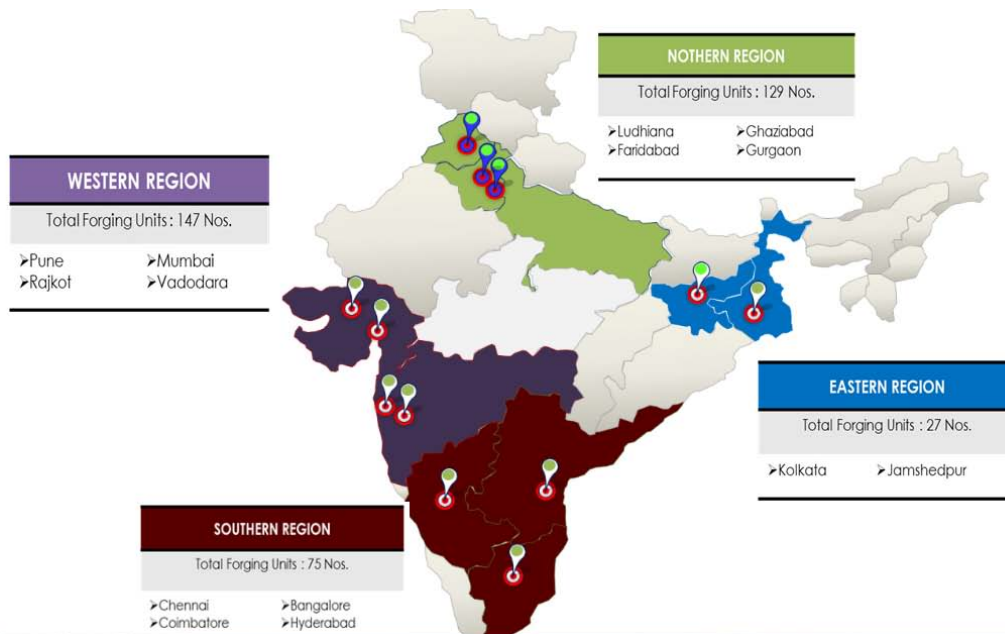
Forging is traditionally considered as the back bone of manufacturing industry. It is a major input to the sectors which support economic growth of the nation, such as, Automobile, Industrial Machinery, Power, Construction & Mining Equipment, Railways and General Engineering. The Indian forging industry is well recognized globally for its technical capabilities. With an installed capacity of around 38.5 lakh MT, Indian forging industry has a capability to forge variety of raw materials like Carbon steel, alloy steel, stainless steel, super alloy, titanium, aluminium and so forth, as per the requirements of user industry.

Over the years, the Indian forging industry has evolved from being a labour-intensive industry to capital-intensive manufacturing sector. The current investment in the plant and machinery by Indian forging companies is worth of INR 27,833 Crore. Based on their installed capacity, the forging units may be classified as very large (capacity above 75,000 MT), large (capacity above 30,000 to 75,000 MT), medium (capacity above 12,500 to 30,000 MT), small (capacity above 5,000 to 12,500 MT) and very small (capacity up to 5,000 MT). Based on this classification it is seen that about 83% of the total number of units are small and very small, while only about 8% can be classified as very large and large units; the balance of about 9% constitute the medium sized units.



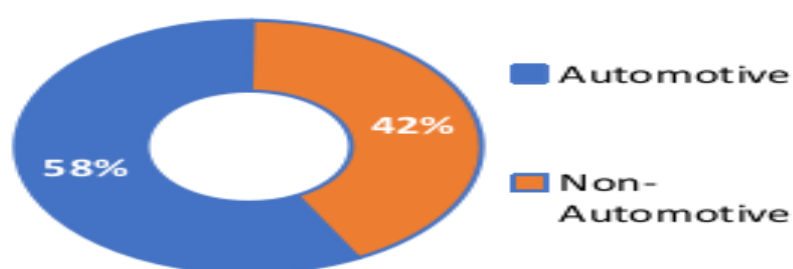
Indian Forging Industry Cluster:

The Indian forging industry is concentrated around its end user customer locations. Therefore, the major forging clusters are found to be in the states of Maharashtra, Punjab, Gujarat, Tamil Nadu, Haryana, Delhi, Karnataka, Jharkhand, West Bengal and Andhra Pradesh. States such as Maharashtra, Punjab, Tamil Nadu, Haryana, Jharkhand and Delhi.



The forging industry of India provides direct employment to about 95,000 people. The small and very small units are mainly dependant on manual labour, however medium and large units are more mechanized. Quality standards in the industry have improved significantly and the sector is now well known globally for its high quality.

Current share of auto sector is about 58% of total forging production while the rest is with the non auto sector. Changes in Indian automobile industry directly impact Indian forging industry, because the forging components form the backbone of the Indian automobile industry. Since the automobile industry is the main customer for forgings the industry's continuous efforts in upgrading technologies and diversifying product range has enabled it to expand its base of customers to foreign markets. The Indian forgings industry has made rapid strides and currently, not only meets almost all the domestic demand, but has also emerged as a large exporter of forgings.



The industry is increasingly addressing opportunities arising out of the growing trend among global automotive OEM's (Original Equipment Manufacturers) to outsource components from manufacturers in low-cost countries. As a result, the industry has been making significant contributions to country's growing exports. In order to reduce the impact of cyclicity and dependence on auto sector, the industry plans to diversify into non-automotive sectors.

(Source: <https://www.indianforging.org/indian-forging-industry/>)

OUR BUSINESS

The information in this section is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Prospectus, including the information contained in “Risk Factors”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations of our Company” and “Financial Statements” on page nos. 16, 141 and 115 respectively. The financial figures used in this section, unless otherwise stated, have been derived from our Company’s restated audited financial statements.

Unless the context otherwise requires, in relation to business operations, in this chapter of this Draft Prospectus, all references to “we”, “us”, “our” and “our Company” are to “Veltech Forging Private Limited”.

OVERVIEW

Veltech Forging Limited is one of the well established forging units, situated in MIDC's Industrial area at Murbad, Thane District, Maharashtra since more than 25 years. It started its business as a partnership firm in the name of M/S Vishwakarma Forging in Thane, Maharashtra. Our company was incorporated as “Veltech Forging Private Limited” under the provisions of the Companies Act 1956 on July 07, 1994 with the main objective to acquire & takeover the running partnership business of the firm, M/s. Vishwakarma Forging.

The Primary business of the Company is manufacturing closed die forgings of critical shapes for Tractor, Automobile & other industries, to the specifications and drawings of the customers. Company’s Forge Shop is well equipped with friction drop hammers, Die Shop, CAD facility for Die Designing, Metallurgical Laboratory to test raw material and forged components, Heat Treatment shop, Shot blasting and material Stock yard.

In order to ensure quality in all aspects, the company obtained ISO 9001:2015 accreditations. The company is equipped to manufacture forgings weighing from 300 grams to 10 kg. per piece, and Up-setter up to 2.5" in diameter. It supplies components in as forged, semi-finished & fully finished condition. The Company believes in maintaining good and cordial relation with its customers by ensuring no compromise in Quality Product and timeliness in which order gets executed, because of these Features Company is able to deal with big corporate end user clients of forged products.

We have Integrated Manufacturing Capacity wherein we in-house manufacture dies according to the specifications & design of the client. Further company forge different type of products using various machines including Drop Hammer, Press etc. Further some products are further processed in Machining Section so that it gets converted into final part or component ready for assembling in further products.

The Company has sophisticated in-house facilities with advanced equipment and latest technology to produce superior quality products as per the needs of the customers. With advanced designs and manufacturing systems and a comprehensive technical support, The Company utilizes the state-of the art equipment and technology to develop the products to help the clients to get success in market place. The Company’s team works closely with their industrial clients to know their needs and to produce need satisfying products thereafter.

OUR STRENGTHS

Experienced Management & Promoters:

One of our Founding Promoter, Mr. Virabhai Panchal is engaged in the Forging & Engineering Industry for more than 4 decades, and has a proven background and rich experience. Mr. Bhavesh Panchal joined the Company in year 1998 & has over 2 decades of experience in Forging & Engineering Industry. We believe our senior management team leverages our market position and their collective experience and knowledge in the industry, to execute our business strategies and drive our future growth. In addition, we believe the strength and entrepreneurial vision of our Promoters and senior management has been instrumental in driving our growth and implementing our strategies. In addition, we have an experienced team of employees having technical, operational and business knowledge. For further details of our Promoter’s experience and background, please refer the chapter titled “*Our Promoters*” on page no. 108 of this Prospectus.

Long Standing Relationship with key Customers & Suppliers:

Our Company enjoys long standing relationship with key Customers & suppliers. These long standing relationships are result of our commitment to quality, timely delivery, promptness in payments and adaptability etc. We benefit

immensely from this. We are supplying auto parts to various players of the Automobile Industry since the starting of the Company. These long standing relationship with customers and suppliers have helped in establishing our reputation as a trusted business player in forging & Engineering Industry.

Diverse Product Portfolio:

We forge and supply a variety of products to our customers for their customized needs. These customers operate in diverse industries like Automobile, Farm Equipments, Safety Solutions, Constructions, infrastructure to name a few. Our in-house die forging capacity enables us to manufacture a huge variety of products by making the appropriate dies based on design and specification of our customer. Our product portfolio includes more than 300 products which include various types of Gear Forks, Gears, Shafts, Hinges, Clamps, Socket Caps etc. For some products, we simply carry out forging job whereas for others we do critical machining job also wherein further processes are carried out on forged product. For further details, regarding our product portfolio, please refer “*Our Business – Our Products*” on page no. 73 of this Prospectus.

Integrated Manufacturing Capacity:

Our Company has Integrated Manufacturing Capacity as we carry out all the processes on raw materials from start to end in our manufacturing unit only. Company’s manufacturing unit is broadly divided into three sections viz. 1.) Die Forging 2.) Forging & 3.) Machining. Die Forging section includes activities wherein dies are forged using VMC machines along with other machines based on drawings and specifications received from client. Forging Section includes activities wherein heated raw materials are forged using drop hammer or press machines along with others. Machining Section include activities wherein further processes are carried out on forged product & converted into end product like Gear Forks, Gears, Shafts etc. ready for assembling in different products. This Integrated Manufacturing Capacity has helped us in saving production cost as we can eliminate margin of intermediaries if we opt for outsourcing of these processes. In this way we are also less reliant on third party vendors helping us in management of our production schedule.

Consistency in Quality and Service Standards:

We are an ISO 9001 : 2015 certified company which follow stringent quality standards in our manufacturing unit to ensure that our products meet required requirements of end-use-industry. Due to Consistent Quality in our products, one of our major customer has provided us the status of “Direct On Line” wherein parts supplied by Company is not re-inspected at its end and is directly assembled into production line. Our Service standards ensure the quality consistency of the manufactured product by ensuring that we employ well trained staff, have sufficient premises and equipment for manufacturing.

We have an in-house testing and quality control laboratory equipped with requisite testing machineries wherein various type of Chemical Analysis, Mechanical Testing, Non-destructive Testing, Metallurgical Testing are carried out on raw materials & final products by skilled employees, under proper quality control and strict supervision. We, under our Quality Policy, are committed to enhance customer satisfaction while manufacturing forged & machined products with all applicable requirements and continual improvements in effectiveness of the quality management system and create an environment of high integrity and ethics with interested parties.

Facility Designed to Serve Multiple Product Range:

We are presently forging & supplying wide range of auto parts like Gear Forks, Gears, Shafts etc. that are further used / assembled in tractors along with other few products having applications in different industries. However our Manufacturing Facility has been designed in such a way that it can cater to the need of other industries also because it is broadly divided into three sections viz. 1) Die Forging 2) Forging & 3) Machining. In die forging section, dies are manufactured based on design & specification received from client. These dies are further fitted in drop hammer or press machines & further processes are majorly same for any kind of forged products. Therefore in-house die forging section gives us the flexibility to forge any other products also, giving us virtually infinite possibilities to expand into different products required by different industries like automobile sector, engineering, defense, aerospace, construction to name a few.

OUR STRATEGIES:

Augment our fund based capacities in order to scale up business operation

Our business operations are working capital intensive. In order to effectively expand our Business arenas and also diversify our operations to include new product categories, along with the existing facilities we need to have access to a larger amount of liquid funds and sufficient working capital. Our raw materials purchase mainly includes metal rods of different shapes and sizes which require timely payment to our suppliers, firstly to avoid fluctuation in availability and secondly to maintain relationship with our suppliers for smooth inflow of such raw materials. However, our customers include some large companies and multi-nationals, to whom we need to give a certain higher credit period in order to remain in their vendor list, thus affecting our working capital requirement.

We expect to increase our volumes, revenues and scale of operations and we will require substantial working capital for the same. It is hence our strategy to raise funds from this Issue and augment our fund based working capital capabilities. We believe that companies with high liquidity on their balance sheet would be able to better exploit market opportunities in short term as well as longer duration services in our business. Our Company may also explore possibilities for utilising the available capital to increase die making capabilities so as to increase its product line in the future. For further details regarding the working capital being raised through this Issue, please refer to section “*Objects of the Issue*” on page no. 56 of the Draft Prospectus.

Diversify Customer Base

Our Company is currently engaged in the manufacture of forged products, majorly catering to the Automobile Industry. However our manufacturing facility has the capability to allow us to cater the needs of other industries also wherein forged products are required on regular basis. Manufacturing forged products for larger industrial sectors will enable us to build a larger and diversified customer base. This will help reduce our dependency on a particular sector and thus reduce the industry specific risk. Also, we believe that different industrial sectors will allow us to command better margins and also improve our overall presence and goodwill.

Increasing our Product Portfolio

Our Company currently caters to the automobile industry wherein our major product heads include Gears, Forks, and Shafts, which we believe restrict our scope and also restricts our manufacturing capabilities. Recently, we have begun manufacture of other forged products like Hinges and Clamps, which are catered for making safes & vaults and construction industries, respectively. Also, our manufacturing unit has the capability to carry out value addition to a forged product by doing a critical job on such forged products and converting them to directly usable parts or components which are ready to be assembled. We believe that a larger product portfolio will offer us better economies of scale and also reduce industry risk by reducing our dependency on few clients.

Operational Efficiency & Quality Enhancement

We plan to continue to invest in increasing our operational efficiency and hence Quality enhancement. We are addressing the increase in operational output through continuous process improvement, Quality control activities, good customer service, technology development and consistent quality delivery of the product. Alignment of our people to the thought of Process improvement through Quality Maintenance is very integral part of the company.

Focus on consistently meeting quality standards

Our Company intends to focus on adhering to the highest quality standards of the metal forging and also any value addition thereon. Quality and strength of the forged product is very important for the company from the customer point of view. Continuous quality assurance review of raw material and finished products and timely corrective measures in case of diversion and technology upgradation are keys for maintaining quality standards of the forged products. Providing the desired quality and strength helps us in enhancing our brand value and maintaining long term relationships with customers.

DETAILS OF OUR BUSINESS

LOCATION

Registered Office



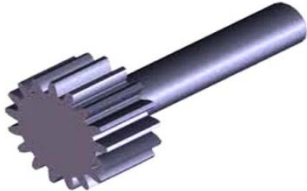
Plot No H-39 & H-40, Additional MIDC Area, Kudavli MIDC, Murbad, Thane, Maharashtra – 421401.

Manufacturing Unit

Plot No H-39 & H-40, Additional MIDC Area, Kudavli MIDC, Murbad, Thane, Maharashtra – 421401.

DETAILS OF OUR PRODUCTS

We are specialized in manufacturing Closed Die forgings of critical shapes to the specifications and drawings of the customers. Our product portfolio includes more than 300 products having applications in different industries like Automobile, Constructions and safety solutions etc. The product range include critical and non critical component like Gear, Shifter, Fork, Shafts, Pinions, Conn, Rod Cap, Gears, Flanges, Pulleys, Rocket Arm, Hubs, Ball Socket and Pins & Bolts etc. Major categories of products based on usage of products are presented below:

Sr. No.	Name of the Product Category	Image	Description
1.	Gear Fork		Gear Fork is an Auto Part which is fitted in Automobiles. Company manufactures the same according to the design & specifications like dimension, resistance, finish, durability etc. of the end client. These products are stringently tested on various parameters to ensure quality and durability. Company manufactures various types of Gear Forks that is majorly used in Tractor. Various Types of Gear Forks includes Speed Fork, Clutch Release Fork, Gear Shift Fork, Lever Fork, Shifter Fork, Shifting Fork Steering etc.
2.	Gears		Company offers this product in various sizes, dimensions and patterns as per the varied requirements of the clients. 1 st and Reverse Sliding Gear, 1 st and Reverse Gear, 2 nd Gear, Helical Gear 540, Inmternal Gear, Main Drive Gear are some of the examples of types of Gear we offer.
3.	Shaft		Shaft is a rotating machine element which is used in various machines. Company manufactures and sells various type of shafts including 5 th & Rev. Sub Shaft, Arm Clutch Release Shaft, Balancer Shaft, Bull Pinion & Brake Shaft LH, Bull Pinion Shaft LH/RH, Cam Shaft, Counter Shaft, Crank Shaft, Drive Shaft etc.

4.	Hinge		<p>Hinge is movable joint on which a door, gate or lid swings as it opens. Company forge hinges which are installed in Safe Vaults / Safe Lockers.</p>
5.	Clamp		<p>A Clamp is a fastening device used to hold or secure objects tightly together to prevent movement or separation through the application of inward pressure. Company forge and machines various types of clamps like Injector Clamp, Nozzle Clamp etc.</p>
6.	Others		<p>In addition to above, Company also forge and machine certain other products like pivot tool, Bush Pillow Block, Cam Link, Coupling, Folding Link, Hammer Mill, Lock Nut etc.</p>

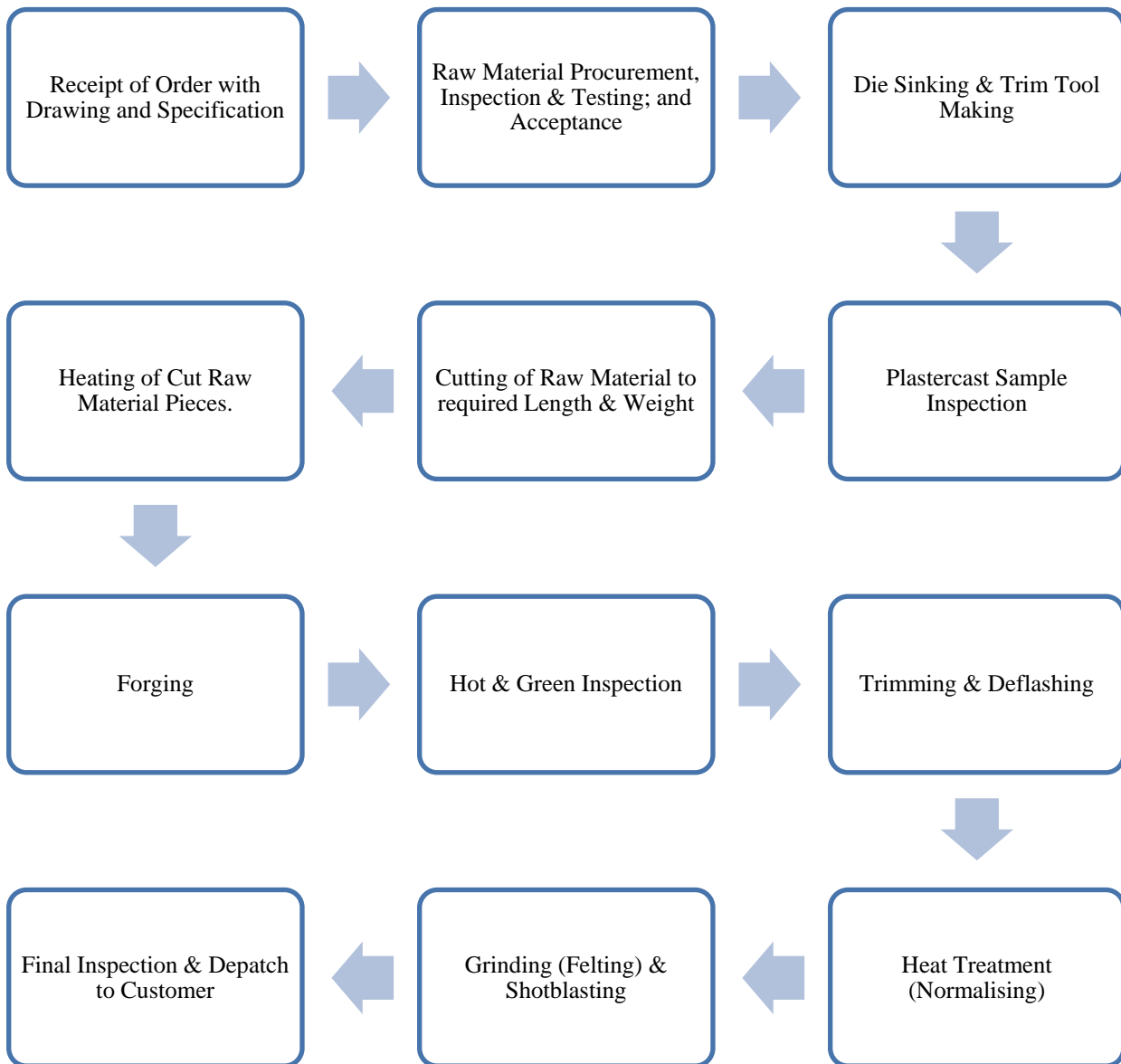
MANUFACTURING PROCESS

We are a Integrated Manufacturing Unit of forged products. Company's manufacturing unit is divided into three sections viz.

1. Die Forging
2. Forging
3. Machining

- 1. Die Forging:** Our product manufacturing process start with the receipt of designs and specifications from customers. We have to manufacture die according to the design and specification from customers. A typical die is a pair of metal block that are fitted in Drop Hammer or Press machines to give desired shape to a hot metal. Dies are manufactured by engraving technical design on the metal block using VMC & other machines. Once a Die is manufactured it is tested making sample plastercast products. These plastercast products are sent to client for inspection and once approved by client, die is considered final. In this section, along with dies, trim tools are also manufactured which are further used in forging section to trim and deflash extra material on forged product.
- 2. Forging:** In forging section, tested raw materials like rods of different shapes, sizes are cut into pieces of required length and weight. These cut pieces are heated using induction heating machines or furnaces at required temperatures & put in drop hammer or press machines where these hot pieces are stroked with dies to take required shape and size. After that hot piece of raw material is allowed to be cooled off and once it is cooled off, it is tested and trimming & deflashing is done using trimming tool. After that, again heat treatment is provided to the product and after cooling off certain processes like grinding, shotblasting etc are carried out to make it finished product. This finished product is checked by our employees in our in house testing lab for the strength, physical testing, micro structure, dimension check etc and sent to customer or machining department for further processing as the case may be.
- 3. Machining:** In this section, final output of forging section is treated as input. In this section various type of critical processes are carried out on forged items so that it can be converted into a particular part or component suitable for assembly into further products. We carry out machining work on some of our products as per requirement of customers while others are delivered after doing forging work only.

The Company implements a common production process for the manufacture of various products which is explained in the chart below:



Major Steps in manufacturing process is explained technically in detail as follows:

1. Drawing & Specification:

Company receives the requirement of the customer along with technical sketches specifying dimension, resistance, hardness and durability etc. Company caters to the customers’ needs from concept design to validation and testing.

2. Procurement of Raw Material:

After, Company has received the approval from customer, Company procure carbon steel, alloy steel, stainless steel and any other type of steel as per the requirement of the customer. Further, selected on random basis per batch of order raw materials are sent to in house laboratory for checking chemical composition of the raw material to judge the suitability of material as per requirements.

3. Die Shop Process:

Company has fully equipped die shop with VMC machines for making precision dies. The Die prepared is then authorized by the customer by comparing the plaster cast sample generated by VMC machine. Along with the dies Trimming Tools are also made for deflashing excess material formation during forging process.

4. Cutting into Billets (Pieces):

Raw material procured is then cut and converted into billets as per the product design requirement of the customers. Company follow internally prepared colour grade for traceability of raw material from ingot condition till forging. Further, Company measures the weight of billets to ensure its suitability as per the design.

5. Pre-Heat treatment Process:

Materials can be improved before or after manufacturing by different heat treatment processes, so heating is done both before and after forging process. Raw Material is heated on varying temperatures, usually between 1100°C to 1200°C depending on the carbon content and customer's requirement using furnace oil and/or induction heating.

Preheating:

Preheating of materials is done to help prevent cracking or distortion of the Raw Material. This is done by placing the metal in a series of furnaces of increasing temperatures instead of throwing it directly into the furnace used to heat the metal for forging, annealing, normalizing or hardening. Another way to achieve this is to start in a cold furnace and slowly bring it to temperature.

6. Forging:

Forging changes the size and shape, but not the volume, of a part. The change is made by force applied to the material by Drop Hammer or Forging Press so that it stretches beyond the yield point. The force must be strong enough to make the material deform. The yield point is reached when the material will reform into a new shape. In forging, a block of metal is deformed under impact or pressure to form the desired shape.

7. Post-Heat treatment Process:

Post-Heat treatment process is mainly of following 2 types:

Annealing:

Annealing should follow forging as soon as possible whenever machining is required. Annealing is the heating and then cooling of metal to make the metal less brittle, or more malleable and ductile. This will soften the steel that was previously hardened and reduce internal stresses. Annealing is done by heating the metal to a temperature beyond the critical temperature and holding it there for a period of time.

Normalizing:

Normalizing is done to improve the crystalline structure of the steel, thus obtaining superior properties. Heating the forged part just beyond the critical temperature and then allowing it to air-cool completes normalizing. This allows the grain-size to be refined and, if not held at that temperature too long, will result in a newly formed crystalline structure. The internal stresses, if any, will be relieved, hardened steels will be softened, overheated steels will have a more favorable, normal fine-grained structure, and structural distortion will be removed.

8. Shot Blasting:

After the products are normalized, they are sent for shot blasting to avoid pit marks, scaling and conducted fettling operations.

9. Final Inspection:

Finished products are inspected by our employees in our in house testing lab for checking the strength, physical testing, micro structure, dimension check etc as per customer technical requirements and their drawings. Post completion of final inspection, the batch is sent for final packing.

PLANT AND MACHINERY

Following is the list of core Machinery installed in our facility:

Sr. No.	Name & Category of Machine
1.	FORGING PRESS
•	1600 Ton Press
•	2000 Ton Press
•	800 Ton Coining Press
•	Hand Screw Press
•	Press For Upsetting
•	Screw Friction Coining Press 250 Ton
•	Screw Press 350T
•	Trimming Press 1 Ton
•	Trimming Press(2.5 Ton)
•	Upsetter 2 '
2.	FORGING HAMMER
•	Drop Forging Hammer 1 Ton
•	Drop Forging Hammer 2.5 Ton
•	Hammer 0.75 Ton
•	Hammer 1.50 Ton
3.	INDUCTION HEATING MACHINE
•	500 Kw Billet Heater For 2000 Tn
•	Annealing (Induction Heating Machine)
•	IGBT Induction Heater
•	Plasma Induction Heating Machine 300 Kw
4.	FURNACE
•	Isothermal Furnace
•	Muffle Furnace
•	Oil Fired Auto Control Normalising And Tempering Box Type Furnace
•	Oil Fired Furnace Pusher Type With Recuperator
•	Oil Fired Pusher Type Normalising Furnace
5.	VMC MACHINE
•	EDM Machine Sparkonix
•	Makino VMC 40 Machine
•	Milling Machine
•	Vertical Milling Centre Okuma
•	VMC M/C 70 Double Pallete
•	VMC Machine Ace
•	VMC Machine Cicinnati
6.	LATHE MACHINE

•	ACE CNC Lathe (Super Jobber)
•	ACE CNC Lathe (Super Jobber) 500
•	Centre Lathe
•	CNC Lathe Fagore
•	CNC Lathe Leadwell 15
7.	AIR COMPRESSORS
8.	BANDSAW MACHINE
9.	BROCHING MACHINE
10.	COOLING TOWER
11.	CRANES
12.	DRILL MACHINES
13.	GRINDER
14.	HARDNESS TESTER
15.	SHOT BLASTING MACHINE
16.	WELDING MACHINES

UTILITIES

Power

Our Factory and Registered Office have adequate power supply from the public / state supply utilities. Our Factory has a sanction load of 1423KW.

Water

The Registered Office and our factory have adequate water supply position. The Company source its water supply from MIDC which is used for our manufacturing processes, for cooling and chilling arrangements and other general purposes.

COLLABORATIONS

We have not entered into any technical or other collaboration.

EXPORT AND EXPORT OBLIGATION

Our Company does not have any Export and Export Obligations as on the date of this Draft Prospectus.

COMPETITION

In India, nearly 60% of forging products are used by automotive industry and most of the forging companies are making products to cater to the automotive industry. We also majorly deals with automotive industry, hence competition faced by us is Cut-Throat. Some of the prominent name includes Hilton Metal Forging Limited, MM Forging Limited and Bharat Forge Limited etc.

The forging units may be classified as very large (capacity above 75,000 MT), large (capacity above 30,000 to 75,000 MT), medium (capacity above 12,500 to 30,000 MT), small (capacity above 5,000 to 12,500 MT) and very small (capacity up to 5,000 MT). We have to face completion from large number of players as according to the above classification we fall into very small unit category and it is seen that about 83% of the total number of units are small and very small, while only about 8% can be classified as very large and large units; the balance of about 9% constitute the medium sized units.

Also, we operate in a competitive industry where our competitors may have greater resources than those available to us. While product quality, brand value, etc are key factors in client's decisions among competitors, however price plays a

deciding factor in most cases, which is most favorable to us as our business structure is such that we can survive in thinner profit margin as compared to our competitors. Apart from Sustained ability to offer competitive prices, other Competitive Advantage includes ability to supply wide range of products and timely delivery of products etc.

MARKETING SET-UP

Our Director – Mr. Bhavesh Panchal overlooks our sales and marketing division. He is supported by other employees who manage marketing activities of the Company.

Over the years we have established a strong customer base and an unyielding marketing setup. Our success lies in the strength of our relationship with our customers who have been associated with our Company for a long period. Our promoter through their vast experience and excellent rapport with clients plays an instrumental role in creating, maintaining and expanding the customer base for our Company. Our reputation of timely delivery and quality of products has helped us retain our clients and it will be instrumental in expanding our base towards new clients in future.

We strictly adhere to quality standards as specified by our clients which over the years have lead to a reputation of trusted business player. Along with the high quality standards, we are also able to provide competitive pricing in the industry, which also act as a marketing agent for the Company. Thus we believe the above components are key elements in the whole Marketing set up of the Company.

CAPACITY AND CAPACITY UTILIZATION

Capacity and capacity utilization for last three years is as follows:

Particulars	Financial Year		
	2016-2017	2017-2018	2018-2019
Installed Capacity (MT/Year)	3,000.00	4,800.00	4,800.00
Utilised Capacity (MT/Year)	2,456.88	3,246.43	3,550.15
Utilised Capacity (%)	81.90%	67.63%	73.96%

HUMAN RESOURCES

Our Company believes that our ability to maintain growth depends to a large extent on our strategy in attracting, training, motivating and retaining employees. As on September 30, 2019, our Company had total 25 employees on payroll. In addition, Company has entered into contracts with 6 Contractors for providing labors who can provide a maximum of 57 labours on Contract Labour basis.

The detailed break-up of our employees are as under:

Sr. No.	Particulars	No of Employees
1.	Directors	2
2.	KMPs	2
3.	Office Staff	21
	TOTAL	25

Awards and Achievements

Award Name	Year	Description
All India Achievers Foundation Award	2018	Our MD, Virabhai.M.Panchal has been awarded Outstanding Achievement Award for Business Excellence on the occasion of Seminar on National Economic development & Social Responsibilities.





Accreditations Obtained

Accreditation	Year	Description
Management System as per ISO	2007	Our Company has received certification from TUV

Accreditation	Year	Description
9001 : 2015		India, a TUV Nord Group; certifying our Management System in line with this Standard for Manufacture and Supply of Closed Die Forging in Finished and Semi-Finished Condition & Forks Assembly.

INTELLECTUAL PROPERTY

We have applied for / registered following Intellectual properties:

Sr. No.	Particulars	Description	Class	Application No. / Trade Mark No.	Status
1.	VELTECH FORGING	Word	12	4125798	Registered
2.	VELTECH FORGING	Word	35	4125956	Registered
3.	VELTECH FORGING	Word	7	4126094	Accepted & Advertised
4.	VELTECH FORGING	Word	6	4125974	Applied ⁽¹⁾
5.		Device	6	4125971	Applied ⁽¹⁾
6.		Device	7	4126028	Applied ⁽¹⁾
7.		Device	12	4125800	Applied ⁽¹⁾
8.		Device	35	4125777	Applied ⁽¹⁾

(1) Processes of registration of these trademarks are ongoing and certain objections raised are being cleared out.

PROPERTIES

OWNED PROPERTIES:

The Company owns the following properties:

Sr. No.	Schedule of Property & Area	Purchase Consideration	Date of Agreement	Seller	Purpose
1.	Flat No. 5, Building No. B-1,	Rs. 2.02	March 31,	Oriental Containers	Accommoda

Sr. No.	Schedule of Property & Area	Purchase Consideration	Date of Agreement	Seller	Purpose
	Rooprekha Co-operative Housing Society Limited, Kalyan Nagar situated on plot of land bearing S. No. 19, Hissa No. 3, 5, 6 and 8 and S. No. 23, Hissa No. 4 situated at Village Murbad, Taluka Murbad, District Thane - 421401, State Maharashtra admeasuring built area of 416 sq. ft.	Lakhs	1999	Limited	tion for Employees
2.	Unit No. 04, Ground Floor, A-Wing of Building No. 5, Devdarshan Apartments situate at village Murbad, Taluka Murbad, District Thane - 421401, State Maharashtra admeasuring built up area of 455 sq. ft.	₹ 3.00 Lakhs	January 01, 2002	M/s Prakash Constructions	Accommodation for Employees

LEASED PROPERTIES:

The Company has taken the following property on lease:

Sr. No.	Schedule of Property & Area	Amount of Rent	Date of Deed & Term	Name of Lessor	Purpose
1.	Plot No. H-39 in Additional Murbad Industrial Area, within the village limits of Kudavali Taluka Murbad, District Thane - 421401 and State Maharashtra. Area 2400 sq. m. ⁽¹⁾	Yearly Rent of Rupee One	April 20, 2010 Ninety Five Years computed from 1 st day of April 1993	Maharashtra Industrial Development Corporation (MIDC)	Registered Office Cum Factory
2.	Plot No. H-40 in Additional Murbad Industrial Area, within the village limits of Kudavali Taluka Murbad, District Thane - 421401 and State Maharashtra. Area 3500 sq. m. ⁽²⁾	Yearly Rent of Rupee One	October 06, 1994 Ninety Five Years computed from 1 st day of July 1992	Maharashtra Industrial Development Corporation (MIDC)	Registered Office Cum Factory

(1) Originally said property was taken on lease by M/S Mohanlal Pravinkumar Metals Pvt. Ltd. from MIDC by entering into Agreement to Lease on April 02, 1993. MIDC at the request of M/S Mohanlal Pravinkumar Metals Pvt. Ltd. granted its consent and permission to M/S Mohanlal Pravinkumar Metals Pvt. Ltd. for transfer of its interest under Agreement to Lease dated April 02, 1993 vide its order dated November 19, 2009 bearing No. ROT/AMUR/H-39/1047.

(2) Originally said property was taken on lease by Vishwakarma Forging (Partnership Firm where in Promoters of the Company were partners) from MIDC vide an Agreement dated July 07, 1992. Later on, MIDC, Vishwakarma Forging and Veltech Forging Private Limited entered into a supplementary agreement dated August 31st, 1994 due to which the Principle Agreement dated July 07, 1992 was construed and declared as if Veltech Forging Private Limited had entered into the said agreement with MIDC.

KEY REGULATIONS AND POLICIES

The following description is a summary of certain sector specific laws and regulations in India, which are applicable to us. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice.

We are engaged in the business of manufacturing Closed Die forgings of critical shapes for Tractor, Automobile & other industries. Our business is governed by various central and state legislations that regulate the substantive and procedural aspects of the business. We are required to obtain and regularly renew certain licenses/ registrations and / or permissions required statutorily under the provisions of various Central and State Government regulations, rules, bye laws, acts and policies.

For details of Government Approvals obtained by us in compliance with these regulations, please see the chapter titled “Government and Other Key Approvals” beginning on page no. 158 of this Draft Prospectus.

A. INDUSTRY RELATED LEGISLATIONS

1. The Factories Act, 1948

The Factories Act, 1948 ("Factories Act") seeks to regulate labour employed in factories and makes provisions for the safety, health and welfare of the workers. An occupier of a factory under the Factories Act, means the person who has ultimate control over the affairs of the factory. The occupier or manager of the factory is required to obtain a registration for the factory. The Factories Act also requires inter alia the maintenance of various registers dealing with safety, labour standards, holidays and extent of child labour including their conditions. Further, notice of accident or dangerous occurrence in the factory is to be provided to the inspector by the manager of the factory.

2. The Petroleum Act, 1934

The Petroleum Act, 1934 (“Petroleum Act”) has been enacted to provide for the regulation of import, transport, storage, production, refining and blending of petroleum. The Petroleum Act mandates that no one shall import, transport, store, produce, refine and blend any petroleum save in accordance with the rules made under the Petroleum Act. Further, every person who carries on import, export or storage of petroleum is required to obtain a license in accordance with the conditions for the purpose which he may be required to obtain by the rules made under the Petroleum Act.

Further, if any person acts in contravention of any of the provisions or of any of the rules made thereunder, imports, transports, stores, produces, refines or blends any petroleum shall be punishable with simple imprisonment which may extend three months, or with fine which may extend to five thousand rupees, or with both.

3. The Legal Metrology Act, 2009

The Legal Metrology Act, 2009 (“L.M. Act”) governs the standards/units/denominations used for weights and measures as well as for goods which are sold or distributed by weight, measure or number. It also states that any transaction/contract relating to goods/class of goods shall be as per the weight/measurement/numbers prescribed by the L.M. Act. Moreover, the L.M. Act prohibits any person from quoting any price, issuing a price list, cash memo or other document, in relation to goods or things, otherwise than in accordance with the provisions of the L. M. Act. The specifications with respect to the exact denomination of the weight of goods to be considered in transactions are contained in the Rules made by each State. The L.M. Act also provides for Legal Metrology (General) Rules, 2011, which may be followed for due compliance, if the respective State does not provide for rules in this regard.

Additionally, the L.M. Act provides for the following penalties in case of contravention of certain provisions thereof:

1. Penalty for use of weight, measure or numeration in contravention of the L.M. Act;
2. Penalty for alteration or tampering with the weight or measure;
3. Penalty for making a transaction, deal or contract in contravention of the L.M. Act;

4. Penalty for the buyer (buying in excess of the quantity specified, or price paid for) and seller (selling less the quantity specified, or price paid for).

4. Industrial (Development and Regulation) Act, 1951

Industrial (Development and Regulation) Act, 1951, (“I(D&R) Act”). The I(D&R) Act is administered by the Ministry of Industries and Commerce through the Department of Industrial Policy and Promotion (“DIPP”). The main objectives of the I(D&R) Act is to empower the Government to take necessary steps for the development of industries; to regulate the pattern and direction of industrial development; and to control the activities, performance and results of industrial undertakings in the public interest. The DIPP is responsible for formulation and implementation of promotional and developmental measures for growth of the industrial sector.

B. ENVIRONMENTAL RELATED LEGISLATIONS

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

The Environmental Protection Act, 1986 is an "umbrella" legislation designed to provide a framework for co-ordination of the activities of various Central and State authorities established under various laws. The potential scope of the Act is broad, with "environment" defined to include water, air and land and the interrelationships which exist among water, air and land, and human beings and other living creatures, plants, micro-organisms and property. Further, The Ministry of Environment and Forests looks into Environment Impact Assessment. The Ministry receives proposals for expansion, modernization and setting up of projects and the impact which such projects would have on the environment is assessed by the Ministry before granting clearances for the proposed projects.

2. Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981

Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981 are the other major statutes in India which seek to regulate and protect the environment against pollution and related activities in India. The basic purpose of these statutes is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards which are vested with diverse powers to deal with water and air pollution, have been set up in each State. In terms of the Water (Prevention and Control of Pollution) Act, 1974, any entity is inter-alia prohibited from knowingly causing or permitting the discharge of poisonous, noxious or polluting matter prescribed and also from establishing any industry, operation or process which is likely to discharge sewage trade effluents. In terms of the Air (Prevention and Control of Pollution) Act, 1981, save and except with the consent of a State Pollution Control board, an entity is prohibited, from operating any industrial plant for the purpose of any industry specified thereunder in an air pollution control area. Further, an entity operating any industrial plant in an air pollution control area is prohibited from discharging or causing or permitting to be discharged the emission of any air pollutant in excess of the standards prescribed.

3. Hazardous and Other Waste (Management and Transboundary Movement) Rules, 2016

The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, (“Hazardous Wastes Rules”) The Hazardous Wastes Rules impose an obligation on every occupier of a facility generating hazardous waste for safe and environmentally sound handling of hazardous waste generated at such facility. Every person engaged in generation, processing, treatment, packaging, storage, transportation, use, collection, destruction, conversion, offering for sale and transfer of hazardous waste, must obtain an approval from the applicable State Pollution Control Board. The occupier, the importer, the transporter and the operator of disposal facility are liable for damages to the environment or third party resulting from the improper handling and disposal of hazardous waste.

LABOUR RELATED LEGISLATIONS:

1. Contract Labour (Regulation and Abolition) Act, 1970

Contract Labour (Regulation and Abolition) Act, 1970 (the “CLRA”) is an act to regulate the employment of contract labour in certain establishments and to provide for its abolition in certain circumstances. The CLRA applies to every establishment in which 20 (twenty) or more workmen are employed or were employed on any day of the preceding 12 (twelve) months as contract labour. It also applies to every contractor who employs or who employed on any day of the preceding 12 (twelve) months, 20 (twenty) or more workmen provided that the appropriate Government may after giving not less than 2 (two) months' notice, by notification in the Official

Gazette, apply the provisions of the CLRA to any establishment or contractor. Further, it contains provisions regarding Central and State Advisory Board under the CLRA, registration of establishments, and prohibition of employment of contract labour in any process, operation or other work in any establishment by the notification from the State Board, licensing of contractors and welfare and health of the contract labour. Contract Labour (Regulation and Abolition) Central Rules, 1971 are formulated to carry out the purpose of the CLRA.

2. The Employees State Insurance Act, 1948

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

3. Employees Provident Fund and Miscellaneous Provisions Act, 1952

Under the Employees Provident Fund and Miscellaneous Provisions Act, 1952 (“EPF Act”), compulsory provident fund, family pension fund and deposit linked insurance are payable to employees in factories and other establishments. The legislation provides that an establishment employing more than 20 (twenty) persons, either directly or indirectly, in any capacity whatsoever, is either required to constitute its own provident fund or subscribe to the statutory employee’s provident fund. The employer of such establishment is required to make a monthly contribution to the provident fund equivalent to the amount of the employee’s contribution to the provident fund. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

4. The Employees’ Compensation Act, 1923

The Employees’ Compensation Act, 1923 has been enacted with the object to provide compensation to workmen by employers for injuries caused by accident(s) arising out of and in the course of employment, and for occupational diseases resulting in death or disablement. In case the employer fails to pay the compensation under the provisions of the Employees’ Compensation Act, 1923 within 1 (one) month from the date it falls due, the employer may be directed to pay the compensation along with the interest.

5. Equal Remuneration Act, 1976

Equal Remuneration Act, 1976 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against female employees in the matters of employment and for matters connected therewith.

6. Maternity Benefit Act, 1961

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

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

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

such establishments as also complaints made against the employer himself shall be received by the Local Complaints Committee. The penalty for non-compliance with any provision of the SHWW Act shall be punishable with a fine extending to ₹ 50,000/-

8. The Payment of Wages Act, 1936

The Payment of Wages Act, 1936 (“PW Act”) is applicable to the payment of wages to persons in factories and other establishments. PW Act ensures that wages that are payable to the employee are disbursed by the employer within the prescribed time limit and no deductions other than those prescribed by the law are made by the employer. The Company shall also comply with The Maharashtra Payment of Wages Rules, 1963.

9. The Minimum Wages Act, 1948

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

10. Payment of Gratuity Act, 1972

The Payment of Gratuity Act, 1972 applies to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months. It provides for payment of gratuity to the employees who have put in a continuous service of five years, in the event of their superannuation, retirement, resignation, death or disablement due to accident or disease: Provided that the completion of continuous service of five years shall not be necessary where the termination of the employment of any employee is due to death or disablement. Gratuity is calculated at the rate of 15 days’ wages for every completed year of service with the employer. Presently, an employer is obliged for a maximum gratuity pay out of ₹10, 00,000/- for an employee.

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

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

12. Child Labour (Prohibition and Regulation) Act, 1986

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

B. TAX RELATED LEGISLATIONS:

1. Income-tax Act, 1961

Income-tax Act, 1961 (“IT Act”) is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of this Act or Rules made there under depending upon its ‘Residential Status’ and ‘Type of Income’ involved. Every assessee, under the IT Act, which includes a company, is required to comply

with the provisions thereof, including those relating to tax deduction at source, advance tax, minimum alternative tax and like.

2. Central Goods and Services Tax Act, 2017

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

3. Integrated Goods and Services Tax Act, 2017

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

4. Professional Tax

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

C. OTHER LEGISLATIONS:

1. The Trademarks Act, 1999

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

2. Transfer of Property Act, 1882

The transfer of property, including immovable property, between living persons, as opposed to the transfer property by operation of law, is governed by the Transfer of Property Act, 1882 (“**T.P. Act**”).The T.P. Act

establishes the general principles relating to the transfer of property, including among other things, identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property. Transfer of property is subject to stamping and registration under the specific statutes enacted for the purposes which have been dealt with hereinafter. The T.P. Act recognizes, among others, the following forms in which an interest in an immovable property may be transferred.

Sale: The transfer of ownership in property for a price, paid or promised to be paid.

Mortgage: The transfer of an interest in property for the purpose of securing the payment of a loan, existing or future debt, or performance of an engagement which gives rise to a pecuniary liability. The T.P. Act recognizes several forms of mortgages over a property.

Charges: Transactions including the creation of security over property for payment of money to another which are not classifiable as a mortgage. Charges can be created either by operation of law, e.g. decree of the court attaching to specified immovable property, or by an act of the parties.

Leases: The transfer of a right to enjoy property for consideration paid or rendered periodically or on specified occasions.

Leave and License: The transfer of a right to do something upon immovable property without creating interest in the property. Further, it may be noted that with regards to the transfer of any interest in a property, the transferor transfers such interest, including any incidents, in the property which he is capable of passing and under the law, he cannot transfer a better title than he himself possesses.

3. Consumer Protection Act 1986

The Consumer Protection Act, 1986 (“Consumer Protection Act”) was enacted to provide speedy and simple redressal to consumer disputes through quasi-judicial machinery set up at district, state and national level. The provisions of the Consumer Protection Act cover products as well as services.

4. The Registration Act, 1908

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

5. The Indian Contract Act, 1872

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

6. The Specific Relief Act, 1963

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

7. The Companies Act, 2013

The Companies Act, 2013 (“Companies Act”), has been introduced to replace the existing Companies Act, 1956 in a phased manner. The Companies Act deals with laws relating to companies and certain other associations. The

Companies Act primarily regulates the formation, financing, functioning and winding up of companies. The Companies Act prescribes regulatory mechanism regarding all relevant aspects, including organizational, financial and managerial aspects of companies. It deals with issue, allotment and transfer of securities and various aspects relating to company management. It provides for standard of disclosure in public issues of capital, particularly in the fields of company management and projects, information about other listed companies under the same management, and management perception of risk factors.

8. The Competition Act, 2002

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

D. REGULATIONS REGARDING FOREIGN INVESTMENT

Foreign Exchange Management Act, 1999

Foreign investment in companies in the manufacturing sector is governed by the provisions of the Foreign Exchange Management Act, 1999 (“**FEMA**”) read with the applicable regulations. The Department of Industrial Policy and Promotion (“**DIPP**”), Ministry of Commerce and Industry has issued the Consolidated FDI Policy which consolidates the policy framework on Foreign Direct Investment (“**FDI Policy**”), with effect from August 28, 2017. The FDI Policy consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DIPP till August 27, 2017. All the press notes, press releases, clarifications on FDI issued by DIPP till August 27, 2017 stand rescinded as on August 28, 2017. In terms of the FDI Policy, foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the Government route, depending upon the sector in which foreign investment is sought to be made. In terms of the FDI Policy, the work of granting government approval for foreign investment under the FDI Policy and FEMA Regulations has now been entrusted to the concerned Administrative Ministries/Departments. FDI for the items or activities that cannot be brought in under the automatic route may be brought in through the approval route. Where FDI is allowed on an automatic basis without the approval of the Government, the RBI would continue to be the primary agency for the purposes of monitoring and regulating foreign investment. In cases where Government approval is obtained, no approval of the RBI is required except with respect to fixing the issuance price, although a declaration in the prescribed form, detailing the foreign investment, must be filed with the RBI once the foreign investment is made in the Indian company. The RBI, in exercise of its power under the FEMA, has also notified the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 and Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 to prohibit, restrict or regulate, transfer by or issue of security to a person resident outside India. The Company is engaged in the activity of manufacturing Closed Die forgings of critical shapes for Tractor, Automobile & other industries. The FDI Policy issued by the DIPP permits foreign investment upto 100% in the Manufacturing sector under the automatic route. No approvals of the Administrative Ministries/Departments or the RBI are required for such allotment of equity Shares under this Issue. The Company will be required to make certain filings with the RBI after the completion of the Issue.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as Veltech Forging Private Limited on July 07, 1994 under Companies Act, 1956 with a certificate of incorporation bearing Registration No. 079501 issued by the Registrar of Companies, Mumbai. Subsequently, Our Company was converted to Public Company pursuant to a shareholders resolution dated January 06, 2020, and the name was changed to Veltech Forging Limited. A fresh certificate of incorporation consequent upon conversion was granted to our Company on January 10, 2020 by the Registrar of Companies, Mumbai.

The Corporate Identity Number of our Company is U27200MH1994PLC079501.

OVERVIEW

Veltech Forging Limited is one of the well established forging units, situated in MIDC's Industrial area at Murbad, Thane District, Maharashtra since more than 25 years. It started its business as a partnership firm in the name of M/S Vishwakarma Forging in Thane, Maharashtra. Our company was incorporated as “Veltech Forging Private Limited” under the provisions of the Companies Act 1956 on July 07, 1994 with the main objective to acquire & takeover the running partnership business of the firm, M/s. Vishwakarma Forging.

The Primary business of the Company is manufacturing closed die forgings of critical shapes for Tractor, Automobile & other industries, to the specifications and drawings of the customers. Company's Forge Shop is well equipped with friction drop hammers, Die Shop, CAD facility for Die Designing, Metallurgical Laboratory to test raw material and forged components, Heat Treatment shop, Shot blasting and material Stock yard.

In order to ensure quality in all aspects, the company obtained ISO 9001:2015 accreditations. The company is equipped to manufacture forgings weighing from 300 grams to 10 kg. per piece, and Up-setter up to 2.5" in diameter. It supplies components in as forged, semi-finished & fully finished condition. The Company believes in maintaining good and cordial relation with its customers by ensuring no compromise in Quality Product and timeliness in which order gets executed, because of these Features Company is able to deal with big corporate end user clients of forged products.

We have Integrated Manufacturing Capacity wherein we in-house manufacture dies according to the specifications & design of the client. Further company forge different type of products using various machines including Drop Hammer, Press etc. Further some products are further processed in Machining Section so that it gets converted into final part or component ready for assembling in further products.

The Company has sophisticated in-house facilities with advanced equipment and latest technology to produce superior quality products as per the needs of the customers. With advanced designs and manufacturing systems and a comprehensive technical support, The Company utilizes the state-of the art equipment and technology to develop the products to help the clients to get success in market place. The Company's team works closely with their industrial clients to know their needs and to produce need satisfying products thereafter.

For further details regarding our business operations, please see “*Our Business*” beginning on page no. 73 of this Draft Prospectus.

Our Company has 7 shareholders as on the date of filing of this Draft Prospectus.

MAJOR EVENTS IN THE HISTORY OF OUR COMPANY

Year	Milestone
1992	Mr. Virabhai Panchal along with other partners started forging business in the name of M/S Vishwakarma Forging (Partnership Firm) in Murbad, Maharashtra bu taking plot No. H-40, in Additional Murbad Industrial Area, within the village limits of Kudavali Taluka, Murbad, District Thane, Maharashtra – 421401, having area of 3500 sq. m. on long lease basis from MIDC.
1994	Taken over the running business of M/s Vishwarkarma Forging (Partnership concern of our Promoter), along with its assets & liabilities.
1996	The Company set up a plant for Ring Rolling in Vada, Maharashtra.
2010	The Company acquired adjacent plot i.e Plot No. H-39 in Additional Murbad Industrial Area, within the village limits of Kudavali Taluka Murbad, District Thane, Maharashtra - 421401 having area of 2400 sq. m. on long lease basis.
2012	The Company sold its plant for Ring Rolling in Vada, Maharashtra.

Year	Milestone
	Bonus Issue in the ratio of 4:1 to all the existing shareholders of the Company
2017	Company diversified its product range by forging products for other industries also in addition to Automobile.
2018	Mr. Virabhai Panchal was awarded with Outstanding Achievement Award for Business Excellence on the occasion of Seminar on National Economic development & Social Responsibilities by All India Achievers Foundation
2019	Bonus Issue in the ratio of 2:1 to all the existing shareholders of the Company

MAIN OBJECTS AS PER MEMORANDUM OF ASSOCIATION

Our Company's main objects as per the Memorandum of Association are to:

- To acquire & take over the running partnership business of M/s. VISHWARKARMA FORGING along with its assets & liabilities are partnership firm stands dissolved.
- To manufacture, forge, assemble, process, service, buy, sell, import, export, fabricate, maintain, treat, prepare and deal in iron and steel forgings, forging parts for all kinds of vehicles, motor cars, motor lorries, vans, motor cycle, moped, scooters, tractors, three wheelers and other heavy vehicles.

CHANGES IN REGISTERED OFFICE OF OUR COMPANY

Date of Change	Changed From	Change to	Reason for change
November 22, 2018	202/B/1, Sai Ashish, Bal Rajeshwar Road, Mulund (West), Mumbai - 400080.	A/403, Golden Willow, Vasant Garden, Near Swapna Nagari, Mulund (West), Mumbai - 400080.	Administrative Reasons
April 12, 2019	A/403, Golden Willow, Vasant Garden, Near Swapna Nagari, Mulund (West), Mumbai - 400080.	Plot No H-39 & H-40 Additional MIDC Area, Kudavli MIDC, Murbad, Thane - 421401	Administrative Reasons

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 02, 2012	The Authorised share capital of ₹ 99,00,000 divided into 99,000 Equity Shares of ₹ 100 each was increased to ₹ 2,00,00,000 divided into 2,00,000 Equity Shares of ₹ 100 each
December 03, 2014	The Authorised share capital of ₹ 2,00,00,000 divided into 2,00,000 Equity Shares of ₹ 100 each was increased to ₹ 2,50,00,000 divided into 2,50,000 Equity Shares of ₹ 100 each
November 26, 2019	Sub-division of 2,50,000 (Two Lakhs Fifty Thousand) Equity Shares of ₹ 100/- each to 25,00,000 (Twenty Five Lakhs) Equity Shares of ₹ 10/- each
December 09, 2019	The Authorised share capital of ₹ 2,50,00,000 divided into 25,00,000 Equity Shares of ₹ 10 each was increased to ₹ 8,50,00,000 divided into 85,00,000 Equity Shares of ₹ 10 each
January 06, 2020	Substitution of Clause I (Name Clause) pursuant to conversion of Company from Private Limited to Public Limited with the following clause: I. The Name of the Company "VELTECH FORGING LIMITED"
January 11, 2020	Alteration of Objects "Incidental or Ancillary to the Main Object Clause" of Memorandum of Association of the Company as per Companies Act, 2013

SUBSIDIARIES

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

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

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

HOLDING COMPANY

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

JOINT VENTURES

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

REVALUATION OF ASSETS IN THE LAST TEN YEARS

There has been no revaluation of assets of our Company in last 10 years from the date of this Draft Prospectus.

SHAREHOLDERS' AGREEMENT

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

ACQUISITION OF BUSINESS / UNDERTAKINGS

We have not acquired any business / undertakings in last 10 years from the date of this Draft Prospectus.

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

Our Company has not divested any of its business / undertaking in last 10 years from the date of this Draft Prospectus.

FINANCIAL PARTNERS

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

DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS / BANKS

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

STRATEGIC PARTNERS

We do not have any strategic partners as on the date of this Draft 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 Draft Prospectus.

INJUNCTIONS OR RESTRAINING ORDERS

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

OUR MANAGEMENT

Board of Directors:

Our Company has Five (5) Directors consisting of One (1) Managing Director, One (1) Whole-Time Director, Two (2) Non Executive Independent Directors and One (1) Non Executive Director who is a woman Director. The following table sets forth the details of our Board of Directors as on the date of this Draft Prospectus:

Name, Date of Birth, Current Designation, Address, Occupation, Term and DIN	Nationality	Age	Other Directorships
<p>Mr. Virabhai Panchal <i>Chairman & Managing Director</i></p> <p>Date of Birth: June 15, 1947</p> <p>Address: Flat No. A/403, 4th Floor, Golden Willows, Swapna Nagari, Vasant Garden, Off. L.B.S. Marg, Mulund (West), Mumbai - 400080</p> <p>Date of Appointment as Executive Director: March 19, 2015</p> <p>Date of Re-designation as Managing Director: December 10, 2019</p> <p>Term: Appointed as Managing Director for a period of five years i.e. from December 10, 2019 to December 09, 2024.</p> <p>Occupation: Business</p> <p>DIN: 01111390</p>	Indian	72 Years	Nil
<p>Mr. Bhavesh Panchal <i>Whole-Time Director</i></p> <p>Date of Birth: May 05, 1980</p> <p>Address: Flat No. A/403, 4th Floor, Golden Willows, Swapna Nagari, Vasant Garden, Off. L.B.S. Marg, Mulund (West), Mumbai – 400080</p> <p>Date of appointment as Non-Executive Director: March 04, 2016</p> <p>Date of Re-designation as Whole-Time Director: December 10, 2019</p> <p>Term: Appointed as Whole-Time Director for a period of five years i.e. from December 10, 2019 to December 09, 2024.</p> <p>Occupation: Business</p> <p>DIN: 06979446</p>	Indian	39 Years	Nil
<p>Mrs. Hina Panchal <i>Non-Executive Director</i></p> <p>Date of Birth: April 11, 1981</p> <p>Address: Flat No. A/403, 4th Floor, Golden Willows,</p>	Indian	38 Years	Nil

Name, Date of Birth, Current Designation, Address, Occupation, Term and DIN	Nationality	Age	Other Directorships
<p>Swapna Nagari, Vasant Garden, Off. L.B.S. Marg, Mulund (West), Mumbai – 400080</p> <p>Date of appointment as Non - Executive Director: December 28, 2019</p> <p>Term: Appointed as Non-Executive Director liable to retire by rotation</p> <p>Occupation: Business</p> <p>DIN: 08647156</p>			
<p>Mr. Vivek Redkar <i>Non-Executive Independent Director</i></p> <p>Date of Birth: January 21, 1959</p> <p>Address: B/702, Prem Vishnu Co-operative Housing Society, Near ITI, Chaphekar Bandhu Marg, Mulund (East), Mumbai – 400081</p> <p>Date of appointment as Non-Executive Independent Director: January 10, 2020</p> <p>Term: Appointed as Non-Executive Independent Director for five consecutive years</p> <p>Occupation: Retired</p> <p>DIN: 08666053</p>	Indian	60 Years	Nil
<p>Mr. Chhaganlal Chandra <i>Non-Executive Independent Director</i></p> <p>Date of Birth: April 01, 1956</p> <p>Address: B-501, Dhaivat, Kalp Nagrai, Vaishali Nagar, Balrajeshwar Road, Mulund (West), Mumbai - 400080.</p> <p>Date of appointment as Non-Executive Independent Director: January 10, 2020</p> <p>Term: Appointed as Non-Executive Independent Director for five consecutive years</p> <p>Occupation: Service</p> <p>DIN: 02029873</p>	Indian	63 Years	<ul style="list-style-type: none"> • Punagri Organics And Lifesciences Private Limited

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

Notes:

- Except as mentioned below no other directors are related to each other;
 - Mr. Virabhai Panchal is a Father of Mr. Bhavesh Panchal.
 - Mrs. Hina Panchal is a Wife of Mr. Bhavesh Panchal.

- None of our Directors are related to our Key Managerial Personnel;
- There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Directors or Key Management Personnel were selected as a Director or member of the senior management.
- There is no service contracts entered into by the Directors with our Company providing for benefits upon termination of Employment.
- None of our Directors have been or are presently directors on the boards of listed companies whose shares have been / were suspended from being traded on the Stock Exchanges during the last five years preceding the date of filing of this Draft Prospectus.
- None of our Directors have been or are presently directors on the boards of listed companies whose shares have been delisted from the Stock Exchange(s).
- No proceedings/investigations have been initiated by SEBI against any Company, the board of directors of which also comprises any of the Directors of our Company. No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested as a member by any person either to induce him to become, or to help him qualify as a Director, or otherwise for services rendered by him or by the firm or Company in which he is interested, in connection with the promotion or formation of our Company.

BRIEF BIOGRAPHIES OF OUR DIRECTORS

Mr. Virabhai Panchal

Mr. Virabhai Panchal, aged 72 years, is the the Chairman, Managing Director & Promoter of our Company. He is an Undergraduate. He has over 4 decades of experience in Forging and Engineering Industries. Further he has large amount of experience in Business Development. He is associated with our Company since inception. He is responsible for the overall functioning of our Company and for maintaining cordial ties with the clients. His vast experience has earned him a name in the local business circles. He has been the main guiding force behind the growth and business strategy of our Company.

Mr. Bhavesh Panchal

Mr. Bhavesh Panchal, aged 39 years, is a Whole-time Director and Promoter of our Company. He is an Undergraduate. He has over 20 years of experience in Forging and Engineering Industries i.e. the industry in which we operate. He is associated with our Company from 1998 as purchase manager and is a part of our Board since 2016. He has been instrumental in the consistent growth of our Company.

Mrs. Hina Panchal

Mrs. Hina Panchal, aged 38 years, is the Non-Executive Non-Independent Director of our Company. She is an Undergraduate. She has an experience in administrative matter. Recently she was appointed as Non - Executive Non-Independent Director of our company. She is a wife of our Whole-Time Director Mr. Bhavesh Panchal and is also one of our shareholder. Being a Non-Executive Director of the Company her role is currently limited to the guidance and supervision provided through Board Meetings.

Mr. Vivek Redkar

Mr. Vivek Redkar, aged 60 years, is a Non-Executive Independent Director of our Company. He holds Bachelor degree in Science from Mumbai University since 1980. He has progressive experience of around 40 years in the field of banking services. Recently he got retired after serving around 40 years in Saraswat Bank with last posting as Deputy General Manager and was heading Retail Assets and Small Enterprises Centre. He is currently a freelancer. As the Independent Director of our Company he is responsible for providing his expertise & Inputs, for ensuring that the board adheres to the required corporate governance requirements.

Mr. Chhaganlal Chandra

Mr. Chhaganlal Chandra, aged 63 years, a Non-Executive Independent Director of our Company. He has done Government Commercial Diploma (GCD) from Department of Education, Maharashtra State in the year 1978. He has around 32 years of experience in chemical industry along with accounting and financial activities. Currently he is on the Board of Punagri Organics & Lifesciences Private Limited. As the Independent Director of our Company he is responsible for providing his expertise & Inputs, for ensuring that the board adheres to the required corporate governance requirements.

Confirmation

None of the above mentioned Directors are fugitive economic offenders or are on the RBI List of willful defaulters as on date of the Draft Prospectus.

Further, our Company, our Promoters, persons forming part of our Promoter Group, Directors and persons in control of our Company, have not been/are not debarred from accessing the capital market by SEBI.

Borrowing Powers of our Board of Directors

Our Company at its Extra-Ordinary General Meeting held on January 06, 2020 passed a resolution authorizing Board of Directors pursuant to the provisions of section 180 (1) (c) of the Companies Act, 2013 for borrowing from time to time any sum or sums of money from any person(s) or bodies corporate (including holding Company) or any other entity, whether incorporated or not, on such terms and conditions as the Board of Directors may deem fit for the purpose of the Company's business. The monies so borrowed together with the monies already borrowed by our Company (apart from temporary loans obtained from the banks in the ordinary course of business) may exceed the aggregate of the paid up share capital of our Company and its free reserves and Securities Premium, 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.

REMUNERATION OF EXECUTIVE DIRECTORS**Mr. Virabhai Panchal**

The compensation package payable to him as resolved in Shareholders meeting held on December 09, 2019 as mentioned hereunder:

Basic Salary	: ₹ 30,000/- per month
House Rent Allowance	: ₹ 1,20,000/- per month
Perquisites and Allowances	: ₹ 3,600/- per month

Mr. Bhavesh Panchal

The compensation package payable to him as resolved in Shareholders meeting held on December 09, 2019 as mentioned hereunder:

Basic Salary	: ₹ 25,000/- per month, with such increments as may be decided by the Board from time to time
House Rent Allowance	: ₹ 1,25,000/- per month
Perquisites and Allowances	: ₹ 3,000/- per month

REMUNERATION PAID TO DIRECTORS BY OUR SUBSIDIARY OR ASSOCIATE COMPANIES

As on date there is no Subsidiary or Associate Company of our Company.

Compensation to the Non Executive Non Independent Directors and Non Executive Independent Directors

Pursuant to a resolution passed at the meeting of the Board of the Company on January 13, 2020, the Non-Executive Directors including Independent Directors will be paid sitting fee of ₹ 1,000 for Board meetings and Committee meetings attended by them.

Remuneration paid to our Non Executive Non Independent Directors and Non Executive Independent Director in Fiscal 2019: Nil*

REMUNERATION / SITTING FEES PAID TO DIRECTORS FOR THE FY 2018-19

Sr. No.	Name of the Director	Designation	Remuneration Paid (₹ in Lakhs)	Sitting Fees Paid (₹ in Lakhs)	Total (₹ in Lakhs)
1	Mr. Virabhai Panchal	Chairman & Managing Director	18.00	NA	18.00
2	Mr. Bhavesh Panchal	Whole-Time Director	18.00	NA	18.00
3	Mrs. Hina Panchal	Non - Executive Non - Independent Director	3.60 ⁽¹⁾	Nil	3.60 ⁽¹⁾
4	Mr. Vivek Redkar	Non - Executive Independent Director	NA	Nil	-
5	Mr. Chhaganlal Chandra	Non - Executive Independent Director	NA	Nil	-

(1) She was drawing salary from our Company by working as an Executive Officer in office administration department. She resigned from the post of Executive Officer of our Company w.e.f October 31, 2019

Shareholding of Directors

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

Name of Directors	No. of Equity Shares held	% of Pre-Issue Paid Up Capital
Mr. Virabhai Panchal	33,75,000	56.25%
Mr. Bhavesh Panchal	17,90,000	29.83%
Mrs. Hina Panchal	10000	0.17%
Total Holding of Directors	51,75,000	86.25%
Total Paid up Capital	60,00,000	100.00%

Interest of the Directors

Our Directors may be deemed to be interested in the promotion of the Company to the extent of the Equity Shares held by them and also to the extent of any dividend payable to them on their holding of such shares and other distributions in respect of the aforesaid Equity Shares. For further details, refer to para titled as “Annexure XXIII – Related Party Transactions” in chapter titled “Financial Information” and “Our Promoters and Promoter Group” beginning on page nos. 115 and 108 of this Draft Prospectus.

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

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or allotted to the companies in which they are interested as Directors, Members, and 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 refer to para titled as “Annexure XXIII – Related Party Transactions” in chapter titled “Financial Information” beginning on page nos. 95 and 115 of this Draft Prospectus respectively, our Directors do not have any other interest in our business.

Except as disclosed in “Properties” within the section titled “Our Business” beginning from page no. 73 of this Draft Prospectus, our Directors have no interest in any property acquired or proposed to be acquired by our Company as on the date of this Draft Prospectus.

Changes in the Board of Directors in the last three years

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

Sr. No.	Name of Director	Date of Change	Reason for change
1	Mr. Mansukh Panchal	February 15, 2017	Resignation from Directorship
2	Mr. Virabhai Panchal	December 10, 2019	Re - designation as Chairman & Managing Director
3	Mr. Bhavesh Panchal	December 10, 2019	Re - designation as Whole-Time Director
4	Mrs. Hina Panchal	December 28, 2019	Appointment as Non - Executive Non - Independent Director
5	Mr. Vivek Redkar	January 10, 2020	Appointment as Non - Executive Independent Director
6	Mr. Chhaganlal Chandra	January 10, 2020	Appointment as Non - Executive Independent Director

Corporate Governance

The provisions of the SEBI (LODR) Regulations, 2015 with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchanges. We are in compliance with the requirements of the applicable regulations, including SEBI (LODR) Regulations, 2015, the SEBI Regulations and the Companies Act, as applicable 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 the SEBI Listing Regulations. The Board functions either as a full board or through various committees constituted to oversee specific operational areas.

Currently, our Board has Five (5) Directors consisting of One (1) Managing Director, One (1) Whole-Time Director, Two (2) Non Executive Independent Directors and One (1) Non Executive Director who is a woman Director.

Committees of our Board

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

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

1. Audit Committee

The Audit Committee of our Board was constituted by our Directors by a board resolution dated January 13, 2020 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. Vivek Redkar	Non -Executive Independent Director	Chairman
Mr. Chhaganlal Chandra	Non-Executive Independent Director	Member
Mr. Virabhai Panchal	Chairman & Managing Director	Member

The scope of Audit Committee shall include but shall not be restricted to the following:

- a) Oversight of the Issuer's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.

-
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- d) Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
- Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by management
 - Significant adjustments made in the financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of any related party transactions
 - Qualifications in the draft audit report.
- e) Reviewing, with the management, the half yearly financial statements before submission to the board for approval
- f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- h) Approval or any subsequent modification of transactions of the Company with related parties;
- i) Scrutiny of inter-corporate loans and investments;
- j) Valuation of undertakings or assets of the Company, wherever it is necessary;
- k) Evaluation of internal financial controls and risk management systems;
- l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- n) Discussion with internal auditors any significant findings and follow up there on.
- o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- p) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- r) To review the functioning of the Whistle Blower mechanism.
- s) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- t) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation (i): The term "related party transactions" shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.

Explanation (ii): If the 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:

- a) To investigate any activity within its terms of reference
- b) To seek information from any employee
- c) To obtain outside legal or other professional advice
- d) To secure attendance of outsiders with relevant expertise if it considers necessary
- e) The audit committee may invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee, but on occasions it may also meet without the presence of any executives of the Issuer. The finance director, head of internal audit and a representative of the statutory auditor may be present as invitees for the meetings of the audit committee.

The Audit Committee shall mandatorily review the following information:

- a) Management discussion and analysis of financial condition and results of operations;
- b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses; and
- e) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

The Company Secretary of the Company acts as the Secretary to the Committee.

Meeting of Audit Committee

The audit committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings. The quorum shall be either two members or one third of the members of the audit committee whichever is greater, but there shall be a minimum of two independent directors present.

2. Stakeholder's Relationship Committee

The Shareholder and Investor Grievance Committee of our Board was constituted by our Directors pursuant to section 178 (5) of the Companies Act, 2013 by a board resolution dated January 13, 2020. The Shareholder and Investor Grievance Committee comprises of:

Name of the Member	Nature of Directorship	Designation in Committee
Mr. Vivek Redkar	Non-Executive Independent Director	Chairman
Mr. Virabhai Panchal	Chairman & Managing Director	Member
Mr. Bhavesh Panchal	Whole-Time Director	Member

This committee will address all grievances of Shareholders/Investors and its terms of reference include the following:

- a) Allotment and listing of our shares in future
- b) Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares and issue of duplicate/split/consolidated share certificates;
- c) Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer/ transmission of shares and debentures;
- d) Reference to statutory and regulatory authorities regarding investor grievances;
- e) To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
- f) And to do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

The Company Secretary of our Company acts as the Secretary to the Committee.

Quorum and Meetings

The quorum necessary for a meeting of the Stakeholders Relationship Committee shall be two directors or one third of the directors, whichever is greater.

3. Nomination and Remuneration Committee

The Nomination and Remuneration Committee of our Board was constituted by our Directors pursuant to section 178 of the Companies Act, 2013 by a board resolution dated January 13, 2020.

The Nomination and Remuneration Committee currently comprises of:

Name of the Member	Nature of Directorship	Designation in Committee
Mr. Vivek Redkar	Non- Executive Independent Director	Chairman
Mrs. Hina Panchal	Non-Executive Director	Member
Mr. Chhaganlal Chandra	Non-Executive 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.

Quorum and Meetings

The quorum necessary for a meeting of the Nomination and Remuneration Committee shall be two members or one third of the members of the Committee, whichever is greater, including at least one independent director in attendance. The Committee is required to meet at least once a year.

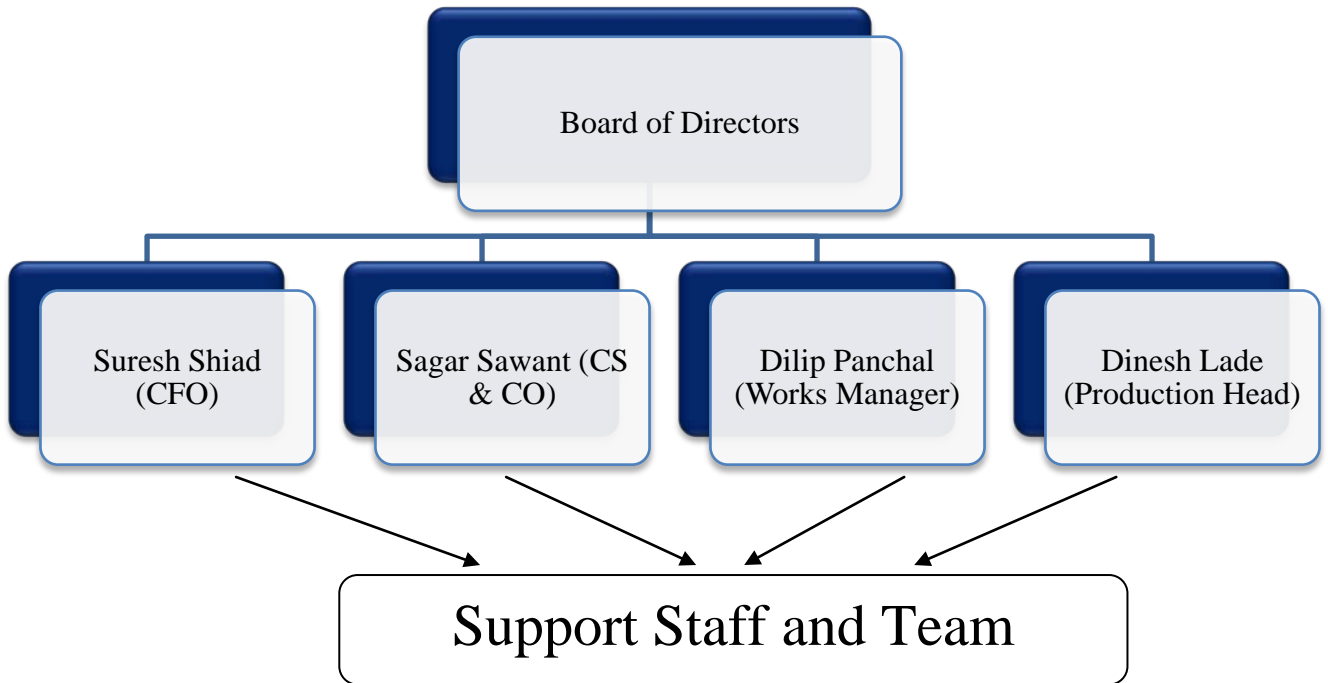
The Company Secretary of our Company acts as the Secretary to the Committee.

Policy on Disclosures & Internal procedure for prevention of Insider Trading

The provisions of Regulation 8 and 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the Stock Exchange. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of our Equity Shares on stock exchange. Further, Board of Directors have approved and adopted the policy on insider trading in view of the proposed public issue.

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.

Management Organization Structure



Terms & Abbreviations

CFO	:	Chief Financial Officer
CS & CO	:	Company Secretary and Compliance Officer

Key Managerial Personnel

The details of our key managerial personnel are as below –

Name of Employee	Designation & Functional Area	Date of Appointment	Compensation for Last Fiscal (₹ in lakhs)	Qualification	Name of Previous Employer(s)	Experience
Mr. Suresh Shiad ⁽¹⁾	Chief Financial Officer	January 07, 2020	3.48	• Undergraduate	• Ramkishan Ispat Ltd. • M/s Vishwakarma Forging	41 Years
Mr. Sagar Sawant	Company Secretary & Compliance Officer	January 07, 2020	Nil	• C.S. • MMS	• Essel Group • M/s Sharad Gawade & Associates	2.5 Years
Mr. Dilip Panchal	Works Manager	July 11, 1994	4.98	• Undergraduate	• M/s Vishwakarma Forging	34 Years
Mr. Dinesh Lade ⁽²⁾	Production Head	March 31, 2016	3.90	• Diploma in Mechanical Engineering	• Vico Forge Private Limited • M/s. Mahesh Forge	28 Years

1) Mr. Suresh Shiad was appointed on July 11, 1994 as Manager - Accounts & Finance and subsequently was re-designated as Chief Financial Officer w.e.f January 07, 2020.

2) Mr. Dinesh Lade was appointed on July 01, 2010 as Deputy Works Manager and subsequently was re-designated as Production Head w.e.f March 31, 2016.

Other Notes –

- All the key managerial personnel mentioned above are permanent employees of our Company
- No non-salary-related payments or benefits have been made to our key management personnel.

Relationship amongst the Key Managerial Personnel

None of the aforementioned KMP's are related to each other.

Arrangement / Understanding with Major Shareholders / Customers / Suppliers

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

Shareholding of Key Managerial Personnel

None of our KMP's holds any shares of our Company as on the date of this Draft Prospectus.

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

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

Interest of Key Managerial Personnel

The Key Managerial Personnel of our Company do not have any interest in our Company, other than to the extent of remuneration or 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 held or allotted to our Key

Managerial Personnel prior to/ in terms of this Issue, they will be deemed to be interested to the extent of their shareholding and / or dividends paid or payable on the same.

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

Our Company does not have fixed bonus/profit sharing plan for any of the employees, key managerial personnel.

Employee Share Purchase and Employee Stock Option Scheme

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

Payment or Benefit to our Key Managerial Personnel

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

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

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

Name	Designation	Date of Joining / Change in Designation
Mr. Suresh Shiad	Chief Financial Officer	January 07, 2020 ⁽¹⁾
Mr. Sagar Sawant	Company Secretary & Compliance Officer	January 07, 2020

1) Mr. Suresh Shiad was appointed on July 11, 1994 as Manager - Accounts & Finance and subsequently was re-designated as Chief Financial Officer w.e.f January 07, 2020.


OUR PROMOTERS AND PROMOTER GROUP

THE PROMOTERS OF OUR COMPANY ARE:

1. Mr. Virabhai Panchal
2. Mr. Bhavesh Panchal

As on the date of this Draft Prospectus, our Promoters holds 51,65,000 Equity Shares in aggregate, representing 86.08% of the issued, subscribed and paid-up Equity Share capital of our Company.

The details of our Promoters are provided below:

	Mr. Virabhai Panchal Brief Profile: Mr. Virabhai Panchal, aged 72 years, is the the Chairman, Managing Director & Promoter of our Company. He is an Undergraduate. He has over 4 decades of experience in Forging and Engineering Industries. Further he has large amount of experience in Business Development. He is associated with our Company since inception. He is responsible for the overall functioning of our Company and for maintaining cordial ties with the clients. His vast experience has earned him a name in the local business circles. He has been the main guiding force behind the growth and business strategy of our Company.
	Date of Birth: June 15, 1947
	Address: Flat No. A/403, 4 th Floor, Golden Willows, Swapna Nagari, Vasant Garden, Off. L.B.S. Marg, Mulund (West), Mumbai - 400080
	PAN: AAMPP3976A
	Passport No.: N4159464
	Driver's License: N.A.
	Voter's ID No.: NNX4044376
	Adhaar Card No.: 433851883795
	Bank A/c No.: 060200100015665
	Name of Bank & Branch: Saraswat Co-operative Bank Limited, Goculdham Complex, Murbad Road, Near Syndicate Naka, Kalyan West, Mumbai - 421301
	Other Interests: N.A.
	Mr. Bhavesh Panchal Brief Profile: Mr. Bhavesh Panchal, aged 39 years, is a Whole-time Director and Promoter of our Company. He is an Undergraduate. He has over 20 years of experience in Forging and Engineering Industries i.e. the industry in which we operate. He is associated with our Company from 1998 as purchase manager and is a part of our Board since 2016. He has been instrumental in the consistent growth of our Company.
	Date of Birth: May 05, 1980
Address: Flat No. A/403, 4 th Floor, Golden Willows, Swapna Nagari, Vasant Garden, Off. L.B.S. Marg, Mulund (West), Mumbai - 400080	
PAN: AASPP3684M	
Passport No.: K4062551	
Driver's License: MH0320080092968	
Voter's ID No.: NNX4044368	
Adhaar Card No.: 413486273812	
Bank A/c No.: 060200100016297	
Name of Bank & Branch: Saraswat Co-operative Bank Limited, Goculdham Complex, Murbad Road, Near Syndicate Naka, Kalyan West, Mumbai - 421301	
Other Interests: N.A.	

For additional details on the age, background, personal address, educational qualifications, experience, positions / posts, other ventures and Directorships held in other companies for our Individual Promoter - Director, please see the chapter titled "Our Management" beginning on page no. 95 of this Draft Prospectus.

For details of the build-up of our Promoter' shareholding in our Company, please see "Capital Structure – Shareholding of our Promoter" beginning on page no. 46 of this Draft Prospectus.

Other Undertakings and Confirmations

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

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

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

Change in control of Our Company

There has been no change in the promoter and control of our Company in the five years immediately preceding the date of this Draft Prospectus.

For further details relating to Shareholding kindly refer chapter titled "Capital Structure" beginning from page no. 46 of this Draft Prospectus..

Interests of Promoters

None of our Promoters / Directors have any interest in our Company except to the extent of compensation payable / paid and reimbursement of expenses (if applicable) and to the extent of any equity shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and / or trustee, and to the extent of benefits arising out of such shareholding. For further details on the interest of our promoters in our Company, Please see the chapters titled "Capital Structure", "Financial Information" and "Our Management" beginning on page nos. 46 115 and 95 of this Draft Prospectus.

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

For Further details on the related party transaction, to the extent of which our Company is involved, please see "Annexure XXIII - Statement of Related Party Transaction" under the chapter "Financial Statements" beginning from page no. 115 of this Draft Prospectus.

Common Pursuits of our Promoters

Our Promoter Group entity i.e. M/S Amit Engineers is involved in activities similar to those conducted by our Company.

Our Company has not adopted any measures for mitigating such conflict situations. However, our Company believes that all such transactions have been conducted on the arms length basis. For further details on the related party transactions, to the extent of which our Company is involved, please refer the "Annexure XXIII - Related Party Transactions" beginning on page no. 115 of this Draft Prospectus.

Further, our Company will adopt necessary procedures and practices as permitted by law to address any conflicting situation as and when they arise.

Companies with which the Promoters has disassociated in the last three years.

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

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

Except as stated in “Annexure XXIII – Statement of Related Party Transactions” under the chapter “Financial Statements” beginning from page no. 115 of this Draft Prospectus, there has been no other payment of benefits to our Promoters during the two years preceding the date of this Draft Prospectus.

Experience of our Promoters in the business of Our Company

For details in relation to experience of our Promoter - Director in the business of our Company, see Chapter “Our Management” beginning on page no. 95 of this Draft Prospectus.

Interest of Promoters in the Promotion of our Company

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

Interest of Promoters in the Property of our Company

Our Promoters have confirmed that they does not has any interest in any property acquired by our Company within three years preceding the date of this Draft Prospectus or proposed to be acquired by our Company as on the date of this Draft Prospectus. For details, related to “Properties” and “Annexure XXII - Related Party Transactions” please refer chapter titled “Financial Statements as Restated” on page nos. 115 of this Draft Prospectus.

Further, other than as mentioned in the chapter titled “Our Business” on page no. 73 of this Draft Prospectus our Promoters do not have any interest in any transactions in the acquisition of land, construction of any building or supply of any machinery.

Interest of Promoters in our Company other than as Promoters

Other than as Promoter, our Promoters are interested in our Company to the extent of their shareholding in our Company and the dividend declared, if any, by our Company. For details please see chapters titled “Our Management” and “Capital Structure” beginning on page nos. 95 and 46 respectively of this Draft Prospectus.

Except as mentioned in this section and the chapters titled “Capital Structure”, “Our Business”, “History and Certain Corporate matters” and “Annexure XXIII – Statement of Related Party Transactions” under chapter titled “Financial Statements as Restated” on page nos. 46 73, 92 and 115 of this Draft Prospectus, respectively, our Promoters do not have any interest in our Company other than as promoter.

Related Party Transactions

Except as stated in the “Annexure XXIII – Statement of Related Party Transactions” under the chapter “Financial Statements” beginning from page no. 115 of this Draft Prospectus, our Company has not entered into related party transactions with our Promoter.

Material Guarantees

Except as stated in the “Financial Indebtedness” and “Financial Information” beginning on page nos. 151 and 115 of this Draft Prospectus respectively, our Promoters have not given any material guarantee to any third party with respect to the Equity Shares as on the date of this Draft Prospectus.

Shareholding of the Promoter Group in our Company

For details of shareholding of members of our Promoter Group as on the date of this Draft Prospectus, please see the chapter titled “Capital Structure – Notes to Capital Structure” beginning on page no. 46 of this Draft 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 is interested as members, directors or promoters nor have our Promoters been offered any inducements to become directors or otherwise to become interested in any firm or Company, in connection with the promotion or formation of our Company otherwise than as stated in the “Annexure XXIII – Statement of Related Party Transactions” under the chapter “Financial Statements” beginning from page no. 115 of this Draft 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. 16 and 154 of this Draft Prospectus.

OUR PROMOTER GROUP

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

A. Natural Persons who are Part of the Promoter Group

Name of the Promoter	Name of the Relative	Relationship with the Promoter
Mr. Virabhai Panchal	Late Manilal Panchal	Father
	Late Revaben Panchal	Mother
	Shardaben Panchal	Spouse
	Taraben Panchal	Sister(s)
	Bhavesbhai Panchal	Son(s)
	Chandrika Panchal	Daughter(s)
	Manisha Panchal	
	Late Shantibhai Panchal	Spouse's Father
	Late Babuben Panchal	Spouse's Mother
	Chandulal Panchal	Spouse's Brother(s)
	Gulvantbhai Panchal,	
	Bhogibhai Panchal,	
	Rameshkumar Panchal	
Neeru Panchal	Spouse's Sister(s)	

Name of the Promoter	Name of the Relative	Relationship with the Promoter
Mr. Bhaveshbhai Panchal	Virabhai Panchal	Father
	Shardaben Panchal	Mother
	Hina Panchal	Spouse
	Chandrika Panchal	Sister(s)
	Manisha Panchal	
	Meet Panchal	Son(s)
	Jiya Panchal	Daughter(s)
	Dahyalal Panchal	Spouse's Father
	Shantaben Panchal	Spouse's Mother
	Manoj Panchal	Spouse's Brother(s)
	Shobhana Panchal	Spouse's Sister(s)
	Geeta Panchal	

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

Following Company / Trust / Partnership firm / HUF or Sole Proprietorship forms part of our Promoter Group.

Sr. No.	Name of Promoter Group Entity / Company
1.	M/s. Amit Engineers

C. All persons whose shareholding is aggregated under the heading "shareholding of the promoter group"

- 1) Mansukh Panchal
- 2) Kantibhai Panchal

OUR GROUP COMPANY

The definition of 'Group Companies' as per the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, shall include such companies (other than promoter(s) and subsidiary/subsidiaries) with which there were related party transactions, during the period for which financial information is disclosed, as covered under the applicable accounting standards, and also other companies as considered material by the board.

Pursuant to a Board resolution dated January 13, 2020 the Board formulated a policy with respect to companies which it considered material to be identified as group companies. Our Board has approved that all companies with whom our Company has entered into one or more transactions which are identified as related parties in accordance with the Accounting Standards 18 as per financial statements.

Further, companies which have been disclosed as related parties in the Restated Financial Statements of our Company for the last three financial years, and which are no longer associated with our Company have not been disclosed as Group Companies.

Based on the above; as on the date of this Draft Prospectus; we do not have any Group Company.

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 paid by our Company in last three financial years and the stub period, as applicable, and the period between last audited period and the date of the filing this Draft Prospectus.

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 VII – FINANCIAL INFORMATION

FINANCIAL STATEMENTS AS RESTATED

INDEPENDENT AUDITOR'S REPORT ON RESTATED FINANCIAL STATEMENTS OF VELTECH FORGING LIMITED

To,
**The Board of Directors,
Veltech Forging Limited**
Plot No H-39 & H-40,
Additional MIDC Area, Kudavli MIDC,
Murbad, Thane MH 421401

Dear Sir/Ma'am,

1. We have examined the attached Restated Summary Statement along with the significant accounting policies and related notes of Veltech Forging Limited (the 'Company') as at and for the financial years ended March 31, 2019, 2018 and 2017 & for the six months period ended on September 30, 2019, annexed to this report and prepared by the Company for the purpose of inclusion in the Draft Offer Document / Offer Document in connection with its proposed Initial Public Offer ("IPO") on the EMERGE Platform of NSE.
2. The said Restated Financial Statements and other Financial Information have been prepared in accordance with the requirements of:
 - i. Section 26 of Part I of Chapter III to the Companies Act, 2013("the Act") read with Companies (Prospectus and Allotment of Securities) Rules 2014;
 - ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ("ICDR Regulations") issued by the Securities and Exchange Board of India ("SEBI") in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments / clarifications from time to time;
 - iii. The terms of reference to our engagements with the Company requesting us to carry out the assignment, in connection with the Draft Offer Document / Offer Document being issued by the Company for its proposed IPO of equity shares on EMERGE Platform of NSE and
 - iv. The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India ("Guidance Note").
3. We have examined the accompanied 'Restated Statement of Profit and Loss' (**Annexure – II**) for the financial years ended on March 31, 2019, 2018 and 2017& for the six months period ended on September 30, 2019 and the 'Restated Statement of Assets and Liabilities' (**Annexure – I**) as on those dates, forming Part of the 'Financial Information' dealt with by this Report, detailed below. Both read together with the Significant Accounting Policies and Notes to Accounts (**Annexure – IV & V**) thereon, which are the responsibility of the Company's management. The information has been extracted from the financial statements for the financial years ended on March 31, 2019, 2018 and 2017 & for the six months period ended on September 30, 2019. The Financial Statements for the six months period ended on September 30, 2019 have been audited by us & The Financial Statements for the year ended March 31, 2019 have been re-audited by us. The Financial Statements for the financial years ended March 31, 2018 and 2017 were audited by M/s. S. S. Sanghavi & Co., Chartered Accountants being the then Statutory Auditors of the Company and approved by the Board of Directors and upon which we have placed our reliance while reporting.
4. In terms of Schedule VI (Part A) (11) (II) (i) of the SEBI (ICDR) Regulations, 2018 and other provisions relating to accounts of Veltech Forging Limited, we, M/s. KRSHNA & Associates, Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and our certificate is considered valid under Schedule VI (Part A) (11) (II) (i) (e) of the SEBI (ICDR) Regulations, 2018.
5. Based on our examination, we further report that:
 - a. The Restated Statement of Assets and Liabilities of the Company for the financial years ended on March 31, 2019, 2018 and 2017 & for the six months period ended on September 30, 2019 examined by us, as set out in **Annexure I** to this examination report, are after making adjustments and regrouping as in our opinion were

appropriate and more fully described in the statement of significant accounting policies in **Annexure IV** and the Notes to Accounts in **Annexure V**.

- b. The Restated Statement of Profit and Loss of the Company for the financial years ended on March 31, 2019, 2018 and 2017 & for the six months period ended on September 30, 2019 examined by us, as set out in **Annexure II** to this examination report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in the statement of significant accounting policies in **Annexure IV** and the Statement of Adjustments to the audited financial statements in **Annexure V**.
 - c. The Restated Statement of Cash Flows of the Company for the financial years ended on March 31, 2019, 2018 and 2017 & for the six months period ended on September 30, 2019 examined by us, as set out in **Annexure III** to this examination report, are after making adjustments and regrouping as in our opinion were appropriate and more fully described in the statement of significant accounting policies in **Annexure IV** and the Notes to Accounts in **Annexure V**.
 - d. The Restated Financial Statements have been made after incorporating adjustments for:
 - i. The changes, if any, in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all the reporting period /years.
 - ii. Prior period and other material amount in the respective financial years to which they relate, Which are stated in the Notes to Accounts as set out in **Annexure V**.
 - e. Such Financial statements do not require any corrective adjustments on account of:
 - i. Other remarks/comments in the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub - section (4A) of section 227 of the act, on financial statements of the company for the financial years ended on March 31, 2019, 2018 and 2017.
 - ii. Extra-ordinary items that need to be disclosed separately in the accounts requiring adjustments.
 - f. There were no qualifications in the Audit Reports issued by Statutory Auditors for the financial period ended on September 30, 2019 and years ended on March 31 2019, 2018, 2017 which would require adjustments in this Restated Financial Statements of the Company.
6. At the request of the company, we have also examined the following financial information ("Other Financial Information") proposed to be included in the offer document prepared by the management and approved by the board of directors of the company and annexed to this report:
- i) Schedule of Share Capital (Annexure - VI)
 - ii) Statement of Reserves & Surplus, as restated (Annexure - VII)
 - iii) Statement of Long Term Borrowings, as restated (Annexure - VIII)
 - iv) Statement of Long Term Provisions, as restated (Annexure - IX)
 - v) Statement of Short Term Borrowings, as restated (Annexure - X)
 - vi) Statement of Trade Payable, as restated (Annexure - XI)
 - vii) Statement of Other Current Liabilities, as restated (Annexure - XII)
 - viii) Statement of Short Term Provisions, as restated (Annexure - XIII)
 - ix) Statement of Property, Plant and Equipments, as restated (Annexure - XIV)
 - x) Statement of Non Current Investments, as restated (Annexure - XV)
 - xi) Statement of Long Term Loans and advances, as restated (Annexure - XVI)
 - xii) Statement of Inventories, as restated (Annexure - XVII)
 - xiii) Statement of Trade Receivables, as restated (Annexure - XVIII)
 - xiv) Statement of Cash and Cash Equivalents, as restated (Annexure - XIX)
 - xv) Statement of Short Term Loans and advances, as restated (Annexure - XX)
 - xvi) Statement of Revenue from Operations, as restated (Annexure - XXI)
 - xvii) Statement of Other Income, as restated (Annexure - XXII)
 - xviii) Statement of Related Party Transactions, as restated (Annexure - XXIII)
 - xix) Statement of Contingent Liabilities, as restated (Annexure - XXIV)
 - xx) Statement of Tax Shelter, as restated (Annexure - XXV)
7. In our opinion, the Restated Financial Statements and the other Financial Information set forth in Annexure I to XXV 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) issued by the Institute of Chartered Accountants of India (ICAI).

Consequently the financial information has been prepared after making such regroupings and adjustments as were, in our opinion, considered appropriate to comply with the same. As a result of these regrouping and adjustments, the amount reported in the financial information may not necessarily be the same as those appearing in the respective audited financial statements for the relevant years.

8. This report should not in any way construed as a re-issuance or re-drafting of any of the previous audit reports issued by the Statutory Auditors nor should this report be construed as a new opinion on any of the financial statement referred to therein.
9. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
10. This report is intended solely for your information and for inclusion in the Offer document in connection with the Company's proposed IPO of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For KRSHNA & Associates
Chartered Accountants
(Firm Registration No. 122950W)

CA Sandeep Maheshwari
Partner
Membership No: 046045
Place: Thane
Date: January 21, 2020

Annexure I:
STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(₹ in lakhs)

Particulars	As at September 30,	As at March 31,		
	2019	2019	2018	2017
EQUITY AND LIABILITIES				
<u>Shareholders' Funds</u>				
a. Share Capital	200.00	200.00	200.00	200.00
b. Reserves & Surplus	601.68	575.49	547.26	515.53
	801.68	775.49	747.26	715.53
<u>Non Current Liabilities</u>				
a. Long Term Borrowings	522.90	539.11	516.36	449.73
b. Deferred Tax Liabilities (Net)	59.75	58.60	56.15	51.92
c. Long Term Provisions	19.86	16.67	16.21	16.11
	602.50	614.38	588.73	517.76
<u>Current Liabilities</u>				
a. Short Term Borrowings	784.54	791.80	575.51	473.19
b. Trade Payables	683.13	1,159.75	750.24	844.54
c. Other Current Liabilities	220.78	149.07	160.28	75.23
d. Short Term Provisions	79.49	51.08	91.45	18.54
	1,767.93	2,151.69	1,577.48	1,411.49
T O T A L	3,172.12	3,514.56	2,913.47	2,644.79
ASSETS				
<u>Non Current Assets</u>				
a. Property, Plant and equipments				
i. Tangible Assets	1,121.45	1,023.49	989.39	1,023.26
ii. Intangible Assets	3.30	3.31	3.33	-
iii. Capital Work in Progress	252.01	267.75	128.85	-
b. Non Current Investment	11.65	10.65	5.50	5.50
c. Long Term Loans & Advances	23.68	23.68	23.53	23.51
	1,412.09	1,328.88	1,150.59	1,052.27
<u>Current Assets</u>				
a. Inventories	854.53	1,386.25	885.84	1,132.32
b. Trade Receivables	827.32	746.21	816.33	406.53
c. Cash and Cash Equivalents	6.28	11.46	5.26	0.79
d. Short Term Loans & Advances	71.89	68.76	55.45	52.88
	1,760.03	2,212.68	1,762.88	1,592.52
T O T A L	3,172.12	3,541.56	2,913.47	2,644.79

Annexure II:
STATEMENT OF PROFIT AND LOSS, AS RESTATED
(₹ in lakhs)

Particulars	For the Period Ended September 30,	For the year ended March 31,		
	2019	2019	2018	2017
<u>INCOME</u>				
Revenue from Operations	2,249.55	4,809.10	4,209.49	3,141.99
Other Income	12.58	2.45	3.76	4.26
Total Income (A)	2,262.14	4,811.55	4,213.25	3,146.25
<u>EXPENDITURE</u>				
Cost of Materials Consumed	842.70	2,706.91	1,912.23	1,591.88
Other Manufacturing Expenses	715.42	1,683.87	1,354.15	1,153.84
Changes in Inventories of finished goods, Work in Progress & Stock in Trade	314.74	(334.20)	291.44	(167.04)
Employee benefit expenses	84.71	189.60	166.69	132.26
Finance costs	105.17	168.52	156.30	127.90
Depreciation and Amortization Expenses	59.20	107.51	105.54	79.93
Other Expenses	106.01	241.11	179.21	190.69
Total Expenses (B)	2,227.94	4,763.32	4,165.57	3,109.45
Profit before Prior Period Items and exceptional and extraordinary items and tax (C)	34.20	48.23	47.69	36.80
Prior period items (Net)	-	-	-	-
Profit before exceptional, extraordinary items and tax	34.20	48.23	47.69	36.80
Exceptional items	-	-	-	-
Profit before extraordinary items and tax	34.20	48.23	47.69	36.80
Extraordinary items	-	-	-	-
Profit before tax (D)	34.20	48.23	47.69	36.80
Tax expense :				
(i) Current tax	6.85	17.56	11.73	4.26
(ii) Deferred Tax	1.15	2.45	4.23	7.80
Total Tax Expense (E)	8.00	20.00	15.96	12.06
Profit for the year (D-E)	26.20	28.23	31.73	24.74
Earning Per Equity Share				
Basic & Diluted	0.44	0.47	0.53	0.41

Annexure III:
CASH FLOW STATEMENT, AS RESTATED
(₹ In lakhs)

Particulars	For the Period Ended September 30,	For the year ended March 31,		
	2019	2019	2018	2017
<u>Cash Flow From Operating Activities:</u>				
Net Profit before tax as per Profit And Loss account	34.20	48.23	47.69	36.80
<u>Adjusted for:</u>				
Depreciation & Amortization Exp.	59.20	107.51	105.54	79.93
Loss (Profit) on Sale of Assets	(0.93)	25.46	6.90	(1.43)
Interest Income	-	(2.23)	(3.76)	(2.83)
Dividend Income	(0.20)	(0.22)	-	-
Finance Cost	105.17	168.52	156.30	127.90
Operating Profit Before Working Capital Changes	197.43	347.27	312.66	240.37
<u>Adjusted for Increase/ Decrease in Operating Assets/Liabilities:</u>				
Inventories	531.72	(500.42)	246.48	(152.09)
Trade Receivables	(81.11)	70.12	(409.80)	159.60
Short Term Loans and advances	(8.81)	0.07	19.12	(1.93)
Long Term Loans and advances	-	(0.15)	(0.02)	(6.05)
Trade Payables	(476.62)	409.51	(94.30)	38.65
Other Current Liabilities	20.27	(23.99)	21.14	(0.08)
Long term Provisions	3.19	0.46	0.10	0.22
Short term Provisions	35.67	(48.74)	71.17	6.13
Cash Generated From Operations	219.42	255.42	166.58	285.82
Direct Tax Paid	11.80	9.10	10.23	5.32
Net Cash Flow from/(used in) Operating Activities: (A)	207.62	246.32	156.35	280.50
<u>Cash Flow From Investing Activities:</u>				
Purchase of Property, Plant and equipments	(139.20)	(334.27)	(235.44)	(311.46)
Proceeds from Sale of Property, Plant and equipments	1.00	13.56	4.44	4.27
Purchase Non-current investment	(1.00)	(5.15)	-	-
Interest received	3.40	2.22	2.55	1.89
Dividend Income	0.20	0.22	-	-
Net Cash Flow from/(used in) Investing Activities: (B)	(135.60)	(323.41)	(228.44)	(305.30)
<u>Cash Flow From Financing Activities:</u>				
Increase / (Decrease) in Long Term Borrowing	35.23	35.52	142.60	147.50
Increase / (Decrease) in Short Term Borrowing	(7.26)	216.29	102.32	(26.99)
Payment of Deferred Sales Tax	-	-	(12.06)	-
Interest & Financial Charges	(105.17)	(168.52)	(156.30)	(127.90)
Net Cash Flow from/(used in) Financing Activities (C)	(77.20)	83.29	76.56	(7.38)
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(5.17)	6.20	4.47	(32.18)
Cash & Cash Equivalents As At Beginning of the Year	11.46	5.26	0.79	32.98
Cash & Cash Equivalents As At End of the Year	6.28	11.46	5.26	0.79

<u>Cash & Cash Equivalents comprises of :</u>				
Balance with Bank	0.96	5.59	4.46	0.72
Cash in Hand	5.33	5.87	0.80	0.07
Closing Balance of Cash & Cash Equivalents	6.28	11.46	5.26	0.79

Reconciliation of Cash & Cash Equivalents –
(₹ in lakhs)

Particulars	For the Period Ended September 30,	For the year ended March 31,		
	2019	2019	2018	2017
Cash & Cash Equivalents as per Cash flow Statement	6.28	11.46	5.26	0.79
Bank Balance in Deposit Account	-	-	-	-
Cash & Cash Equivalents as per Statement of Assets & Liabilities	6.28	11.46	5.26	0.79

Annexure IV:**SIGNIFICANT ACCOUNTING POLICIES:****1. Corporate Information**

Veltech Forging Limited was incorporated in 1994 and engaged in the business of manufacturing and sale of forging and forged product of steel.

2. Significant Accounting Policies**a. Basis of preparation**

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in existing Accounting Standard to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, as applicable. The financial statements have been prepared under the historical cost convention on accrual basis except for leave encashment and gratuity which are accounted on cash basis.

Cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 on Cash Flow Statement issued by the ICAI.

b. Use of Estimates

The preparation of financial statements in conformity with the existing accounting standard requires the Management of the Company to make judgements, estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expense during the year. Although these estimates are based on Management's best knowledge of current events and actions, future results could differ due to changes in these estimates and the difference between the actual result and the estimates are recognised in the period in which the results are known / materialise.

c. Revenue Recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Sale of services is recognized on completed service method.

Where the ability to assess the ultimate collection with reasonable certainty is lacking at the time of raising any claim, revenue recognition is postponed to the extent of uncertainty involved. In such cases revenue is recognized only when it is reasonably certain that the ultimate collection will be made.

Sales comprise sale of goods & services, but net of sales returns. In order to comply with the "Accounting Standards interpretation 14" issued by institute of chartered accountants of India, gross turnover includes goods and service tax and other taxes. Net turnover excludes goods and service tax and other taxes.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Dividend from investments is not recognized in the Statement of profit and loss until a right to receive payment is established in the reporting period.

Export incentives are accounted for the year of exports based on eligibility and when there is no uncertainty in receiving the same.

d. Valuation of Inventories

Stock of raw materials, stores & spares, oil and die blocks: Valued at lower of cost on FIFO method, and net realizable value. ("COST" comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to their present location and condition). Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.)

e. Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash which are subject to an insignificant risk of changes in value.

f. Property, Plant & Equipment

Property, plant & equipment are stated at cost of acquisition or construction less accumulated depreciation. Attributable finance costs and expenses of bringing the respective assets to working condition for their intended use are capitalised. Borrowing costs that are directly attributable to the acquisition or production of a qualifying asset are capitalised as part of the cost of those assets. Other borrowing costs are recognized as expense in the period in which they are incurred.

g. Depreciation and Amortization

Depreciation on property, plant & equipment has been provided in a manner that amortizes the cost of the assets over their estimated useful lives on straight line method as per the useful life prescribed under Schedule II to the Companies Act, 2013.

Amortization is provided in respect of leasehold land over the period of lease.

h. Valuation of Investments

Long-term investments are carried at cost less provision for diminution, other than temporary, in the value of such investments. Investments are unquoted, stated at cost. The value of shares of Rupee Co-Op. Bank could not be arrived properly, which is not properly functioning, this requires proper provisioning on its final negotiation with other banks regard to its merger/takeover, which is yet to be finalised.

i. Employee Benefits

Short term employee benefits: All employee benefits payable wholly within twelve months of rendering the services are classified as short term employee benefits. Benefits such as salaries, wages, expected cost of bonus and short term compensated absences, etc. is recognized in the period in which the employee renders the related service.

Post-employment benefits: Employer's Contribution to Provident Fund and Family Pension Fund along with administrative & other charges are charged to Statement of Profit & Loss. The company pays contribution to a recognized provident Fund. Leave encashment is accounted on actual payment basis & Gratuity is accounted on the basis of actuarial estimation.

j. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

k. Taxes on Income

Tax on income for the current period is determined on the basis of taxable income after considering the various deductions available under the Income Tax Act, 1961.

Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year. The tax effect is calculated on the accumulated timing differences at the end of the accounting period based on prevailing enacted or substantively enacted regulations. Deferred tax liabilities are recognized for all timing differences.

Deferred tax assets are recognized for deductible timing differences only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. At each reporting date the company reassesses the unrecognized deferred tax assets, if any, and reviews the deferred tax assets recognized.

l. Impairment Policy

The company assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's net selling price or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

m. Provisions

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

n. Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

o. Segment Reporting

By applying the definitions of 'business segment' given in Accounting Standard 17 on 'Segment Reporting'; it is concluded that there is no more than one business segment. Further, the Company operates predominantly within geographical limits of India. In view of these, segment information is not required to be disclosed.

Annexure V:
NOTES TO ACCOUNTS

1. Managerial Remuneration

(₹ in lakhs)

Particulars	As at September 30,	For the year ended March 31,		
	2019	2019	2018	2017
Salaries and Allowances	18.00	36.00	36.00	25.48
Total	18.00	36.00	36.00	25.48

2. Remuneration to Auditors

(₹ in lakhs)

Particulars	As at September 30,	For the year ended March 31,		
	2019	2019	2018	2017
Statutory Audit Fees	0.25	0.40	0.48	0.44

3. Deferred Tax

(₹ in lakhs)

Particulars	As at September 30,	For the year ended March 31,		
	2019	2019	2018	2017
Deferred Tax Liabilities/(Assets) arising on account of Timing Difference:				
Opening Balance	58.60	56.15	51.92	44.12
Add: Deferred Tax Liability On Depreciation	1.38	2.94	3.02	8.20
Less: Deferred Tax Asset on Section 43B items	(0.23)	(0.50)	1.21	(0.40)
Closing Balance	59.75	58.60	56.15	51.92

- As informed by the board, the company is under the process of making payment to the Micro & Small enterprises
- The Management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required.
- There is no Auditor's Qualification in any of the audited Financial Statements as at and for The Financial years ended on March 31, 2019, March 31, 2018 and March 31, 2017 & six months period ended on September 30, 2019.

ADJUSTMENTS MADE IN RESTATED FINANCIAL STATEMENTS / REGROUPING NOTES

I. Adjustments having impact on profit

Profit & Loss A/c

(₹ in lakhs)

Particulars	As at September 30,	For the year ended March 31,		
	2019	2019	2018	2017
Profit as per Audited Financials	11.27	30.16	32.96	25.72
Add / (Less) : Prior period item	14.93	(0.68)	0.09	(0.18)
Add/ (Less) : Tax Adjustments	-	0.50	(1.21)	0.41
Add/ (Less) : Adjustment of Depreciation	-	-	-	0.01
Add/(Less) : Gratuity Adjustment	-	(1.75)	(0.12)	(1.22)
Profit as per Restated Financials	26.20	28.23	31.73	24.74

Reserves & Surplus affecting Equity
(₹ in lakhs)

Particulars	As at September 30,	For the year ended March 31,		
	2019	2019	2018	2017
Balance as per Audited Financials	601.68	590.42	560.26	527.28
Add / (Less) : Prior period item	-	(11.53)	(10.85)	(10.95)
Add/ (Less) : Tax Adjustment	-	(0.31)	(0.81)	0.41
Add/ (Less) : Adjustment of Depreciation	-	-	-	0.01
Add/ (Less) : Gratuity Adjustment	-	(3.09)	(1.34)	(1.22)
Balance as per Restated Financials	601.68	575.49	547.26	515.53

II. Adjustments not having impact on profit

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 a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the regroupings as per the Audited financial statements of the Company, as at and for the six month period ended September 30, 2019 prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018.

Annexure VI:
STATEMENT OF SHARE CAPITAL, AS RESTATED
(₹ In lakhs, except No. of shares)

Particulars	As at September 30,	As at March 31,		
	2019	2019	2018	2017
Equity Share Capital				
Authorized Share capital				
2,50,000 Equity Shares of ₹ 100/- each	250.00	250.00	250.00	250.00
T O T A L	250.00	250.00	250.00	250.00
Issued, Subscribed and Fully Paid Up Share Capital				
2,00,000 Equity Shares of ₹ 100/- each fully paid up	200.00	200.00	200.00	200.00
T O T A L	200.00	200.00	200.00	200.00

Reconciliation of number of shares outstanding at the end of the year:

Particulars	As at September 30,	As at March 31,		
	2019	2019	2018	2017
Equity Shares				
Equity shares at the beginning of the year	2,00,000	2,00,000	2,00,000	2,00,000
Issued during the year	-	-	-	-
Equity Shares at the end of the year	2,00,000	2,00,000	2,00,000	2,00,000

Details of Shares held by Shareholders holding more than 5% of the aggregate shares:

Name of Shareholders	As at September 30,		As at March 31,					
	2019		2019		2018		2019	
	No of Shares	% Holding	No of Shares	% Holding	No of Shares	% Holding	No of Shares	% Holding
1. Shri Viarabhai Panchal	1,12,500	56.25%	1,12,500	56.25%	1,12,500	56.25%	1,12,500	56.25%
2. Shri Bhavesh Panchal	60,000	30.00%	60,000	30.00%	60,000	30.00%	60,000	30.00%

Annexure VII:
STATEMENT OF RESERVES AND SURPLUS
(₹ in lakhs)

Particulars	As at September 30,	As at March 31,		
	2019	2019	2018	2017
A) Capital Reserve	19.97	19.97	19.97	19.97
B) Securities Premium Reserves				
At the beginning of the year	225.00	225.00	225.00	225.00
Additions during the year	-	-	-	-
At the End of the Year	225.00	225.00	225.00	225.00
C) General Reserve				
At the beginning of the year	330.00	300.00	270.00	240.00
Add: Transferred from surplus	-	30.00	30.00	30.00
At the End of the Year	330.00	330.00	300.00	270.00
D) Surplus				
At the beginning of the year	0.52	2.29	0.56	16.58
Less : Prior Period Adjustments	-	-	-	(10.76)
Add: Net Profit for the Year	26.20	28.23	31.73	24.74
Amount Available for Appropriation	26.71	30.52	32.29	30.56
Less: Appropriations				
Transfer to General Reserve	-	(30.00)	(30.00)	(30.00)
At the End of the Year	26.71	0.52	2.29	0.56
Total Surplus (A+B+C+D)	601.68	575.49	547.26	515.53

Annexure VIII:
STATEMENT OF LONG TERM BORROWINGS, AS RESTATED
(₹ in lakhs)

Particulars	As at September 30,	As at March 31,		
	2019	2019	2018	2017
Secured Loans				
Term Loan From Apna Sahakari Bank Ltd	320.88	342.54	373.21	376.85
Vehicle Loans from ICICI Bank	2.29	3.14	4.90	1.21
Vehicle Loans from BMW Financials Services	40.73	43.53	-	-
	363.90	389.21	378.10	378.06
Unsecured Loans				
Business Term Loan from Bajaj Finance Limited	35.00	34.90	35.26	-

Particulars	As at September 30,	As at March 31,		
	2019	2019	2018	2017
Unsecured Loan From Directors and Relatives	124.00	115.00	103.00	59.62
	159.00	149.90	138.26	59.62
Others				
Unsecured Interest Free Deferred Sales Tax Loan	-	-	-	12.06
TOTAL	522.90	539.11	516.36	449.73

Note: For details of the terms of sanction, maturity and other details of outstanding loans please refer the “Financial Indebtedness” on page no. 151 of this Draft Prospectus.

Annexure IX:

STATEMENT OF LONG TERM PROVISIONS, AS RESTATED

(₹ in lakhs)

Particulars	As at September 30,	As at March 31,		
	2019	2019	2018	2017
Provision for Gratuity	19.86	16.67	16.21	16.11
TOTAL	19.86	16.67	16.21	16.11

Annexure X:

STATEMENT OF SHORT TERM BORROWINGS, AS RESTATED

(₹ in lakhs)

Particulars	As at September 30,	As at March 31,		
	2019	2019	2018	2017
Loan Repayable On Demand From Banks				
Secured: From Apna Sahakari Bank Limited				
Working Capital Loans	784.54	791.80	575.51	473.19
TOTAL	784.54	791.80	575.51	473.19

The amounts in Annexure VIII, X and XII include:

(₹ in lakhs)

Particulars	As at September 30,	As at March 31,		
	2019	2019	2018	2017
Secured Borrowings including current maturities of long term debt	1343.39	1324.51	1084.34	918.07
Unsecured Borrowings	159.00	149.90	138.26	71.68
TOTAL	1502.39	1474.41	1222.60	989.75

Note: For details of the terms of sanction, maturity and other details of outstanding loans please refer the “Financial Indebtedness” on page no. 151 of this Draft Prospectus.

Annexure XI:

STATEMENT OF TRADE PAYABLE, AS RESTATED

(₹ in lakhs)

Particulars	As at September 30,	As at March 31,		
	2019	2019	2018	2017
Due of Creditors Other Than Micro and Small Enterprises	593.30	1,062.67	750.16	844.51
Dues of Micro and Small Enterprises	81.30	97.05	-	-

Particulars	As at September 30,	As at March 31,		
	2019	2019	2018	2017
Outstanding Expenses	8.53	0.03	0.08	0.03
T O T A L	683.13	1,159.75	750.24	844.54

Annexure XII:

STATEMENT OF OTHER CURRENT LIABILITIES, AS RESTATED

(₹ in lakhs)

Particulars	As at September 30,	As at March 31,		
	2019	2019	2018	2017
Current maturities of Long Term Debt :				
Secured Term Loan From Bank	194.95	143.50	130.73	66.82
Advance From Customers	23.72	-00	25.18	5.71
Statutory Liabilities	2.11	5.56	4.37	2.70
T O T A L	220.78	149.07	160.28	75.23

Note: For details of the terms of sanction, maturity and other details of outstanding loans please refer the “Financial Indebtedness” on page no. 151 of this Draft Prospectus.

Annexure XIII:

STATEMENT OF SHORT TERM PROVISIONS, AS RESTATED

(₹ in lakhs)

Particulars	As at Sep 30,	As at March 31,		
	2019	2019	2018	2017
Provision for Employee Benefits	4.47	14.41	12.38	9.58
Provision For Statutory Dues	71.17	25.56	76.32	7.96
Income Tax Provisions	3.85	8.80	1.72	-
Provision for Gratuity	-	2.31	1.02	1.00
T O T A L	79.49	51.08	91.45	18.54

Annexure XIV:

STATEMENT OF FIXED ASSETS, AS RESTATED

(₹ in lakhs)

Particulars	As at Sep 30,	As at March 31,		
	2019	2019	2018	2017
A) Tangible Assets				
i) Land - Lease Hold				
Gross Block	15.71	15.71	15.71	15.71
Addition during the year	-	-	-	-
Reductions during the year	-	-	-	-
Depreciation During the year	0.03	0.06	0.06	0.06
Accumulated Depreciation till Previous Year	0.97	0.91	0.85	0.78
Accumulated Depreciation	1.00	0.97	0.91	0.85
Closing Balance	14.71	14.74	14.80	14.86
BUILDING				
ii) Factory Building				
Gross Block	275.84	275.84	271.73	263.13

Particulars	As at Sep 30,	As at March 31,		
	2019	2019	2018	2017
Addition during the year	66.48	-	4.11	8.60
Reductions during the year	-	-	-	-
Depreciation During the year	4.82	8.50	8.41	8.11
Accumulated Depreciation till Previous Year	92.82	84.33	75.92	67.81
Accumulated Depreciation	97.64	92.82	84.33	75.92
Closing Balance	244.68	183.02	191.51	195.82
iii) Residential Building				
Gross Block	8.26	8.26	5.11	5.11
Addition during the year	-	-	3.15	-
Reductions during the year	-	-	-	-
Depreciation During the year	0.06	0.11	0.07	0.06
Accumulated Depreciation till Previous Year	1.72	1.61	1.54	1.47
Accumulated Depreciation	1.78	1.72	1.61	1.54
Closing Balance	6.48	6.54	6.65	3.57
iv) Office Building				
Gross Block	19.87	14.87	14.87	14.87
Addition during the year	-	5.00	-	-
Reductions during the year	-	-	-	-
Depreciation During the year	0.13	0.25	0.23	0.23
Accumulated Depreciation till Previous Year	1.17	0.92	0.68	0.45
Accumulated Depreciation	1.29	1.17	0.92	0.68
Closing Balance	18.58	18.71	13.96	14.19
v) Plant and Machinery				
Gross Block	1,103.87	1,042.80	995.80	850.06
Addition during the year	79.48	108.92	66.16	294.70
Reductions during the year	-	47.84	19.15	148.96
Depreciation During the year	42.14	80.05	79.85	56.01
Accumulated Depreciation till Previous Year	469.73	391.24	314.60	407.46
Accumulated Depreciation	511.86	462.35	383.48	314.60
Deduction	-	8.94	10.97	148.86
Closing Balance	671.49	641.53	659.32	681.19
vi) Electrical Installation				
Gross Block	58.88	58.88	58.88	41.29
Addition during the year	-	-	-	17.59
Reductions during the year	-	-	-	-
Depreciation During the year	2.24	4.48	4.70	3.64
Accumulated Depreciation till Previous Year	17.91	17.91	17.91	14.27
Accumulated Depreciation	20.15	22.39	22.61	17.91
Closing Balance	38.73	36.48	36.26	40.97
vii) Other Assets				
Gross Block	40.16	40.16	40.16	39.12
Addition during the year	-	-	-	1.05
Reductions during the year	-	-	-	-
Depreciation During the year	1.45	2.90	3.05	3.13

Particulars	As at Sep 30,	As at March 31,		
	2019	2019	2018	2017
Accumulated Depreciation till Previous Year	15.20	15.20	15.20	12.07
Accumulated Depreciation	16.65	18.09	18.25	15.20
Closing Balance	23.52	22.07	21.92	24.97
viii) Furniture & Fixtures				
Gross Block	15.34	14.22	14.22	13.15
Addition during the year	-	1.12	-	1.07
Reductions during the year	-	-	-	-
Depreciation During the year	0.41	0.73	0.80	0.80
Accumulated Depreciation till Previous Year	10.72	9.99	9.20	8.40
Accumulated Depreciation	11.14	10.72	9.99	9.20
Closing Balance	4.20	4.62	4.23	5.02
ix) Vehicle (Motor Car)				
Gross Block	101.15	41.40	41.55	20.62
Addition during the year	7.47	59.74	-	28.37
Reductions during the year	-	-	0.14	7.44
Depreciation During the year	5.91	6.83	4.38	3.24
Accumulated Depreciation till Previous Year	22.35	15.52	11.14	12.61
Accumulated Depreciation	28.26	22.35	15.52	11.14
Deduction	-	-	-	4.70
Closing Balance	80.35	78.80	25.88	30.40
x) Vehicle (Other)				
Gross Block	8.87	8.87	9.28	9.28
Addition during the year	-	-	7.81	-
Reductions during the year	1.06	-	8.22	-
Depreciation During the year	0.37	0.76	0.88	0.78
Accumulated Depreciation till Previous Year	2.03	1.28	5.60	4.82
Accumulated Depreciation	1.42	2.03	1.28	5.60
Deduction	0.98	-	5.20	-
Closing Balance	6.39	6.83	7.59	3.68
xi) Office Equipments				
Gross Block	26.61	22.29	21.73	18.38
Addition during the year	2.55	4.53	0.56	3.35
Reductions during the year	-	0.22	-	-
Depreciation During the year	1.10	1.79	2.25	2.90
Accumulated Depreciation till Previous Year	18.54	16.85	14.60	11.70
Accumulated Depreciation	19.64	18.54	16.85	14.60
Deduction	-	0.10	-	-
Closing Balance	9.52	8.06	5.44	7.13
xii) Computer				
Gross Block	13.29	11.98	10.79	9.73
Addition during the year	1.25	1.31	1.19	1.06
Reductions during the year	-	-	-	-
Depreciation During the year	0.53	1.03	0.84	0.97
Accumulated Depreciation till Previous Year	11.19	10.16	9.32	8.35

Particulars	As at Sep 30,	As at March 31,		
	2019	2019	2018	2017
Accumulated Depreciation	11.72	11.19	10.16	9.32
Closing Balance	2.82	2.10	1.82	1.46
B) Intangible Assets				
i) CAM Software				
Gross Block	3.35	3.35	-	-
Addition during the year	-	-	3.35	-
Reductions during the year	-	-	-	-
Depreciation During the year	0.01	0.02	0.02	-
Accumulated Depreciation till Previous Year	0.04	0.02	-	-
Accumulated Depreciation	0.05	0.04	0.02	-
Closing Balance	3.30	3.31	3.33	-
Gross Block	1691.20	1,558.64	1,499.82	1,300.45
Addition	157.22	180.62	86.33	355.77
Deletion	1.06	48.06	27.52	156.40
Total Depreciation For the Year	59.20	107.51	105.54	79.93
Total Accumulated Depreciation till Previous Year	664.40	565.92	476.56	550.19
Accumulated Depreciation	722.61	664.40	565.92	476.56
Net Block	1,124.76	1,026.81	992.72	1,023.26
C) Capital Work In Progress				
Gross Block	267.75	128.85	-	-
Addition during the year	62.77	138.90	128.85	-
Reductions during the year	78.51	-	-	-
Closing Balance	252.01	267.75	128.85	-

Annexure XV:

STATEMENT OF OTHER NON-CURRENT INVESTMENTS AS RESTATED

(₹ in lakhs)

Particulars	As at September 30,	As at March 31,		
	2019	2019	2018	2017
Unquoted, Non – Trade				
Investment In Equity Instruments				
50,000 (50,000) equity shares of Rs 10 each fully paid up in Rupee Co-operative Bank Ltd.	5.00	5.00	5.00	5.00
2,500 (2,500) equity shares of Rs 10 each fully paid up in Saraswat Co-operative Bank Ltd.	0.25	0.25	0.25	0.25
20,000 (1,000) equity shares of Rs 25 each fully paid up in Apna Sahakari Bank Ltd.	5.00	5.00	0.25	0.25
Quoted, Non – Trade				
Investment In Mutual fund				
HDFC Equity Fund - Unit Balance 90.720 Nos (PY - 30.786 Nos)	0.60	0.20	-	-
Reliance pharma Fund - Unit Balance 275.854 Nos (PY 65.955 Nos)	0.40	0.10	-	-
Tata India Consumer Fund - Unit Balance 2417.20 Nos (PY 579.61 Nos)	0.40	0.10	-	-

Particulars	As at September 30,	As at March 31,		
	2019	2019	2018	2017
T O T A L	11.65	10.65	5.50	5.50

The amounts in above Annexure XV include:

(₹ in lakhs)

Particulars	As at September 30,	As at March 31,		
	2019	2019	2018	2017
Aggregate amount of Quoted investments	1.40	0.40	-	-
Market Values of Quoted Investments	1.39	0.41	-	-
Aggregate amount of Unquoted investments	10.25	10.25	5.50	5.50

Annexure XVI:

STATEMENT OF LONG TERM LOANS AND ADVANCES AS RESTAED

(₹ in lakhs)

Particulars	As at September 30,	As at March 31,		
	2019	2019	2018	2017
Unsecured, considered good				
Security Deposit	23.68	23.68	23.53	23.51
T O T A L	23.68	23.68	23.53	23.51

Annexure XVII:

STATEMENT OF INVENTORIES, AS RESTATED

(₹ in lakhs)

Particulars	As at Sep 30,	As at March 31,		
	2019	2019	2018	2017
Inventories				
Raw Material, WIP, Finished Goods, Consumables & Spares, Loose tools etc.	850.30	1,383.16	881.75	1,130.83
Other (Oil)	4.22	3.09	4.08	1.48
T O T A L	854.53	1,386.25	885.84	1,132.32

Annexure XVIII:

STATEMENT OF TRADE RECEIVABLES, AS RESTATED

(₹ in lakhs)

Particulars	As at Sep 30,	As at March 31,		
	2019	2019	2018	2017
From Promoter Group				
Promoter Group	-	-	-	-
From Others				
Unsecured, Considered good				
Outstanding for a period of less than six months from due date	827.32	746.21	704.19	299.71
Outstanding for a period of exceeding six months from due date	-	-	112.14	106.82

Particulars	As at Sep 30,	As at March 31,		
	2019	2019	2018	2017
TOTAL	827.32	746.21	816.33	406.53

Annexure XIX:

STATEMENT OF CASH & CASH EQUIVALENTS, AS RESTATED

(₹ in lakhs)

Particulars	As at September 30,	As at March 31,		
	2019	2019	2018	2017
Balance with Bank	0.96	5.59	4.46	0.72
Cash In Hand	5.33	5.87	0.80	0.07
TOTAL	6.28	11.46	5.26	0.79

Annexure XX:

STATEMENT OF SHORT TERM LOANS AND ADVANCES AS RESTATED

(₹ in lakhs)

Particulars	As at September 30,	As at March 31,		
	2019	2019	2018	2017
Unsecured, considered good				
A) Advances to Suppliers	14.50	5.57	6.59	5.24
B) Capital Advances	46.52	48.81	34.07	13.81
C) Loan receivables Considered Good, Unsecured	9.16	8.47	8.29	5.90
D) Prepaid Expenses	1.34	2.44	1.62	1.49
E) Balances with Statutory / Government Authorities				
Cenvat Credit Receivable	-	-	0.12	21.28
VAT Credit Receivable	-	-	-	1.83
Income Tax Refund	0.37	0.07	1.38	1.16
Interest Receivables	-	3.40	3.38	2.17
TOTAL	71.89	68.76	55.45	52.88

Annexure XXI:

STATEMENT OF REVENUE FROM OPERATIONS, AS RESTATED

(₹ in lakhs)

Particulars	As at September 30,	As at March 31,		
	2019	2019	2018	2017
a) Sale of goods	2,772.15	5,843.62	5,111.65	3,435.98
Less: Duties & GST	(582.57)	(1,234.31)	(1,036.84)	(394.79)
Net Amount	2,189.58	4,609.31	4,074.81	3,041.19
b) Sale of Services	0.70	3.03	3.26	2.09
c) Other Operating Income	59.27	196.75	131.43	98.71
TOTAL	2,249.55	4,809.10	4,209.49	3,141.99

Annexure XXII:
STATEMENT OF OTHER INCOME AS RESTATED
(₹ in lakhs)

Particulars	As at September 30,	As at March 31,		
	2019	2019	2018	2017
Interest Income	-	2.23	3.76	2.83
Insurance Claim Receipt	11.46	-	-	-
Dividend Income	0.20	0.22	-	-
Gain On Sale of Property, Plant & Equipments	0.93	-	-	1.43
T O T A L	12.58	2.45	3.76	4.26
Gross Revenue as Restated	2,262.14	4,811.55	4,213.25	3,146.25
Other Income as % of Gross Revenue	0.56%	0.05%	0.09%	0.14%

Annexure XXIII:
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

For the Period Ended September 30,	For the Year Ended March 31,			
	2019	2019	2018	2017
Mr. V.M. Panchal	Mr. V.M. Panchal	Mr. V.M. Panchal	Mr. V.M. Panchal	Mr. V.M. Panchal
Mr. B.V. Panchal	Mr. B.V. Panchal	Mr. B.V. Panchal	Mr. B.V. Panchal	Mr. M.G. Panchal
-	-	-	-	Mr. B.V. Panchal
Mr. Dilip Panchal	Mr. Dilip Panchal	Mr. Dilip Panchal	Mr. Dilip Panchal	Mr. Dilip Panchal

II. Relatives of KMP

For the Period Ended September 30,	For the Year Ended March 31,			
	2019	2019	2018	2017
₹ Shardaben Panchal	Shardaben Panchal	Hina Panchal	-	-
Mrs. Hina Panchal	Hina Panchal	-	-	-

III. Associates / Enterprises over which KMPs and / or their relatives has significant influence

For the Period Ended September 30	For the Year Ended March 31,			
	2019	2019	2018	2017
M/s Amit Engineers	M/s Amit Engineers	M/s Amit Engineers	M/s Amit Engineers	M/s Amit Engineers
M/s Shivgar Industries	M/s Shivgar Industries	M/s Shivgar Industries	M/s Shivgar Industries	M/s Shivgar Industries
M/s S&D Brothers	M/s S&D Brothers	M/s S&D Brothers	M/s S&D Brothers	M/s S&D Brothers

Particulars of Transactions with Related Parties
I. Key Management Personnel
(₹ in lakhs)

Particulars	As at September 30,	For the year ended March 31,		
	2019	2019	2018	2017
1) Remuneration				

Particulars	As at September 30,	For the year ended March 31,		
	2019	2019	2018	2017
Mr. V.M. Panchal	9.00	18.00	18.00	3.60
Mr. M.G. Panchal	-	-	-	3.88
Mr. B.V. Panchal	9.00	18.00	18.00	18.00
Mr. DilipPanchal	8.16	18.02	12.62	9.77
T O T A L	26.16	54.02	48.62	35.25
2) Expenses				
<i>Interest Paid To</i>				
Mr. V.M. Panchal	2.40	4.80	0.99	-
Mr. B.V. Panchal	0.06	0.15	0.13	-
T O T A L	2.46	4.95	1.12	-
3) Finance				
<i>a) Loan Taken</i>				
Mr. V.M. Panchal	-	-	40.00	-
Mr. B.V. Panchal	-	-	-	-
T O T A L	-	-	40.00	-
<i>b) Loan Repaid</i>				
Mr. V.M. Panchal	-	-	-	-
Mr. B.V. Panchal	-	3.00	-	-
T O T A L	-	3.00	-	-
4) Outstanding				
<i>a) Unsecured Loans From</i>				
Mr. V.M. Panchal	40.00	40.00	40.00	-
Mr. B.V. Panchal	1.00	1.00	4.00	4.00
T O T A L	41.00	41.00	44.00	4.00
<i>b) Salary Payable To</i>				
Mr. V.M. Panchal	-	1.21	0.86	0.26
Mr. B.V. Panchal	0.27	1.17	1.25	1.17
Mr. DilipPanchal	1.63	1.32	1.62	0.63
T O T A L	1.90	3.70	3.73	2.06
<i>c) Interest payable To</i>				
Mr. V.M. Panchal	0.36	0.36	0.36	-
Mr. B.V. Panchal	0.01	0.01	0.04	-
T O T A L	0.37	0.37	0.40	-

II. Relatives of KMPs
(₹ in lakhs)

Particulars	As at September 30,	For the year ended March 31,		
	2019	2019	2018	2017
1) Salary				
Mrs. ShardabenPanchal	-	-	-	-
Mrs. HinaPanchal	1.80	3.60	-	-
T O T A L	1.80	3.60	-	-
2) Interest				
Mrs. ShardabenPanchal	1.44	1.07	-	-

Particulars	As at September 30,	For the year ended March 31,		
	2019	2019	2018	2017
Mrs. HinaPanchal	0.24	0.38	0.13	-
T O T A L	1.68	1.45	0.13	-
3) Finance				
<i>a) Loan Taken</i>				
Mrs. ShardabenPanchal	9.00	15.00	-	-
Mrs. HinaPanchal	-	-	4.00	-
T O T A L	9.00	15.00	4.00	-
<i>b) Loan Repaid</i>				
Mrs. ShardabenPanchal	-	-	-	-
Mrs. HinaPanchal	-	-	-	-
T O T A L	-	-	-	-
4) Outstanding				
<i>a) Unsecured Loans From</i>				
Mrs. ShardabenPanchal	24.00	15.00	-	-
Mrs. HinaPanchal	4.00	4.00	4.00	-
T O T A L	28.00	19.00	4.00	-
<i>b) Salary Payable To</i>				
Mrs. ShardabenPanchal	-	-	-	-
Mrs. HinaPanchal	0.30	0.30	-	-
T O T A L	0.30	0.30	-	-
<i>c) Interest payable To</i>				
Mrs. ShardabenPanchal	0.22	0.14	-	-
Mrs. HinaPanchal	0.04	0.04	0.04	-
T O T A L	0.25	0.17	0.04	-

Associate/ Enterprises over which directors and /or their relatives has significant influence
(₹ in lakhs)

Particulars	As at September 30,	For the year ended March 31,		
	2019	2019	2018	2017
1) Labour Charges				
M/s Amit Engineers	18.23	62.96	62.70	66.44
M/s Shivgar Industries	64.76	151.82	113.47	115.11
M/s S&D Brothers	22.85	47.99	42.08	43.72
T O T A L	105.84	262.77	218.25	225.28
2) Outstanding				
<i>a) Trade Payables</i>				
M/s Amit Engineers	12.40	24.76	37.50	53.73
M/s Shivgar Industries	4.11	12.11	12.50	13.57
M/s S&D Brothers	3.66	5.71	4.38	3.95
T O T A L	20.18	42.58	54.38	71.24

Annexure XXIV:
STATEMENT OF CONTINGENT LIABILITIES, AS RESTATED
(₹ in lakhs)

Particulars	As at September 30,	As at March 31,		
	2019	2019	2018	2017
Bill Discounted Payment Received	521.16	257.61	336.52	317.19
T O T A L	521.16	257.61	336.52	317.19

Annexure XXV:
STATEMENT OF TAX SHELTER, AS RESTATED
(₹ in lakhs)

Particulars	As at September 30,	As at March 31,		
	2019	2019	2018	2017
Applicable Income Tax Rate in %	26.00	26.00	25.75	33.00
Profit Before Tax (A)	34.20	48.23	47.69	36.80
Tax at Notional Rate	8.89	12.54	12.28	12.14
Permanent Differences:				
Disallowance under section 37	0.42	2.52	2.10	1.35
Income Exempt or not taxable	-	-	-	(1.42)
Disallowances under section 36	-	-	-	0.31
Total Permanent Differences: (B)	0.42	2.52	2.10	0.24
Timing Differences:				
Difference between Tax Depreciation and Book Depreciation	(6.71)	(11.25)	(13.21)	(23.53)
Disallowance under section 43B	(1.48)	(0.07)	1.75	(1.32)
(Profit)/Loss on sale of Fixed Assets	(0.93)	25.46	6.90	-
Total Timing Differences: (C)	(9.11)	14.14	(4.57)	(24.85)
Net Difference (D=B+C)	(8.69)	16.66	(2.46)	(24.61)
Tax Saving thereon	(2.26)	4.33	(0.63)	(8.12)
Tax Liability				
Tax Provision for the six month/year	6.63	16.87	11.64	4.02

Notes:

1. The aforesaid Statement of tax Shelters has been prepared as per the 'Restated Profit and Loss Account.
2. Income tax return for the period ended September 30, 2019 is yet to be filed.

CHANGES IN ACCOUNTING POLICIES IN THE LAST THREE YEARS

There has been no change in the Accounting Policies in the last three (3) years.

CHANGES IN ACCOUNTING PERIOD

There has been no change in the accounting period of the Company.

OTHER FINANCIAL INFORMATION

(₹ in lakhs except no of shares)

Particulars	As at	For the year ended March 31,		
	September 30,	2019	2018	2017
	2019 ⁽¹⁾			
Restated PAT as per P & L Account	26.20	28.23	31.73	24.74
Actual Number of Equity Shares outstanding at the end of the year	2,00,000	2,00,000	2,00,000	2,00,000
Equivalent Weighted Average number of Equity Shares at the end of the year	60,00,000	60,00,000	60,00,000	60,00,000
Share Capital	200.00	200.00	200.00	200.00
Reserves & Surplus	601.68	575.49	547.26	515.53
Net Worth	801.68	775.49	747.26	715.53
<u>Earnings Per Share:</u>				
Basic & Diluted ⁽²⁾	0.44	0.47	0.53	0.41
Return on Net Worth (%)	3.27%	3.64%	4.25%	3.46%
Net Asset Value Per Share (Rs) - based on actual no. of equity shares at the end of the year ⁽³⁾	400.84	387.74	373.63	357.77
Nominal Value per Equity share (₹) ⁽⁴⁾	10.00	10.00	10.00	10.00

- (1) EPS & Return on Net Worth has been calculated for six months period ended on September 30, 2019
- (2) As on September 30, 2019 - 2, 00,000 fully paid up Equity Shares of Face Value of ₹ 100/- each was outstanding. However Company have splitted its share of ₹ 100/- each into 10 Shares of ₹ 10/- each w.e.f. November 26, 2019 & after that Company issued bonus shares in the ration of 2:1 w.e.f. December 28, 2019. Adjustments of these transactions have been done while calculating Equivalent Weighted Average Number of Shares outstanding at the end of financial years 2017, 2018, 2019 & six months period ended on September 30, 2019
- (3) As on September 30, 2019 - 2, 00,000 fully paid up Equity Shares of Face Value of ₹ 100/- each were outstanding. However Company have splitted its share of ₹ 100/- each into 10 Shares of ₹ 10/- each w.e.f. November 26, 2019 & after that Company issued bonus shares in the ration of 2:1 w.e.f. December 28, 2019. Considering the above, pre issue NAV as on September 30, 2019 should be read as ₹ 13.36/- per share.
- (4) For the Financial Year ended on March 2017, 2018, 2019 & six months period ended on September 30, 2019, Nominal Value per Equity Share was ₹ 100/- each. However considering that Company have splitted its shares of ₹ 100/- each into 10 Shares of ₹ 10/- each w.e.f. November 26, 2019, for the purpose of comparison Nominal Value has been mentioned as ₹ 10.00/- per Equity Share.

Notes to Accounting Ratios:

1. The Ratios have been computed as follows:

- a) 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) Return on Net worth (%) =
$$\frac{\text{Net profit / loss after tax, as restated}}{\text{Net worth excluding preference share capital and revaluation reserve}}$$
- c) NAV per Equity Share (₹) =
$$\frac{\text{Net worth excluding preference share capital and revaluation reserve}}{\text{Outstanding number of Equity shares outstanding during the year / period}}$$

2. Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the period adjusted by the number of Equity Shares issued during period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period.

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3. The Calculation of Earnings per Share (EPS) as disclosed in the Profit and Loss Account has been made in accordance with Accounting Standard (AS - 20) on Earnings Per Share issued by the Institute of Chartered Accountants of India.
 4. As there is no dilutive capital in the company, Basic and Diluted EPS are similar.
 5. The above Ratios have been computed on the basis of the Restated Financial Information for the respective period. The above statements should be read with the Notes to Restated Financial Statement

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of financial condition and results of operations together with our financial statements included in this Draft Prospectus. The following discussion relates to our Company and is based on our restated financial statements. Our financial statements have been prepared in accordance with Indian GAAP, the accounting standards and other applicable provisions of the Companies Act.

Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be "Forward looking statement" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.

BUSINESS OVERVIEW

Veltech Forging Private Limited is one of the well established forging units, situated in MIDC's Industrial area at Murbad, Thane District, Maharashtra since more than 25 years. It started its business as a partnership firm in the name of M/S Vishwakarma Forging in Thane, Maharashtra. Our company was incorporated as "Veltech Forging Private Limited" under the provisions of the Companies Act 1956 on July 07, 1994 with the main objective to acquire & takeover the running partnership business of the firm, M/s. Vishwakarma Forging.

The Primary business of the Company is manufacturing closed die forgings of critical shapes for Tractor, Automobile & other industries, to the specifications and drawings of the customers. Company's Forge Shop is well equipped with friction drop hammers, Die Shop, CAD facility for Die Designing, Metallurgical Laboratory to test raw material and forged components, Heat Treatment shop, shot blasting and material Stock yard.

In order to ensure quality in all aspects, the company obtained ISO 9001:2015 accreditations. The company is equipped to manufacture forgings weighing from 300 grams to 10 kg. per piece, and Up-setter up to 2.5" in diameter. It supplies components in as forged, semi-finished & fully finished condition. The Company believes in maintaining good and cordial relation with its customers by ensuring no compromise in Quality Product and timeliness in which order gets executed, because of these Features Company is able to deal with big corporate end user clients of forged products.

We have Integrated Manufacturing Capacity wherein we in-house manufacture dies according to the specifications & design of the client. Further the Company Forge different type of products using various machines including Drop Hammer, Press etc. Further some products are further processed in Machining Section so that it gets converted into final part or component ready for assembling in further products.

The Company has sophisticated in-house facilities with advanced equipment and latest technology to produce superior quality products as per the needs of the customers. With advanced designs and manufacturing systems and a comprehensive technical support, The Company utilizes the state-of the art equipment and technology to develop the products to help the clients to get success in market place. The Company's team works closely with their industrial clients to know their needs and to produce need satisfying products thereafter.

Significant Developments after September 30, 2019 that may affect our Future Results of Operations

The Directors confirm that no events or circumstances have taken place since the date of the last financial statements as disclosed in the Draft Prospectus which materially or adversely affect or are likely to affect the profitability of our Company, or the value of our assets, or our ability to pay liabilities within next twelve months.

Our Strengths

Following are our major strengths:

- Experienced Management & Promoters
- Long Standing Relationship with key Customers & Suppliers
- Diverse Product Portfolio
- Integrated Manufacturing Capacity
- Consistency in Quality and Service Standards

- Facility Designed to Serve Multiple Product Range

FACTORS AFFECTING OUR RESULT OF OPERATIONS

Except as otherwise stated in the Draft Prospectus and the Risk Factors given in the Draft Prospectus, the following important factors could cause actual results to differ materially from the expectations include, among others:

Dependency on Suppliers

We have to procure some raw materials like steel from some specific suppliers mentioned by our customers due to their stringent quality norms even if that raw material is available with other suppliers at cheaper rate. We believe that the quality of raw materials, the transparent pricing, location advantage, etc. are also some of the major reasons our Company prefers to procure these raw materials from these suppliers. However, the fact that we are so heavily dependent on these manufacturers exposes us indirectly to the risks that these manufacturers face. Any failure of the manufacturers to deliver these raw materials in the necessary quantities or to adhere to delivery schedules or specified quality standards and technical specifications would adversely affect our business operations and our ability to deliver orders on time and at the desired level of quality. As a result, we may lose customers and incur liabilities for failure to execute orders, which could have a material adverse effect on our business financial condition and results of operations.

Our Financial Indebtedness and Financial Expenses

As of September 30, 2019 and March 31, 2019, we have ₹ 1,502.39 lakhs and ₹ 1,474.42 lakhs respectively, of outstanding debt including current maturities of Long Term Debt on our balance sheet. Our level of indebtedness has important consequences to us, 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. Our business requires funding for capital expenditure and working capital requirements. The actual amount and timing of future capital expenditure may depend on several factors, among others, new opportunities, availability of land, regulatory approvals, regulatory changes, economic conditions, technological changes and market developments in our industry. Our sources of additional funding, if required, to meet our capital expenditure may include the incurrence of debt or the issue of equity or debt securities or a combination of both. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. In case there is insufficient cash flow to meet our working capital requirement or we are unable to arrange the same from other sources or there is delay in disbursement of arranged funds, or there is any increase in interest rate on our borrowings, it may adversely affect our operations and profitability. These factors may result in an increased amount of short-term borrowings. Continuous increase of our working capital requirements may have an adverse effect on our results of operations and financial condition.

Further our ability to arrange for additional funds on acceptable terms is subject to a variety of uncertainties, including future results of operations, financial condition and cash flows; economic, political conditions and market scenario for our products; costs of financing, liquidity and overall condition of financial and capital markets in India; issuance of necessary business/government licenses, approvals and other risks associated with our businesses; and limitations on our ability to raise capital in capital markets and conditions of the Indian and other capital markets in which we may seek to raise funds. Any such inability to raise sufficient funds could have a material adverse effect on our business and results of operations.

Our ability to successfully implement its strategy and its growth and expansion plans

Our revenue and our business operations have grown in recent years. Although we plan to continue to expand our scale of operations, we may not be able to sustain these rates of growth in future periods due to a number of factors, including, among others, our execution capability, our ability to retain, maintain & enter into new distribution agreement, our ability to maintain customer satisfaction, our ability to mobilise sufficient working capital,

macroeconomic factors beyond our control such as decline in global economic conditions, availability of cheaper imported / domestic products / brands, competition within each product category from players in the organized and unorganized segments, the greater difficulty of growing at sustained rates from a larger revenue base, our inability to control our expenses and the availability of resources for our growth. There can be no assurance that we will not suffer from capital constraints, operational difficulties or difficulties in expanding existing business operations.

Our development and expansion strategies will require substantial managerial efforts and skills and the incurrence of additional expenditures and may subject us to new or increased risks. We may not be able to efficiently or effectively implement our growth strategies or manage the growth of our operations, and any failure to do so may limit future growth and have an adverse effect on our business. Our strategy to augment our profit margins may not materialise in the manner we intend to, resulting in lower margins. Continued lower margins may affect our future growth and financial performance.

Further, if the estimates or assumptions used in developing our strategic plan vary significantly from actual conditions, our sales, margins and profitability could be impacted. For instance, sales of certain steel products may not grow as quickly as we currently expect, and we may be incorrect in our assumptions and expectations of industry preferences during our purchasing or entering / renewing into agreements with new / existing steel manufacturers. Also, the fund requirement and deployment for our strategies are based purely on management estimates and assumptions considering the current market scenario and are subject to revision in the light of changes in external circumstances or costs. If we are unsuccessful in executing our strategic plan, or if the underlying estimates or assumptions used to develop our strategic plan are materially inaccurate, our business and financial condition would have an adverse impact.

RESULTS OF OUR OPERATIONS
(₹ in lakhs)

Particulars	As on September 30,		For the year ended on March 31,					
	2019	% of Total Income	2019	% of Total Income	2018	% of Total Income	2017	% of Total Income
INCOME:								
Revenue from Operations (Net)	2,249.55	99.44%	4,809.10	99.95%	4,209.49	99.91%	3,141.99	99.86%
Other Income	12.58	0.56%	2.45	0.05%	3.76	0.09%	4.26	0.14%
Total income	2,262.14	100.00%	4,811.55	100.00%	4,213.25	100.00%	3,146.25	100.00%
EXPENSES:								
Cost of Materials Consumed	842.70	37.25%	2,706.91	56.26%	1,912.23	45.39%	1,591.88	50.60%
Other Manufacturing Expenses	715.42	31.63%	1,683.87	35.00%	1,354.15	32.14%	1,153.84	36.67%
Changes in Inventories of finished goods, Work in Progress & Stock in Trade	314.74	13.91%	(334.20)	(6.95%)	291.44	6.92%	(167.04)	(5.31%)
Employee benefit expenses	84.71	3.74%	189.60	3.94%	166.69	3.96%	132.26	4.20%
Finance costs	105.17	4.65%	168.52	3.50%	156.30	3.71%	127.90	4.07%
Depreciation and Amortization Expenses	59.20	2.62%	107.51	2.23%	105.54	2.50%	79.93	2.54%
Other Expenses	106.01	4.69%	241.11	5.01%	179.21	4.25%	190.69	6.06%
Total expenses	2,227.94	98.49%	4,763.32	99.00%	4,165.57	98.87%	3,109.45	98.83%
Profit before Prior period item, exceptional item, extraordinary items and tax	34.20	1.51%	48.23	1.00%	47.69	1.13%	36.80	1.17%
Prior period items	-	-	-	-	-	-	-	-
Profit before exceptional item, extraordinary items and tax	34.20	1.51%	48.23	1.00%	47.69	1.13%	36.80	1.17%
Exceptional items	-	-	-	-	-	-	-	-
Profit before extraordinary items and tax	34.20	1.51%	48.23	1.00%	47.69	1.13%	36.80	1.17%
Extraordinary items	-	-	-	-	-	-	-	-
Net Profit / (Loss) before Tax	34.20	1.51%	48.23	1.00%	47.69	1.13%	36.80	1.17%
Less: Tax expense								
(a) Current Tax	6.85	0.30%	17.56	0.36%	11.73	0.28%	4.26	0.14%
(b) Deferred Tax	1.15	0.05%	2.45	0.05%	4.23	0.10%	7.80	0.25%
Total tax expense	8.00	0.35%	20.00	0.42%	15.96	0.38%	12.06	0.38%
Net Profit/(Loss) after tax	26.20	1.16%	28.23	0.59%	31.73	0.75%	24.74	0.79%

Main Components of our Profit and Loss Account

Income

Our total income comprises of revenue from operations and other income

Revenue from Operations

Our revenue from operations as a percentage of total income was 99.44% for the period ended September 30, 2019. Our revenue from operation as a percentage of total income was 99.95%, 99.91% and 99.86% respectively, for the fiscals 2019, 2018 and 2017.

Other Income

Our other income mainly comprises of interest income, dividend income and gain on sale of property, plant & equipments. Other income, as a percentage of total income was 0.56% for the period ended September 30, 2019 and 0.05%, 0.09% and 0.14% respectively, for the fiscals 2019 and 2018 respectively.

Expenditure

Our total expenditure primarily consists of Cost of Materials Consumed, Other Manufacturing Expenses, Change in Inventories, Employee Benefit Expenses, Finance Cost, Depreciation & Amortization and Other Expenses etc.

Cost of Material Consumed

Cost of Material Consumed includes various types of raw materials like steel, oil etc. to manufacture final product after adjustment of opening and closing stock of the same.

Employee Benefit Expenses

Expenses in relation to employee's remuneration and benefits include employee's remuneration and benefits etc.

Finance costs

Finance cost primarily consists of interest payable on borrowings availed by our company.

Depreciation Expenses

Depreciation Expenses consist of depreciation on the Tangible assets of our Company which primarily includes Computer, Furniture and Fixtures, Office Equipment, Cars etc.

Other Expenses

Other expenses mainly consist of Administrative Expenses, Selling and Distribution Expenses and Loss on sale of Property, Plant & Equipments.

Taxation & Deferred Tax

Income tax has been provided on the basis of current income tax rate on taxable income. Advance tax & TDS deducted will be set off against provisions for taxation at the time of finalization of Income tax assessment proceedings. The deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future.

Fiscal 2019 compared with fiscal 2018

Income

In fiscal 2019, our total income increased by ₹ 599.60 lakhs or 14.24%, from ₹ 4,209.49 lakhs in fiscal 2018 to ₹ 4,809.10 lakhs in fiscal 2019. The increase in the year 2019 was due to increase in demand from existing major customers as compared to last year.

Other income decreased by ₹ 1.31 lakhs or (34.77%), from ₹ 3.76 lakhs in fiscal 2018 to ₹ 2.45 lakhs in fiscal 2019.

Employee Benefit Expenses

Our staff cost increased by ₹ 22.91 lakhs or 12.77%, from ₹ 166.69 lakhs in fiscal 2018 to ₹ 189.60 lakhs in fiscal 2019. This increase was mainly due to several reasons among them some are hiring of additional work force as well as pay hikes as compared to last fiscal.

Financial Cost

Finance cost during the year was ₹ 168.52 lakhs as compared to ₹ 156.30 lakhs in previous year. Finance cost has increased due to charge of interest on new long term loan & working capital facilities as compare to previous year and also increase in bill discounting charges which is commensurate with increase in sales level.

Depreciation Expenses

Depreciation & Amortization expenses increases by ₹ 1.97 lakhs or 1.87% from ₹ 105.54 lakhs in fiscal 2018 to ₹ 107.51 lakhs in fiscal 2019. This increase was on account of net addition in various assets like Plant & Machinery, Motor car etc.

Other Expenses

Other expenses increased by ₹ 61.90 lakhs or 34.54% from ₹ 179.21 lakhs in fiscal 2018 to ₹ 241.11 lakhs in Fiscal 2019. The increase was majorly due to increase in certain expenses like Administrative Expenses, Selling & Distribution Expenses and Loss on sale of property, plant & equipments etc.

Profit/ (Loss) before Tax

Profit before Tax increased by ₹ 0.54 lakhs or 1.14% from ₹ 47.69 lakhs in fiscal 2018 to ₹ 48.23 lakhs in Fiscal 2019. The marginal increase was mainly on account of changes in factors mentioned above.

Profit/ (Loss) after Tax

After accounting for taxes at applicable rates, our Profit after Tax decreased by ₹ 3.50 lakhs or (11.02%), from positive ₹ 31.73 lakhs in fiscal 2018 to positive ₹ 28.23 lakhs in fiscal 2019.

Fiscal 2018 compared with fiscal 2017

Income

In fiscal 2018, our total income increased by ₹ 1,067.50 lakhs or 33.98 %, from ₹ 3,141.99 lakhs in fiscal 2017 to ₹ 4,209.49 lakhs in fiscal 2018. The increase in the year 2018 was majorly due to increase in sales to existing customers.

Other income decreased by ₹ 0.50 lakhs or (11.72%) from ₹ 4.26 lakhs in fiscal 2017 to ₹ 3.76 lakhs in fiscal 2018.

Employee Benefit Expenses

Our staff cost increased by ₹ 34.44 lakhs or 26.04%, from ₹ 132.26 lakhs in fiscal 2017 to ₹ 166.69 lakhs in fiscal 2018. This increase was mainly due to several reasons among them some are hiring of additional work force as well as pay hikes, increase in director's remuneration as compared to last fiscal

Finance Cost

Finance cost during the year was ₹ 156.30 lakhs as compared to ₹ 127.90 lakhs in the previous year. The increase was on account of increase in interest on new long term loan and increase in other borrowing cost.

Depreciation Expenses

Depreciation & Amortization expenses increases by ₹ 25.61 lakhs, or 32.04% from ₹ 79.93 lakhs in fiscal 2017 to ₹ 105.54 lakhs in Fiscal 2018. This major increase was on account of addition in Plant & Machinery of the Company.

Other Expenses

Other expenses decreased by ₹ 11.48 lakhs or (6.02%) from ₹ 190.69 lakhs in fiscal 2017 to ₹ 179.21 lakhs in Fiscal 2018. The decrease was majorly due to decrease in certain expenses like Administrative Expenses, Selling & Distribution Expenses etc.

Profit/ (Loss) before Tax

Profit before Tax increased by ₹ 10.89 lakhs or 29.58% from ₹ 36.80 lakhs in fiscal 2017 to ₹ 47.69 lakhs in Fiscal 2018. It was attributable to changes in factors mentioned above.

Profit/ (Loss) after Tax

After accounting for taxes at applicable rates, our Profit after Tax increased by ₹ 6.98 lakhs or 28.23% from positive ₹ 24.74 lakhs in fiscal 2017 to positive ₹ 31.73 lakhs in fiscal 2018.

Cash Flows

(₹ in lakhs)

Particulars	For period ending September 30,2019	For the year ended March 31		
		2019	2018	2017
Net Cash from Operating Activities	207.62	246.32	156.35	280.50
Net Cash from Investing Activities	(135.60)	(323.41)	(228.44)	(305.30)
Net Cash used in Financing Activities	(77.20)	83.29	76.56	(7.38)

Cash Flows from Operating Activities

Net cash from operating activities for the period ended September 30, 2019 was positive ₹ 207.62 lakhs as compared to the PBT of positive ₹ 34.20 lakhs for the same period. This difference is primarily on account of changes in inventories, Trade Payables and non cash expense – Depreciation, Finance Cost etc.

Net cash from operating activities in fiscal 2019 was positive ₹ 246.32 lakhs as compared to the PBT of positive ₹ 48.23 lakhs for the same period. This difference is primarily on account of changes in Trade Receivables, Trade Payables and non cash expense - Depreciation and Finance Cost.

Net cash from operating activities in fiscal 2018 was positive ₹ 156.35 lakhs as compared to the PBT of positive ₹ 47.69 lakhs for the same period. This difference is primarily on account of adjustment of non cash charges - Depreciation, finance cost & changes in inventories, short term provisions etc.

Net cash from operating activities in fiscal 2017 was positive ₹ 280.50 lakhs as compared to the PBT of positive ₹ 36.80 lakhs for the same period. This difference is primarily on account adjustment of non cash charges – Depreciation, finance cost, changes in trade payables, trade receivables etc.

Cash Flows from Investment Activities

For the period ended September 30, 2019 the net cash invested in Investing Activities was negative ₹ 135.60. This was majorly on account of purchase of various assets under Property, Plant and Equipments head.

In fiscal 2019, the net cash invested in Investing Activities was negative ₹ 323.41 lakhs. This was majorly on account of purchase of various assets under Property, Plant and Equipments head.

In fiscal 2018, the net cash invested in Investing Activities was negative ₹ 228.44 lakhs. This was majorly on account of purchase of various assets under Property, Plant and Equipments head.

In fiscal 2017, the net cash invested in Investing Activities was negative ₹ 305.30 lakhs. This was majorly on account of purchase of various assets under Property, Plant and Equipments head.

Cash Flows from Financing Activities

Net cash used in financing activities for the period ending September 30, 2019 was ₹ 77.20 lakhs. This was on account of increased finance cost.

Net cash from financing activities in fiscal 2019 was ₹ 83.29 lakhs. This was majorly on account of proceeds from Long and Short Term Borrowings.

Net cash from financing activities in fiscal 2018 was ₹ 76.56 lakhs. This was majorly on account of proceeds from Long and Short Term Borrowings.

Net cash used in financing activities in fiscal 2017 was ₹ 7.38 lakhs. This was on account of increased finance cost.

OTHER MATTERS

1. Unusual or infrequent events or transactions

Except as described in this Draft Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

2. Significant economic changes that materially affected or are likely to affect income from continuing Operations

Other than as described in the Section titled “*Financial Information*” and chapter titled “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*”, beginning on pages no.115 and 141 respectively of this Draft 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 no 16 and 141 respectively of this Draft Prospectus respectively, best to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our company from continuing operations.

4. Future relationship between Costs and Income

Other than as described in the chapter titled “*Risk Factors*” beginning on page no 16 of this Draft Prospectus, best to our knowledge there are no factors, which will affect the future relationship between costs and income or which are expected to have a material adverse impact on our operations and finances.

5. 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 volume of business activity carried out by the Company and introduction of new products in the market.

6. Status of any publicly announced new products or business segments

Please refer to the chapter titled “*Our Business*” beginning on page no. 73 of this Draft Prospectus.

7. The extent to which the business is seasonal.

Our business is not seasonal in nature.

8. Any significant dependence on a single or few customers

There is dependence on a few suppliers and customers. For the financial years ended March 31, 2019, March 31, 2018 and March 31, 2017 our top three (3) customers accounted for approximately 84.16%, 85.83% and 94.50% respectively of our total sales. The loss of a significant customer would have a material adverse effect on our financial results.

9. Competition Conditions

In India, nearly 60% of forging products are used by automotive industry and most of the forging companies are making products to cater to the automotive industry. We also majorly deals with automotive industry, hence competition faced by us is Cut-Throat. Some of the prominent name includes Hilton Metal Forging Limited, MM Forging Limited and Bharat Forge Limited etc.

The forging units may be classified as very large (capacity above 75,000 MT), large (capacity above 30,000 to 75,000 MT), medium (capacity above 12,500 to 30,000 MT), small (capacity above 5,000 to 12,500 MT) and very small (capacity up to 5,000 MT). We have to face completion from large number of players as according to the above classification we fall into very small unit category and it is seen that about 83% of the total number of units are small and very small, while only about 8% can be classified as very large and large units; the balance of about 9% constitute the medium sized units.

Also, we operate in a competitive industry where our competitors may have greater resources than those available to us. While product quality, brand value, etc are key factors in client's decisions among competitors, however price plays a deciding factor in most cases, which is most favorable to us as our business structure is such that we can survive in thinner profit margin as compared to our competitors. Apart from Sustained ability to offer competitive prices, other Competitive Advantage includes ability to supply wide range of products and timely delivery of products etc.

CAPITALIZATION STATEMENT

To,

**The Board of Directors,
Veltech Forging Limited**
Plot No H-39 & H-40,
Additional MIDC Area, Kudavli MIDC,
Murbad, Thane MH 421401

Sub: Veltech Forging Limited.

Dear Sir,

We have prepared the Statement of Capitalization based on the information & documents provided & relied upon for the purpose of inclusion of the same in the Draft Prospectus / Prospectus being issued by you. Statement of Capitalization is as under:

STATEMENT OF CAPITALIZATION, AS RESTATED

(₹ in lakhs)

Particulars	Pre Issue (as at September 30, 2019)	Pre Issue (as at December 31, 2019) ⁽¹⁾	Post Issue
Borrowings			
Short term debt (A)	784.54	784.54	784.54
Long Term Debt including Current Maturities (B)	717.85	717.85	717.85
Total debts (C=A+B)	1,502.39	1,502.39	1,502.39
Shareholders' funds			
Equity share capital (D)	200.00	600.00	[●]
Reserve and surplus - as restated (E)	601.68	201.68	[●]
Total shareholders' funds (F=D+E)	801.68	801.68	[●]
Long term debt / shareholders funds (A/F)	0.90	0.90	[●]
Total debt / shareholders funds (C/F)	1.87	1.87	[●]

⁽¹⁾ Post September 30, 2019, pursuant to Board Meeting held on December 28, 2019 the Company had issued 40, 00,000 Bonus Shares in the ration 2:1 i.e. 2 Bonus Shares for every 1 Share held, by way of capitalizing Securities Premium Account/Free Reserves of the Company.

Note: The above has been computed on the basis of Restated Financials of the Company.

For KRSHNA & Associates
Chartered Accountants
(Firm Registration No. 122950W)

CA Sandeep Maheshwari
Partner
Membership No: 046045
Place: Thane
Date: January 21, 2020

FINANCIAL INDEBTEDNESS

Set forth below, is a brief summary of our Company's borrowings as on September 30, 2019 together with a brief description of certain significant terms of such financing arrangements.

Nature of Borrowing	Amount (₹ in Lakhs)
Secured Borrowings ⁽¹⁾	1,343.39
Unsecured Borrowings	159.00
Total	1,502.39

⁽¹⁾ Includes 194.95 Lakhs shown under Current Liabilities as 'Current Maturities of Long Term Debt'.

I. DETAILS OF SECURED LOANS

A. Working Capital and Business Loans

(₹ in Lakhs)

Name of Lender	Type of Loan	Date of Sanction	Amount Sanctioned	Amount Outstanding as on September 30, 2019	Interest (in % p.a)	Repayment Schedule	Security
Apna Sahakari Bank Limited	Cash Credit for Working Capital ⁽²⁾	31-Mar-18	800	784.54	12.00	Repayable On Demand	See Note 1
Apna Sahakari Bank Limited	Working Capital Term Loan ⁽³⁾	22-Mar-16	100	17.91	13.00	In 72 Installments	See Note 2
Apna Sahakari Bank Limited	Plant & Machinery Term Loan 1 ⁽⁴⁾	22-Mar-16	400	185.51	13.00	In 72 Installments	
Apna Sahakari Bank Limited	Plant & Machinery Term Loan 3 ⁽⁵⁾	6-Dec-17	122	95.90	12.00	In 72 Installments	
Apna Sahakari Bank Limited	Plant & Machinery Term Loan 4	8-Oct-18	124	109.27	12.00	In 72 Installments	
Apna Sahakari Bank Limited	Plant & Machinery Term Loan 5	14-May-19	82	64.56	12.00	In 72 Installments	
Apna Sahakari Bank Limited	Land & Building Term Loan	14-May-19	32	30.75	12.00	In 72 Installments	See Note 3

⁽²⁾ Existing CC Limit of Rs 800.00 lakhs for working capital renewed till March 31, 2020.

⁽³⁾ Term Loan had been sanctioned under "CREDIT LINK CAPITAL SUBSIDY SCHEME" (CLCSS). Subsequently total amount of Working Capital Term Loan is fully repaid on 22-Oct-2019.

⁽⁴⁾ Term Loan had been sanctioned under "CREDIT LINK CAPITAL SUBSIDY SCHEME" (CLCSS).

⁽⁵⁾ The facility have been sanction under package scheme of Incentives 2013 (PSI 2103)

⁽⁶⁾ Rs 424.45 are outstanding on account of Bill Discounting and Payment received as on September 30, 2019 and disclosed as Contingent Liabilities. For details refer AXXIV

NOTE 1:
a) Primary Security:

Secured against Hypothecation of Stock and Book Debts

b) Collateral Security:

Company's immovable property i.e. Land & Building having area of 1850 Sq Meter & Constructed area of 25000 Sq Ft are part of collateral security and directors' have given personal guarantee for the same.

NOTE 2:
a) Primary Security

Secured against Mortgage of Plant & Machinery

b) Collateral Security

Company's immovable property i.e. Land & Building having area of 1850 Sq Meter & Constructed area of 25000 Sq Ft are part of collateral security and directors' have given personal guarantee for the same.

NOTE 3:
a) Primary Security

Secured against Mortgage of Land & Building

b) Collateral Security

Company's immovable property i.e. Land & Building having area of 1850 Sq Meter & Constructed area of 25000 Sq Ft are part of collateral security and directors' have given personal guarantee for the same.

B. Vehicle Loans

The Company has entered into arrangements with certain Banks and Financial Institutions as mentioned below:

- **From Banks:** ICICI Bank
- **From Financial Institutions:** BMW India Financial Services Pvt. Ltd.

The total amount outstanding as on September 30, 2019 from Banks and Financial Institution was Rs 3.96 Lakhs & Rs 51.00 Lakhs respectively. The rate of interest for the vehicle loans are 9.60% and 10.35% respectively. The vehicles acquired pursuant to these loans have been hypothecated with the respective lenders.

II. DETAILS OF UNSECURED LOANS:
C. Loan from Banks/ FIs/ NBFCs

Sr · N o	Name of Lender	Type of Loan	Sanction Amount	Amount Outstanding as on September 30, 2019	Interest (in % p.a)	Repayment Schedule
1	Bajaj Finance Limited	Business Term Loan	35.00	35.00	16.40	96 months
2	The Company has availed Bill Discounting Facility from Deutsche Bank at an interest rate of 9.50% p.a. Total amount outstanding as on September 30, 2019 is ₹ 96.71 Lakhs which is shown as Contingent Liability. For details refer Annexure - XXIII.					

- **Loan from Directors and others**

(₹ in lakhs)

Detail of Lender	Amount outstanding as on September 30, 2019
Mr V.M. Panchal	40.00
Mr. B.V. Panchal	1.00
Others ⁽⁷⁾	83.00
TOTAL	124.00

Note: The above loan from Directors carry any interest rate of 12.00% pa and are repayable on demand.

⁽⁷⁾ Loan from others has been repaid on December 05 and December 07, 2019.

SECTION VIII- LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no:(i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; or (iv) Material Litigation (as defined below); involving our Company, its Directors or its Promoters. Our Board, in its meeting held on January 13, 2020, determined that litigations involving the Company, Directors and its Promoters other than litigations which are in the nature of criminal, statutory/regulatory and taxation related matters:(a) where the monetary liability quantified exceeds ₹ 10,00,000/- (Rupees Ten Lakhs only); and (b) all such pending litigation whose outcome may have a material impact on the business, operations, prospects or reputation of our Company will be considered as material litigation (“Material Litigation”).

As per the materiality policy adopted by the Board of our Company in its meeting held on January 13, 2020, creditors of our Company to whom an amount exceeding ₹ 10,00,000/- (Rupees Ten Lakhs only)is owed by our Company are considered as ‘material’ creditors. Details of outstanding dues to micro, small and medium enterprises and other creditors as required under the SEBI Regulations have been disclosed on our website atwww.veltechfpl.com.

Our Company, Directors and Promoters are not Wilful Defaulters and there have been no violations of securities laws in the past or pending against them.

LITIGATION INVOLVING OUR COMPANY

A. LITIGATION AGAINST OUR COMPANY

1. Litigation involving Criminal matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

NIL

(ii) Indirect Taxes Liabilities

NIL

4. Other Pending Litigations

Petition bearing Stamp No. WP/1209/2015 filed under the Electricity Supplies Act, 1948 by Maharashtra State Electricity Distribution Company Limited against the Company.

On the basis of the information available in the records of the Hon’ble Bombay High Court, it appears that proceedings are instituted against the Company under the Electricity Supplies Act, 1948 by Maharashtra State Electricity Distribution Company Limited. While the matter appears to have been filed on January 16, 2015, till date, the Company has not been served in the matter. Hence, the Company is not aware of the cause of action in the matter. The case status of the above matter on the website of the Hon’ble Bombay High Court reflects that the matter is at the preadmission stage.

B. LITIGATION FILED BY OUR COMPANY

1. Litigation Involving Criminal matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

NIL

(ii) Indirect Taxes Liabilities

NIL

4. Other Pending Litigations

NIL

LITIGATION INVOLVING OUR DIRECTORS

A. LITIGATION AGAINST OUR DIRECTORS

1. Litigation Involving Criminal matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

NIL

(ii) Indirect Taxes Liabilities

NIL

4. Other Pending Litigations

NIL

B. LITIGATION FILED BY OUR DIRECTORS

1. Litigation Involving Criminal matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

NIL

(ii) Indirect Taxes Liabilities

NIL

4. Other Pending Litigations

NIL

LITIGATION INVOLVING OUR PROMOTERS

A. LITIGATION AGAINST OUR PROMOTERS

1. Litigation Involving Criminal matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

NIL

(ii) Indirect Tax Liabilities

NIL

4. Other Pending Litigations

NIL

B. LITIGATION FILED BY OUR PROMOTERS

1. Litigation Involving Criminal matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

NIL

(ii) Indirect Taxes Liabilities

NIL

4. Other Pending Litigations

NIL

Outstanding dues to creditors

The details of dues payable to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development, 2006 as of September 30, 2019 are as given below:

Particulars	Number of Creditors	Amount involved (₹ in lakhs)
Micro, Small and Medium Enterprise	19	81.30

As per the materiality policy, creditors of our Company to whom an amount exceeding ₹ 10,00,000/- (Rupees Ten Lakhs only) was outstanding, were considered 'material' creditors. Based on this criterion, our Company had the following creditors as on September 30, 2019:

Particulars	Number of Creditors	Amount involved (₹ in lakhs)
Micro, Small and Medium Enterprise	19	81.30
Material Creditors	10	426.73
Other Creditors	221	175.10

For further details, please see the website of the Company at www.veltechfpl.com.

Information provided on the website of our Company is not a part of this Draft Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, would be doing so at its own risk.

Disciplinary action including penalty imposed by SEBI or stock exchanges against the promoters in the last five financial years

There are no disciplinary actions including penalty imposed by SEBI or Stock Exchanges against the Promoters during the last 5 (five) financial years including outstanding actions.

Material developments occurring after last balance sheet date

Except as disclosed elsewhere in this Draft Prospectus, there have been no material developments that have occurred after the Last Balance Sheet Date. For further details, please see the chapter titled "Management Discussions and Analysis of Financial Conditions and Result of Operations" beginning on page no. 141.

GOVERNMENT AND OTHER KEY APPROVALS

Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities. In view of the approvals listed below, we can undertake the Issue and our current/ proposed business activities and no further major approvals from any governmental/regulatory authority or any other entity are required to be undertaken, in respect of the Issue or to continue our business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf.

The main objects clause of the Memorandum of Association of the Company and the other objects clause, enable our Company to carry out its activities.

I. APPROVALS FOR THE ISSUE

1. The Board of Directors have, pursuant to Section 62(1)(c) and other applicable provisions of the Companies Act, 2013, by a resolution passed at its meeting held on January 10, 2020 authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of our Company have, pursuant to Section 62(1)(c) of the Companies Act, 2013, by special resolution passed in the extra ordinary general meeting held on January 11, 2020 authorized the Issue.
3. In-principle approval dated [●] from the NSE Emerge for listing of the Equity Shares issued by our Company pursuant to the Issue.
4. Our Company's International Securities Identification Number (“ISIN”) is INE0C1001015.

II. APPROVALS PERTAINING TO INCORPORATION, NAME AND CONSTITUTION OF OUR COMPANY

1. Certificate of Incorporation, dated July 17, 1994 issued by the Registrar of Companies, Mumbai, in the name of “Veltech Forging Private Limited”.
2. Fresh Certificate of Incorporation Consequent upon Conversion from Private Company to Public Company dated January 10, 2020 issued to our Company by the Registrar of Companies, Mumbai consequent upon change of name of our Company from “Veltech Forging Private Limited” to “Veltech Forging Limited”.
3. The Corporate Identity Number of the Company is U27200MH1994PLC079501.

III. TAX RELATED APPROVALS

Sr. No.	Description	Registration/Approval/Certificate Number	Issuing Authority	Date of Issue	Date of Expiry
1.	Permanent Account Number (PAN)	AABCV0141M	Income Tax Department, Government of India	July 7, 1994	Valid until cancelled
2.	Tax Deduction Account Number (TAN)	PNEV04422F	Income Tax Department, Government of India	August 13, 2004	Valid until cancelled
3.	Certificate of Registration under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975.	27900276485P	Profession Tax Officer	November 30, 2012	Valid until cancelled

4.	Certificate of Enrolment under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975.	99240625927P	Commissioner of Sales tax	June 13, 2019	Valid Until Cancelled
5.	Certificate of Registration issued under the provisions of Central Goods and Service Tax Act, 2017 for premise at Plot H-40, Plot no. H 39, Additional MIDC Area, Kudavli village, Murbad, Thane, Maharashtra 421401.	27AABCV0141M1ZD	Government of India	December 11, 2018	Valid Until Cancelled

IV. BUSINESS RELATED APPROVALS

Sr. No.	Description	Registration/ Approval/ Certificate Number	Issuing Authority	Date of Issue	Date of Expiry
1.	Factory License under Factories Act, 1948 for Plot No. H-39 /H-40, Phase-1, Additional MIDC Industrial Area, Murbad, Thane 421401. Maximum no. of workers that can be employed on any day during the year- 200.	1681700222297	Directorate of Industrial Safety and Health	August 26, 2018	December 31, 2020
2.	Consent to Operate under Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981 and Hazardous and Other Waste (Management and Transboundary Movement) Rules, 2016 for the Manufacture of Forging Products (without blasting and heat treatment activity) max. qty 400.0 MT/month.	MPCB/19/232/1903000991	Maharashtra Pollution Control Board	March 16, 2019	March 31, 2024
3.	License to store petroleum under the Petroleum Act, 1934 at MIDC Murbad H-40 Phase I, Murbad, Thane, Maharashtra. Storage: 43.00 KL of Class C Petroleum (Furnace Oil/LDO)	A/P/WC/MH/15/2277 (P141219)	Joint Chief Controller of Explosives, West Circle, Mumbai	January 18, 2005	-
4.	Certificate of Verification under the Maharashtra Legal Metrology (Enforcement) Rules, 2011 in respect of NAWI- Electronic scale.	LCR No. CLM09602157	Inspector of Legal Metrology, Shahapur.	March 31, 2019	March 31, 2020
5.	Entrepreneurs Memorandum Acknowledgement as a Manufacturing enterprise	27-021-12-04343-Part II	Industries Inspector, Directorate of Industries,	June 28, 2012	Valid until cancelled

Sr. No.	Description	Registration/ Approval/ Certificate Number	Issuing Authority	Date of Issue	Date of Expiry
	under Small Category for the manufacture of Forges items and automobile forged parts.		Maharashtra.		
6.	Certificate of Importer-Exporter Code	0300058098	Foreign Trade Development Officer, Ministry of Commerce, Government of India.	January 19, 2001	Valid until cancelled
7.	Electricity Approval for Voltage: 22/0.433 kilo volt under Electricity Act, 2003. Permitted supply: 150 KW.	1662/2011	Office of Electricity Inspector, Mulund.	October 29, 2011	-
8.	Building Completion Certificate for 40, Phase I Addl. M.I.D.C., Industrial Area, Murbad - 421401, Dist. Thane	EE/SPA/AMIA/H-40/1841/ of 96	Deputy Engineer, MIDC Division, Dombivali	April 4, 1996	-
9.	Building Completion Certificate for 39, Phase I Addl. M.I.D.C., Industrial Area, Murbad - 421401, Dist. Thane	DE/Murbad/1455/of 2008	Deputy Engineer, MIDC Sub-Division, Murbad.	December 31, 2008	-
10.	Certificate of Stability under Rule 3A of the Maharashtra Factories Rules, 1963 for H-39 & 40, Phase I, Addl. M.I.D.C., Industrial Area, Murbad - 421401, Dist.-Thane.	-	Consulting Civil and Structural Engineer.	October 22, 2016	-
11.	ISO 9001:2015 for manufacture and supply of closed die forging in finished and semi-finished condition and forks assembly in accordance TUV India Procedures	QM 03 00331	TUV India Pvt. Ltd.	June 12, 2019	July 24, 2022
12.	Bonafide Member of Murbad Manufacturers Association Limited, Murbad.	-	Secretary, Murbad Manufacturers Association Limited, Murbad	November 26, 2002	-

V. LABOUR RELATED APPROVALS

Sr. No.	Description	Registration/ Approval/ Certificate Number	Issuing Authority	Date of Issue	Date of Expiry
1.	Certificate of Registration under the Employee Provident Fund	MH/41933	Regional Provident Fund Commissioner, Maharashtra and Goa	June 17, 1996	Valid Until cancelled
2.	Certificate of Registration under the Employee State Insurance Act, 1948.	34000323700000699	Asst./Dy. Director, Employees' State Insurance Corporation.	August 31, 2016	Valid Until Cancelled
3.	Certificate of	1710200710010839	Commissioner of	October 25,	December 31,





Sr. No.	Description	Registration/ Approval/ Certificate Number	Issuing Authority	Date of Issue	Date of Expiry
	Registration under Contract Labour (Regulation & Abolition) Act, 1970 for premises situated at Plot no. 40/39, Addl Murbad MIDC Industrial Area, Kalyan, Murbad, Thane, Maharashtra 421401. Total number of Contractor: 6 Total Number of Contract Labour: 57		Labour	2019	2020

VI. INTELLECTUAL PROPERTY

Sr. No	Particulars of the mark	Word/ Label Mark	Proprietor	Application/ Trademark Number and Date	Issuing Authority	Class	Status
1.	VELTECH FORGING	Word	The Company	4125798 March 22, 2019	Registrar of Trademarks	12	Registered
2.	VELTECH FORGING	Word	The Company	4125956 March 23, 2019	Registrar of Trademarks	35	Registered

VII. PENDING APPROVALS

1. INTELLECTUAL PROPERTY RELATED APPROVALS

Sr. No	Particulars of the mark	Word/ Label Mark	Proprietor	Application/ Trademark Number and Date	Class	Status
a.		Device	The Company	4125971 March 23, 2019	6	Pending
b.		Device	The Company	4126028 March 23, 2019	7	Pending
c.	VELTECH FORGING	Word	The Company	4125974 March 23, 2019	6	Pending
d.	VELTECH FORGING	Word	The Company	4126094 March 23, 2019	7	Pending
e.		Device	The Company	4125800 March 22, 2019	12	Pending
f.		Device	The Company	4125777 March 22, 2019	35	Pending

-
2. The Company is in the process of applying to the concerned authorities for obtaining fire approval in respect of its factory.

SECTION IX- OTHER REGULATORY AND STAUTORY DISCLOSURES

Authority for the Issue

Our Board of Directors have vide resolution dated January 10, 2020 authorized the Issue, subject to the approval by the shareholders of our Company under Section 62 (1) (C) of the Companies Act, 2013.

The shareholders have authorized the Issue, by passing a Special Resolution at the Extra-Ordinary General Meeting held with a shorter notice on January 11, 2020 in accordance with the provisions of Section 62 (1) (C) of the Companies Act, 2013.

The Company has obtained approval from NSE vide letter dated [●] to use the name of NSE in this Issue Document for listing of equity shares on the SME platform of the NSE EMERGE. NSE is the designated stock exchange.

Prohibition by SEBI or Governmental Authorities

We confirm that there is no prohibition on our Company, its Directors, Promoters and entities forming part of our Promoter Group, person in control of our Company from accessing the capital market or operating in the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority / court as on the date of this Draft Prospectus.

The listing of any securities of our Company has never been refused at any time by any of the stock exchanges in India.

Prohibition by RBI

Neither our Company nor any of our Promoters or Directors has been declared as wilful defaulter(s) by the RBI or any other governmental authority.

Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

Our Company is in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 (“SBO Rules”), to the extent applicable, as on the date of this Draft Prospectus.

Association with Securities Market

None of our Directors are 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 Promoters, Promoter Group”, “Group Compasny” and “Outstanding Litigations and Material Developments” beginning on page nos.16, 108, 113 and 154 respectively, of this Draft Prospectus.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with the Regulation 229 (1) of Chapter IX of the SEBI (ICDR) Regulations, 2018, whereby, an issuer whose post issue paid-up capital is not more than ten crore rupees. Our Company shall issue shares to the public and has proposed to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE).

As per Regulation 229 (3) of the SEBI ICDR Regulations, our Company satisfies track record and/or other eligibility conditions of NSE EMERGE in accordance with the Restated Standalone Financial Statements, prepared in accordance with the Companies Act and restated in accordance with the SEBI ICDR Regulations as below:

- Our Company was incorporated on July 07, 1994, with the Registrar of Companies, Mumbai under the Companies Act, 1956 in India.
- The Post-Issue paid up capital of the Company shall not be more than ₹ 10 Crores. The post Issue capital of our Company is ₹ 820.20 lakhs.
- Our Company has a track record of three years as on date of filing of this Draft Prospectus.

- Our Company has positive cash accruals (Earnings before depreciation and tax) from operations for at least 2 (two) financial years preceding the date of filing of this Draft Prospectus and the net worth of our Company is positive as per the latest audited financial statements.
- Our Company has not been referred to Board for Industrial and Financial Reconstruction (BIFR).
- No petition for winding up is admitted by a Court of competent jurisdiction against our Company.
- No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the applicant Company.
- Our Company has a website: www.veltechfpl.com

Our Company's net worth and cash accruals from operations (earnings before depreciation and tax), based on the Restated Financial Statements included in this Draft Prospectus for the period ended September 30, 2019 and for the last three Fiscals ended March 31, 2019, 2018 and 2017 are set forth below:

(₹ in lakhs)

Particulars	Period ended September 30, 2019	FY 2018-19	FY 2017-18	FY 2016-17
Net Worth	801.68	775.49	747.26	715.53
Cash Accruals	80.81	153.29	149.47	112.47

⁽¹⁾ Net Worth has been computed as the aggregate of equity shares capital and reserves (excluding revaluation reserves) and after deducting miscellaneous expenditure not written off, if any.

⁽²⁾ Cash accruals" has been defined as the Earnings before depreciation and tax from operations.

Other Disclosures:

- We have Disclosed all material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters/promoting Company(ies), group companies, companies promoted by the promoters/promoting Company(ies) of the applicant Company in the Draft Prospectus.
- There are no Defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the applicant, promoters/promoting Company(ies), group companies, companies promoted by the promoters/promoting Company(ies) during the past three years. Except as mentioned in the Draft Prospectus. An auditor's certificate will be provided by the issuer to the exchange, in this regard.
- We have Disclosed the details of the applicant, promoters/promoting Company(ies), group companies, companies promoted by the promoters/promoting Company(ies) litigation record, the nature of litigation, and status of litigation, For details, please refer the chapter "Outstanding Litigation & Material Developments" on page no. 154 of this Draft Prospectus.
- We have disclosed all details of the track record of the directors, the status of criminal cases filed or nature of the investigation being undertaken with regard to alleged commission of any offence by any of its directors and its effect on the business of the Company, where all or any of the directors of issuer have or has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences etc. For Details, refer the chapter "Outstanding Litigation & Material Developments" on page no. 154 of this Draft Prospectus.

As per Regulation 230 (1) of the SEBI ICDR Regulations, our Company has ensured that:

- The Draft Prospectus has been filed with NSE and our Company has made an application to NSE for listing of its Equity Shares on the NSE EMERGE platform. NSE is the Designated Stock Exchange.
- Our Company has entered into an agreement dated January 09, 2020 with NSDL and agreement dated January 09, 2020 with CDSL for dematerialisation of its Equity Shares already issued and proposed to be issued.
- The entire pre-Issue capital of our Company has shares fully paid-up Equity Shares and the Equity Shares proposed to be issued pursuant to this IPO will be fully paid-up.

- The entire Equity Shares held by the Promoters will be in dematerialised form before opening of the Issue for subscription.
- Our Company has made firm arrangements of finance through verifiable means towards seventy five per cent of the stated means of finance for funding from the issue proceeds, excluding the amount to be raised through the proposed public offer or through existing identifiable internal accruals. For details, please refer the chapter “*Objects of the Issue*” on page no. 56 of this Draft Prospectus.

Our Company confirms that it will ensure compliance with the conditions specified in Regulation 230 (2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Issue in terms of Regulation 228 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 228 of the SEBI ICDR Regulations are as follows:

- (a) Neither our Company nor our Promoter, members of our Promoter Group or our Directors are debarred from accessing the capital markets by the SEBI.
- (b) None of our Promoters or Directors are promoters or directors of companies which are debarred from accessing the capital markets by the SEBI.
- (c) Neither our Company nor our Promoters or Directors is a wilful defaulter.
- (d) None of our Promoters or Directors is a fugitive economic offender.

We further confirm that we shall be complying with all other requirements as laid down for such offer under Chapter IX of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

Further, in accordance with Regulation 268 (1) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within eight (8) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act 2013. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF PROSPECTUS TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER 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, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT PROSPECTUS, THE LEAD MERCHANT BANKER ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, ARYAMAN FINANCIAL SERVICES LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED [●].

THE FILING OF THE DRAFT PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT PROSPECTUS.

Note:

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Draft Prospectus with the RoC in terms of section 26 and 30 of the Companies Act, 2013.

Disclaimer from our Company and the Lead Manager

Our Company and the Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

Disclaimer in respect of Jurisdiction

This Issue is being made in India to persons resident in India including Indian nationals resident in India (who are not minors, except through their legal guardian), Hindu Undivided Families (HUFs), companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to non-residents including NRIs and FIIs. The Draft Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Draft Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this issue will be subject to the jurisdiction of appropriate court(s) in 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. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and the Draft Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been any change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Disclaimer Clause under Rule 144A of the U.S. Securities Act

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applicants may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Disclaimer Clause of the NSE

As required, a copy of the Draft Prospectus shall be submitted to the NSE EMERGE. The Disclaimer Clause as intimated by the SME Platform of National Stock Exchange Limited i.e. NSE EMERGE to us, post scrutiny of the Draft Prospectus, shall be included in the Prospectus prior to the filing with RoC.

Listing

Application have been made to Emerge Platform of National Stock Exchange of India Limited for obtaining permission for listing of the Equity Shares being offered 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.

If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by NSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the prospectus. The allotment letters shall be issued or application money shall be refunded / unblocked within fifteen days from the closure of the Issue or such lesser time as may be specified by Securities and Exchange Board or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent per annum for the delayed period as prescribed under Companies Act, 2013, the SEBI (ICDR) Regulations and other applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Emerge Platform of National Stock Exchange of India Limited mentioned above are taken within 6 Working Days of the Issue Closing Date.

The Company has obtained approval from NSE vide letter dated [●] to use the name of NSE in this Offer document for listing of equity shares on Emerge Platform of National Stock Exchange of India Limited.

Consents

Consents in writing of: (a) the Directors, the Chief Financial Officer, Company Secretary & Compliance Officer and the Statutory Auditor; and (b) the Lead Manager, Registrar to the Issue, the Legal Advisor to the Issue, Banker to the Company*, Banker to the Issue*, Market Maker and Underwriters to act in their respective capacities, have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Section 26 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

**The aforesaid will be appointed prior to filing of the Prospectus with RoC and their consents as above would be obtained prior to the filing of the Prospectus with RoC.*

In accordance with the Companies Act, 2013 and the SEBI (ICDR) Regulations, M/s. Krshna & Associates, Chartered Accountants, have provided their written consent to the inclusion of their reports dated January 21, 2020 on Restated Financial Statements and to the inclusion of their reports dated January 21, 2020 on Statement of Tax Benefits, which may be available to the Company and its shareholders, included in this Draft Prospectus in the form and context in which they appear therein and such consents and reports have not been withdrawn up to the time of filing of this Draft Prospectus.

Expert Opinion

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

Our Company has received written consent from the Statutory Auditor namely, M/s. Krshna & Associates, Chartered Accountants to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Prospectus and as “Expert” as defined under section 2(38) of the Companies Act, 2013 in respect of the reports on the Statement of Tax Benefits dated January 21, 2020 and on the Restated Financial Statements dated January 21, 2020 and issued by them, included in this Draft Prospectus and such consent has not been withdrawn as on the date of this Draft Prospectus.

However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

CAPITAL ISSUE DURING THE LAST FIVE YEARS

Previous Public and Rights Issues

We have not made any rights and public issues in the past, and we are an “Unlisted Company” in terms of the SEBI (ICDR) Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations.

Previous Issues of Equity Shares otherwise than for Cash

Except as stated in the chapter titled “*Capital Structure*” beginning on page no 46 of this Draft 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 Listed Group Companies / Subsidiaries / Associates

None of our Group Companies / Subsidiaries / Associates that are listed on any Stock Exchange has made any Capital Issue in the last three (3) years.

PERFORMANCE VIS-À-VIS OBJECTS**Issuer Company**

Our Company has not made any public issue (including any rights issue to the public) since its incorporation.

Listed Group Companies / Subsidiaries / Associate Companies

None of our Group Companies / Subsidiaries / Associates is listed on any Stock Exchange and not made any rights and public issues in the past ten (10) years.

OUTSTANDING DEBENTURES, BONDS, REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS ISSUED BY THE COMPANY

The Company has no outstanding debentures or bonds. The Company has not issued any redeemable preference shares or other instruments in the past.

Price Information of past issues handled by the Lead Manager

Sr. No.	Issue Name	Issue size (₹Cr.)	Issue Price (₹)	Listing date	Opening price on listing date	+/- % change in Price on closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing	
1	Valencia Nutrition Limited	7.23	46.00	1/6/2020	46.45	NA	NA	NA	NA	NA	NA
2	Vishwaraj Sugar Industries Limited	60.00	60.00	10/15/2019	61.20	10.83%	4.62%	50.33%	8.71%	NA	NA
3	Galactico Corporate Services Limited	3.70	23.00	10/9/2019	23.20	0.00%	5.62%	6.96%	7.05%	NA	NA
4	Shiv Aum Steels Limited	15.84	44.00	10/1/2019	44.25	0.57%	4.56%	2.27%	7.89%	NA	NA
5	Transpact Enterprises Limited	1.35	130.00	9/5/2019	132.50	4.62%	2.81%	1.54%	11.48%	NA	NA
6	Meera Industries Limited ⁽¹⁾	11.75	225.00	6/26/2019	215.00	-6.04%	-4.32%	-17.78%	-1.25%	-45.56%	5.18%
7	Roopshri Resorts Limited	3.60	20.00	4/1/2019	20.25	1.25%	0.41%	1.25%	1.34%	12.00%	-0.13%
8	Gleam Fabmat Limited	3.12	10.00	3/5/2019	9.00	-36.50%	6.15%	-45.40%	10.50%	-67.50%	2.44%
9	DRS Dilip Roadlines Limited	31.50	75.00	12/10/2018	75.15	1.33%	3.50%	0.33%	5.21%	0.67%	13.18%
10	Roni Households Limited	3.00	20.00	12/3/2018	20.05	25.00%	-0.96%	25.00%	-0.49%	25.50%	9.58%

1) Equity Shares of Meera Industries Limited was listed on May 15, 2017 on BSE Limited. Aryaman Financial Services Limited was appointed as lead manager for the Further Public Issue by the Company on BSE Limited pursuant to which its additional shares were listed on June 26, 2019.

Summary Statement of Disclosure

Financial Year	Total no. of IPOs	Total Funds Raised (₹in Cr.)	Nos. of IPOs trading at discount - 30 th calendar day from listing day			Nos. of IPOs trading at premium - 30 th calendar day from listing day			Nos. of IPOs trading at discount - 180 th calendar day from listing day			Nos. of IPOs trading at premium - 180 th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2019-20	7 ⁽¹⁾⁽²⁾	103.47	0	0	1	0	0	4	0	1	0	0	0	1
2018-19	14 ⁽³⁾	327.66	0	1	1	0	1	9	1	0	2	1	1	9
2017-18	16	318.24	1	1	4	1	1	8	3	3	3	0	0	6

⁽¹⁾ Details indicated in 2019-20 are for the IPOs completed as on date.

⁽²⁾ As on the 30th Calendar day from the listing day, the price of Galactico Corporate Services Limited is exactly equal to its Issue Price and hence it is neither trading at Premium or Discount.

⁽³⁾ As on the 30th and 90th Calendar day from the listing day, the price of Silgo Retail Limited and 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.

Notes:

- a) Since the listing date of Valencia Nutrition Limited was January 06, 2020 information related to closing price and benchmark index as on the 30th Calendar day, 90th Calendar day and 180th Calendar day from the listing date is not available
- b) Since the listing date of Vishwaraj Sugar Industries Limited, Galactico Corporate Services Limited, Shiv Aum Steels Limited, Transpact Enterprises Limited was October 15, 2019, October 09, 2019, October 01, 2019 and September 05, 2019 respectively, information related to closing price and benchmark index as on the 180th Calendar day from the listing date is not available.
- c) The respective Designated Stock Exchange for each Issue has been considered as the Benchmark index for each of the above Issues.
- d) 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.
- e) Source: www.bseindia.com and www.nseindia.com BSE Sensex and Nifty Fifty as the Benchmark Indices.

Track record of past issues handled by the Lead Manager

For details regarding the track record of the Lead Manager to the Issue as specified in Circular reference CIR/MIRSD/1/ 2012 dated January 10, 2012 issued by the SEBI, please see the website of Aryaman Financial Services Limited – www.afsl.co.in

DISPOSAL OF INVESTOR GRIEVANCES

Mechanism for Redressal of Investor Grievances

The Company has appointed Big Share Services Private Limited as the Registrar to the Issue, to handle the investor grievances in co-ordination with the Compliance Officer of the Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

The Registrar to the Issue will handle investor’s grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be co-ordinating with the Registrar to the Issue in attending to the grievances to the investor.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

The Company shall obtain authentication on the SCORES and comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 in relation to redressal of investor grievances through SCORES

Our Board by a resolution on January 13, 2020 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. Vivek Redkar	Non-Executive Independent Director	Chairman
Mr. Virabhai Panchal	Chairman & Managing Director	Member
Mr. Bhavesh Panchal	Whole-Time Director	Member

For further details, please see the chapter titled “*Our Management*” beginning on page no. 95 of this Draft Prospectus.

The Company has also appointed Mr. Sagar Sawant as the Company Secretary and Compliance Officer for this Issue and he may be contacted at the Registered Office of our Company. The contact details are as follows:

Name: Mr. Sagar Sawant

Address: Plot No H-39 & H-40, Additional MIDC Area, Kudavli, MIDC, Murbad, Thane - 421401.

Tel No: +91-2524-222162

Email: info@veltechfpl.com

Website: www.veltechfpl.com

Investors can contact the Compliance Officer or the Registrar to the Issue or the Lead Manager in case of any pre- Issue or post- Issue related problems, such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary accounts and refund orders.

Status of Investor Complaints

We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Prospectus and hence there are no pending investor complaints as on the date of this Draft Prospectus.

DISPOSAL OF INVESTOR GRIEVANCES BY LISTED COMPANIES UNDER THE SAME MANAGEMENT

For details of Investor Grievances by Listed Companies under the same Management, see the chapter “*Our Group Company*” beginning on page no. 113 of this Draft Prospectus.

SECTION X- ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, SEBI Listing Regulations, SCRA, SCRR, our Memorandum and Articles of Association, the terms of this Draft Prospectus, the Prospectus, the Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, RBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Issue.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment.

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investors may visit the official websites of the concerned stock exchanges for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association, SEBI ICDR Regulations, SCRA and shall rank pari-passu in all respects including dividend with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment.

For further details, please see the section titled "Main Provisions of the Articles of Association" beginning on page no. 198 of this Draft Prospectus.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum and Articles of Association and provisions of the SEBI Listing Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment (pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the Applicants who have been Allotted Equity Shares in the Issue, for the entire year, in accordance with applicable laws. For further details, in relation to dividends, see "Dividend Policy" and "Main Provisions of the Articles of Association" beginning on page nos. 114 and 198 of this Draft Prospectus.

Face Value and Issue Price

The Equity Shares having a face value of ₹ 10 each are being issued in terms of this Draft Prospectus at the price of ₹ [●] per Equity Share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the chapter titled "Basis for Issue Price" beginning on page no. 61 of this Draft Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- ✓ Right to receive dividend, if declared;
- ✓ Right to attend general meetings and exercise voting rights, unless prohibited by law;
- ✓ Right to vote on a poll either in person or by proxy and e-voting, in accordance with the provisions of the Companies Act;
- ✓ Right to receive offer for rights shares and be allotted bonus shares, if announced;

- ✓ Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- ✓ Right of free transferability of the Equity Shares, subject to applicable laws including any RBI rules and regulations; and
- ✓ Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the listing agreements with the Stock Exchange and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien and / or consolidation / splitting, etc., please see the section titled "*Main Provisions of Articles of Association* " beginning on page no. 198 of this Draft Prospectus.

Allotment only in Dematerialised Form

In terms of Section 29 of Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar and Share Transfer Agent to the Issue:

- 1) Tripartite agreement dated January 09, 2020 between our Company, NSDL and the Registrar and Share Transfer Agent to the Issue.
- 2) Tripartite agreement dated January 09, 2020 between our Company, CDSL and the Registrar and Share Transfer Agent to the Issue.

Market Lot and Trading Lot

Trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares in terms of the SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012 and the same may be modified by NSE from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity Share subject to a minimum allotment of [●] Equity Shares to the successful Applicants.

Minimum Number of Allottees

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be refunded within 6 Working days of closure of issue.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

Nomination Facility to Investor

In accordance with Section 72 of the Companies Act, 2013 and the rules made there under, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 (3) of the Companies Act, 2013, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in accordance to Section 72 (4) of the Companies Act, 2013, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Articles of Association of the Company, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

- ✓ to register himself or herself as the holder of the Equity Shares; or
- ✓ to make such transfer of the Equity Shares, as the deceased holder could have made

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

In case the allotment of Equity Shares is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Withdrawal of the Issue

Our Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before the Board meeting for Allotment. In such an event our Company would issue a public notice in the newspapers, in which the pre-issue advertisements were published, within two days of the issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Applicants within one day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange on which the Equity Shares were proposed to be listed. Notwithstanding the foregoing, 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 Prospectus.

ISSUE PROGRAMME

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

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

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

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

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Draft Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically

experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Business Days. Neither our Company nor the Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

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

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

Minimum Subscription

The requirement for 90% minimum subscription is not applicable to Issues under chapter IX of the SEBI ICDR Regulations.

In accordance with Regulation 260 (1) of the SEBI ICDR Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the Issue through the Prospectus and shall not be restricted to the minimum subscription level. Further, in accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than ₹ 1,00,000 (Rupees One Lac) per application.

As per Section 39 of the Companies Act, 2013, if the minimum stated amount has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Draft Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the offer through the offer including devolvement of Underwriter, if any, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight (8) working days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI ICDR Regulations, the Companies Act 2013 and applicable law.

Arrangements for Disposal of Odd Lots

The trading of the Equity Shares will happen in the minimum contract size of [●] shares. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the NSE EMERGE Platform.

Restrictions, if any, on transfer and transmission of shares or debentures and on their consolidation or splitting

Except for the lock-in of the pre-Issue capital of our Company, Promoter' Contribution and the public lock-in as provided in "*Capital Structure*" beginning on page no. 46 of this Draft Prospectus and except as provided in our Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details, see "*Main Provisions of the Articles of Association*" beginning on page no. 198 of this Draft Prospectus.

New Financial Instruments

The Issuer Company is not issuing any new financial instruments through this Issue.

Allotment of Securities in Dematerialised Form

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange.

Migration to Main Board

NSE Circular dated March 10, 2014, our Company will have to be mandatorily listed and traded on the SME Platform of the NSE for a minimum period of two years from the date of listing and only after that it can migrate to the Main Board of the NSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter IX of the SEBI (ICDR) Regulations.

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018, our Company may migrate to the main board of NSE from the SME Exchange on a later date subject to the following:

- If the Paid up Capital of the Company is likely to increase above ₹ 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the Company has obtained in-principal approval from the main board), we shall have to apply to NSE for listing our shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.
- If the Paid up Capital of the Company is more than ₹ 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 promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Market Making

The shares issued through this Issue are proposed to be listed on the SME Platform of NSE (SME Exchange), wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Maker of the SME Exchange for a minimum period of three years from the date of listing on the SME Platform of NSE.

For further details of the agreement entered into between our Company, the Lead Manager and the Market Maker, please see the chapter titled "*General Information - Details of the Market Making Arrangement for this Issue*" beginning on page no. 38 of this Draft Prospectus.

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229(1) of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue face value capital does not exceed more than ten crore rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the EMERGE Platform of NSE). For further details regarding the salient features and terms of such this Issue, please see the chapters titled "Terms of the Issue" and "Issue Procedure" beginning on page nos. 173 and 180 respectively, of this Draft Prospectus.

Following is the issue structure:

Public Issue of upto 22,02,000 Equity Shares of ₹ 10 each (the "Equity Shares") for cash at a price of ₹ [●] per Equity Share (including a Share premium of ₹ [●] per Equity Share) aggregating to ₹ [●] lakhs ("the Issue") by Veltech Forging Limited ("VFL" or the "Company").

The Issue comprises a reservation of upto 1,14,000 Equity Shares of ₹ 10 each for subscription by the designated Market Maker ("the Market Maker Reservation Portion") and Net Issue to Public of upto 20,88,000 Equity Shares of ₹ 10 each ("the Net Issue"). The Issue and the Net Issue will constitute 26.85% and 25.46% respectively of the post issue paid up equity share capital of the Company. The Issue is being made through the Fixed Price Process:

Particulars of the Issue	Net Issue to Public	Market Maker Reservation Portion
Number of Equity Shares available for allocation	Upto 20,88,000 Equity Shares	Upto 1,14,000 Equity Shares
Percentage of Issue Size available for allocation	94.82% of the Issue Size	5.18 % of the Issue Size
Basis of Allotment	Proportionate subject to minimum allotment of [●] Equity Shares and further allotment in multiples of [●] Equity Shares each.	Firm Allotment
Mode of Application	Through ASBA Process Only	Through ASBA Process Only
Minimum Application Size	<p><i>For QIB and NII:</i></p> <p>Such number of Equity Shares in multiples of [●] Equity Shares such that the Application Value exceeds ₹ 2,00,000.</p> <p><i>For Retail Individuals:</i></p> <p>[●] Equity Shares</p>	Upto 1,14,000 Equity Shares
Maximum Application Size	<p><i>For QIB and NII:</i></p> <p>Such number of Equity Shares in multiples of [●] Equity Shares such that the Application Size does not exceed Upto 20,88,000 Equity Shares.</p> <p><i>For Retail Individuals:</i></p> <p>Such number of Equity Shares in multiples of [●] Equity Shares such that the Application Value does not exceed ₹ 2,00,000.</p>	1,14,000 Equity Shares
Mode of Allotment	Dematerialized Form	Dematerialized Form
Trading Lot	[●] Equity Shares	[●] Equity Shares, However the Market Maker may buy odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.
Terms of Payment	The entire Application Amount shall be blocked by the SCSBs in the bank account of Applicants, or by the Sponsor Banks through UPI mechanism (for RIIs using the UPI mechanism) at the time of the submission of the Application Form	
Application Lot Size	[●] Equity Share and in multiples of [●] Equity Shares thereafter	

Note:

- 50% of the Equity Share offered are reserved for allocation to Applicants below or equal to ₹ 2.00 lakhs and the balance for higher amount Applications.
- In case of joint Applications, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Applicant would be required in the Application Form and such First Applicant would be deemed to have signed on behalf of the joint holders.
- Applicants will be required to confirm and will be deemed to have represented to our Company, the Lead Manager, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares in this Issue.
- 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:

Issue Price(in ₹)	Lot Size (No. of shares)
Up to 14	10,000
More than 14 up to 18	8,000
More than 18 up to 25	6,000
More than 25 up to 35	4,000
More than 35 up to 50	3,000
More than 50 up to 70	2,000
More than 70 up to 90	1,600
More than 90 up to 120	1,200
More than 120 up to 150	1,000
More than 150 up to 180	800
More than 180 up to 250	600
More than 250 up to 350	400
More than 350 up to 500	300
More than 500 up to 600	240
More than 600 up to 750	200
More than 750 up to 1,000	160
Above 1,000	100

Further to the Circular, at the Initial Public Offer stage the Registrar to Issue in consultation with Lead Manager, our Company and National Stock Exchange of India Limited shall ensure to finalize the basis of allotment in minimum lots and in multiples of minimum lot size, as per the above given table. The secondary market trading lot size shall be the same, as shall be the IPO Lot Size at the application/allotment stage, facilitating secondary market trading.

ISSUE PROCEDURE

All Applicants should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI and updated pursuant to the circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016, circular (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and circular SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018 (the “General Information Document”), which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, and the SEBI Regulations. The General Information Document is available on the websites of the Stock Exchanges and the LMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

The General Information Documents to be included will be updated to reflect the enactments and regulations including the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, SEBI Listing Regulations and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document will also be available on the websites of the Stock Exchange and the Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

All Designated Intermediaries in relation to the Issue should ensure compliance with the SEBI circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, as amended and modified by the SEBI circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 01, 2018, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles as amended and modified by the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 03, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019.

With effect from July 01, 2019, with respect to Applications by RIIs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Applications with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”), Further pursuant to SEBI Circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 UPI Phase II was extended till March 31, 2020. Subsequently, the final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs (“UPI Phase III”), as may be prescribed by SEBI

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and Lead Manager would not be able to include any amendment, modification or change in applicable law, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that their Application do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus and the Prospectus.

This section applies to all the Applicants, please note that all the Applicants are required to make payment of the full Application Amount along with the Application Form.

Phased implementation of Unified Payments Interface

SEBI has issued a circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 (collectively the “UPI Circulars”) in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, UPI will be introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six working days to up to three working days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circular proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

Phase I: This phase has become applicable from January 1, 2019 and will continue till June 30, 2019. Under this phase, a Retail Individual Applicant would also have the option to submit the Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six Working Days.

Phase II: This phase commenced on completion of Phase I and will continue till March 31, 2020. Under this phase, submission of the Application Form by a Retail Individual Applicant through intermediaries to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase.

Phase III: Subsequently, the time duration from public issue closure to listing would be reduced to be three Working Days.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The Issuers are to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Applicants into the UPI mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Lead Manager.

FIXED PRICE ISSUE PROCEDURE

The Issue is being made in compliance with the provisions of Reg. 229(1) of Chapter IX of the SEBI (ICDR) Regulations, 2018 and through the Fixed Price Process wherein 50% of the Net Issue to Public is being offered to the Retail Individual Applicants and the balance shall be offered to Non Retail Category i.e. QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject compliance with Regulation 253(2) of the SEBI ICDR Regulations and subject to valid Applications being received from them at or above the Issue Price.

Subject to the valid Applications being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.

Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. The Application Forms which do not have the details of the Applicant's depository account including DP ID, PAN and Beneficiary Account Number/UPI ID (as applicable) shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchanges, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

APPLICATION FORM

All Applicants shall mandatorily participate in the Issue only through the ASBA process. ASBA Applicants (other than Applicants using the UPI Mechanism) must provide bank account details and authorisation to block funds in the relevant space provided in the Application Form and the Application Forms that do not contain such details are liable to be rejected. Further Retail Individual Applicants may participate in the Offer through UPI by providing details in the relevant space provided in the Application Form and the Application Forms that do not contain the UPI ID are liable to be rejected.

ASBA Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of Electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected.

Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and the Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the NSE (www.nseindia.com), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour ⁽¹⁾
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis	Blue

⁽¹⁾ Excluding electronic Application Form

Designated Intermediaries shall submit Application Forms (except the Application Form for a Retail Applicant using the UPI Mechanism) to SCSBs and shall not submit it to any non-SCSB bank.

In case of ASBA Forms, Designated Intermediaries shall upload the relevant Application details in the electronic Bidding system of the Stock Exchanges. Subsequently, for ASBA Forms (other than RIIs using UPI mechanism) Designated Intermediaries (other than SCSBs) shall submit/deliver the Application Form (except the Application Form from a RIIs using the UPI mechanism) to the respective SCSB, where the Applicant has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank. For RIIs using UPI mechanism, the Stock Exchanges shall share the Application details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIIs for blocking of funds.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Who Can Apply?

In addition to the category of Applicants set forth in the *General Information Document*, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines:

- Scientific and/or industrial research organizations in India, which are authorised to invest in equity shares; and
- Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

PARTICIPATION BY ASSOCIATES/AFFILIATES OF LEAD MANAGER, PROMOTERS, PROMOTER GROUP AND PERSONS RELATED TO PROMOTERS /PROMOTER GROUP

The Lead Manager shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Portion where the allotment is on a proportionate basis.

The Promoters, Promoter Group, Lead Manager and any persons related to the Lead Manager (except Mutual Funds sponsored by entities related to the Lead Manager) cannot apply in the Issue.

APPLICATION BY MUTUAL FUNDS

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

The Applications made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

APPLICATION by HUFs

Applications by HUFs Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs may be considered at par with Applications from individuals.

APPLICATION BY ELIGIBLE NRIs

Eligible NRIs may obtain copies of Application Form from the Designated Intermediaries. Eligible NRI Applicant applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") ASBA Accounts, and eligible NRI Applicant applying on a non-repatriation basis by using Resident Forms should authorize their SCSB or should confirm/accept the UPI Mandate Request (in case of RIBs applying using the UPI Mechanism) to block their Non-Resident Ordinary ("NRO") accounts for the full Application Amount, at the time of the submission of the Application Form. However, NRIs applying in the Offer through the UPI Mechanism are advised to enquire with the relevant bank where their account is UPI linked prior to submitting their Application.

Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non- Residents (blue in colour).

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents. (White in colour).

Pursuant to the provisions of the FEMA regulations, investments by NRIs under the Portfolio Investment Scheme ("PIS") are subject to certain limits, i.e., 10.00% of the paid-up equity share capital of the Company. Such limit for NRI investment under the PIS route can be increased by passing a board resolution, followed by a special resolution by the shareholders, subject to prior intimation to the RBI. Our Company has not passed any resolution to increase this limit.

APPLICATION BY INDIAN PUBLIC INCLUDING ELIGIBLE NRIS APPLYING ON NON-REPATRIATION

Application must be made only in the names of individuals, limited companies or statutory corporations / institutions and not in the names of minors (other than minor having valid depository accounts as per demographic details provided by the depository), foreign nationals, non-residents (except for those applying on non-repatriation), trusts, (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families (HUF), partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF.

Eligible NRIs applying on a non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE / FCNR accounts as well as NRO accounts.

An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public.

APPLICATION BY FPI AND FIIs

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Issue, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In case of Applications made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Application Form, failing which our Company reserves the right to reject any Application without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Applications made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Application Form, failing which our Company reserves the right to reject any Application without assigning any reason.

In terms of the SEBI FPI Regulations, the Issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10.00% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10.00% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a Company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10.00% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, only Category I FPIs, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons eligible to be registered as Category I FPIs; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI may transfer offshore derivative instruments to persons compliant with the requirements of Regulation 21(1) of the SEBI FPI Regulations and subject to receipt of consent except where pre - approval is provided.

FPIs who wish to participate in the Issue are advised to use the Application Form for Non-Residents (blue in colour).

APPLICATION BY SEBI REGISTERED ALTERNATIVE INVESTMENT FUND (AIF), VENTURE CAPITAL 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. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an

initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Our Company or the Lead manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.

APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS

In case of applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing which, the Company reserves the right to reject any application, without assigning any reason thereof.

APPLICATIONS BY INSURANCE COMPANIES

In case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof.

The exposure norms for insurers prescribed in Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 (“IRDAI Investment Regulations”) are set forth below:

- a. Equity shares of a Company: the lower of 10%⁽¹⁾ of the investee Company’s outstanding equity shares (face value) or 10% of the respective fund in case of a life insurer/investment assets in case of a general insurer or a reinsurer;
- b. The entire group of the investee Company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or a reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- c. The industry sector in which the investee Company operates: not more than 15% of the respective fund of a life insurer or general insurance or 15% of the investment assets, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under points (i), (ii) or (iii) above, as the case may be.

⁽¹⁾ The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 500,000 million or more but less than ₹ 2,500,000 million.

Insurer companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by the IRDA from time to time including the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 (“**IRDA Investment Regulations**”).

APPLICATION BY PROVIDENT FUNDS / PENSION FUNDS

In case of applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 25 Crores, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Application Form. Failing this, the Company reserves the right to reject any application, without assigning any reason thereof.

APPLICATION BY SYSTEMICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES

In case of Applications made by systemically important non-banking financial companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application, without assigning any reason thereof. Systemically Important Non Banking Financial Companies participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

APPLICATIONS BY BANKING COMPANIES

In case of Applications made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking Company's investment committee are required to be attached to the Application Form, failing which our Company reserve the right to reject any Application without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended ("Banking Regulation Act"), and the Reserve Bank of India ("Financial Services provided by Banks") Directions, 2016, is 10% of the paid-up share capital of the investee Company not being its subsidiary engaged in non-financial services or 10% of the banks own paid-up share capital and reserves, whichever is lower. However, a banking Company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee Company if (i) the investee Company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks' interest on loans / investments made to a Company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking Company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services Company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a non-financial services Company in excess of 10% of such investee Company's paid up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016. Further, the aggregate investment by Banking Company in subsidiaries and other entities engaged in financial and non-financial services Company cannot exceed 20% of the investee Company's paid-up share capital and reserves.

APPLICATIONS BY SCSBS

SCSBS participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 02, 2013. Such SCSBS are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBS. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

APPLICATION UNDER POWER OF ATTORNEY

In case of Applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, Eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable, must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof. Our Company in consultation with the Lead manager, in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form.

The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

Participation by associates and affiliates of the Lead Manager

The Lead Manager shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Issue in non Retail Portion, where the allocation is on a proportionate basis.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, our Company shall, after registering the Prospectus with the RoC, publish a pre-issue advertisement, in the form prescribed by the SEBI Regulations, in one English language national daily newspaper, one Hindi language national daily newspaper and one regional language daily newspaper, each with wide circulation. In the pre- issue advertisement, we shall state the Issue Opening Date and the Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

Signing of the Underwriting Agreement and the RoC Filing

- a) Our Company, the Lead Manager and the Market Maker have entered into an Underwriting Agreement on January 13, 2020
- b) For terms of the Underwriting Agreement please see chapter titled “*General Information*” beginning on page no. 38 of this Draft Prospectus.
- c) We will file a copy of the Prospectus with the RoC in terms of Section 26 and all other provision applicable as per Companies Act.

FILING OF THE PROSPECTUS WITH THE ROC

The Company will file a copy of the Prospectus with the RoC in terms of Section 26 of Companies Act, 2013.

- a) **Designated Date and Allotment of Equity Shares Designated Date:** On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.
- b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the designated stock exchange, the Registrar shall upload on its website. On the basis of approved basis of allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue.
- c) Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been allotted Equity Shares in the Issue. The dispatch of allotment advice shall be deemed a valid, binding and irrevocable contract.
- d) Issuer will make the allotment of the equity shares and initiate corporate action for credit of shares to the successful applicants Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

Designated Date: On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 6 working days of the Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under Section 56 of the Companies Act, 2013 or other applicable provisions, if any.

Availability of the Prospectus and the Application Forms:

Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will

also be available for download on the websites of the NSE (www.nseindia.com), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.

Information for the Applicants

In addition to the instructions provided to the Applicants in the *General Information Document*, Applicants are requested to note the following additional information in relation to the Issue.

1. The relevant Designated Intermediary will enter each Application into the Electronic Bidding System and generate an acknowledgement slip (“**Acknowledgement Slip**”), and give the same to the Applicant. It is the Applicant’s responsibility to obtain the TRS from the relevant Designated Intermediary. The registration of the Application by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/allotted. Such Acknowledgement will be non-negotiable and by itself will not create any obligation of any kind. When a Applicant revises his or her Application (in case of revision in the Price), he /she shall surrender the earlier Acknowledgement Slip and may request for a revised TRS from the relevant Designated Intermediary as proof of his or her having revised the previous Application.
2. In relation to electronic registration of Applications, the permission given by the Stock Exchanges to use their network and software of the Electronic Bidding System should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Prospectus or the Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
3. In the event of an upward revision in the Price, Retail Individual Applicants could either (i) revise their Application or (ii) shall make additional payment based on the revised Price (such that the total amount i.e., original Application Amount plus additional payment does not exceed ₹ 200,000. The revised Applications must be submitted to the same Designated Intermediary to whom the original Application was submitted. If the total amount (i.e., the original Application Amount plus additional payment) exceeds ₹ 200,000, the Applicant will be considered for allocation under the Non-Institutional Portion. If, however, the Retail Individual Applicant does not either revise the Application or make additional payment the number of Equity Shares applied for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Retail Individual Applicant and the Retail Individual Applicant is deemed to have approved such revised Application.
4. In the event of a downward revision in the Price, Retail Individual Applicant may revise their Application; otherwise, the excess amount paid at the time of Application would be unblocked after Allotment is finalised.
5. Any revision of the Application shall be accompanied by instructions to block the incremental amount, if any, to be paid on account of the upward revision of the Application.

The Applicants should note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic system of the Stock Exchanges does not match with the PAN, DP ID and Client ID available in the database of Depositories, the Application Form is liable to be rejected.

General Instructions

Do’s:

- 1) Check if you are eligible to apply as per the terms of this Draft Prospectus and under applicable law, rules, regulations, guidelines and approvals;
- 2) Read all the instructions carefully and complete the Application Form in the prescribed form;
- 3) Ensure that the details about the PAN, DP ID and Client ID are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;

- 4) Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary;
- 5) If the first applicant is not the account holder, ensure that the Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
- 6) Ensure that the signature of the First Applicant in case of joint Applications, is included in the Application Forms;
- 7) Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Applications, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names;
- 8) Ensure that you request for and receive a stamped acknowledgement of your Application;
- 9) Retail Applicants using the UPI mechanism should ensure that the correct UPI ID is mentioned in the Application Form;
- 10) Retail Applicants shall ensure that the bank, with which such Retail Applicants has a bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by the NPCI;
- 11) Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the Application Form under the ASBA process to the respective member of the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
- 12) Submit revised Applications to the same Designated Intermediary, through whom the original Application was placed and obtain a revised acknowledgment;
- 13) Except for Applications (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Applications by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Applicants should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
- 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 category and the investor status is indicated;
- 17) Ensure that in case of Applications under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
- 18) Ensure that Applications submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
- 19) Applicants should note that in case the DP ID, Client ID and the PAN mentioned in their Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Applications are liable to be rejected. Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;

- 20) Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;
- 21) For Retail Applicants using the UPI mechanism, ensure that you approve the request generated by the Sponsor Bank to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment, in a timely manner;
- 22) Retail Applicants shall ensure that details of the Applications are reviewed and verified by opening the attachment in the UPI mandate request and then proceed to authorise the UPI request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, a Retail Applicant may be deemed to have verified the attachment containing the application details of the Retail Applicant in the UPI mandate request and have agreed to block the entire Application Amount and authorized the Sponsor Bank to block the Application Amount mentioned in the Application Form;
- 23) Retail Applicants using the UPI mechanism should mention valid UPI ID of only the Applicant (in case of single account) and of the first Applicant (in case of joint account) in the Application Form;
- 24) Retail Applicants using the UPI mechanism, who have revised their Application subsequent to making the initial Application, should also approve the revised request generated by the Sponsor Bank to authorise blocking of funds equivalent to the revised Application Amount and subsequent debit of funds in case of allotment in a timely manner;
- 25) Ensure that you have mentioned the correct ASBA Account number in the Application Form;
- 26) Ensure that you have correctly signed the authorisation/undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form at the time of submission of the Application;
- 27) Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
- 28) The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

- 1) Do not apply for lower than the minimum Application size;
- 2) Do not apply at a Price different from the Price mentioned herein or in the Application Form;
- 3) Do not apply by another Application Form after submission of Application to the Designated Intermediary.
- 4) Do not pay the Application Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest or any mode other than blocked amounts in the bank account maintained with SCSB;
- 5) Do not send Application Forms by post; instead submit the same to the Designated Intermediary only;
- 6) Do not submit the Application Forms to any non-SCSB bank or our Company;
- 7) Do not apply on a Application Form that does not have the stamp of the relevant Designated Intermediary;
- 8) Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
- 9) Do not apply for a Application Amount exceeding ₹ 200,000 (for Applications by Retail Individual Applicants);
- 10) Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Prospectus;

- 11) Do not submit the General Index Register number instead of the PAN;
- 12) Do not submit the Application without ensuring that funds equivalent to the entire Application Amount are blocked in the relevant ASBA Account;
- 13) Do not submit more than 1 Application Form for each UPI ID in case of Retail Applicants Applying through the Designated Intermediary using the UPI Mechanism;
- 14) Do not submit Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;
- 15) Do not submit a Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
- 16) Do not apply if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
- 17) Do not make applications using third party bank accounts or using third party linked bank account UPI IDs;
- 18) Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Applications submitted by Retail Applicants using the UPI mechanism;
- 19) Do not submit incorrect UPI ID details, if you are a Retail Applicants applying through UPI Mechanism;
- 20) Do not submit more than One Application Form per ASBA Account;
- 21) Do not submit an Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise
- 22) If you are a Non-Institutional Applicant or Retail Individual Applicant, do not submit your Application after 3.00 p.m. on the Issue Closing Date;

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM

In addition to the instructions for completing the Application Form provided in the sub-section “*General Information Document for Investing in Public Offers – Applying in the Offer – Instructions for filing the Bid cum Application Form / Application Form*” Applicants are requested to note the additional instructions provided below.

1. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal. Applications must be in single name or in joint names (not more than three, and in the same order as their Depository Participant details).
2. Applications must be made in a single name or in joint names (not more than three, and in the same order as their details appear with the Depository Participant), and completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the Prospectus and in the Application Form.
3. Applications on a repatriation basis shall be in the names of FIIs or FPIs but not in the names of minors, OCBs, firms or partnerships and foreign nationals.

Payment instructions

The entire Issue Price of ₹ [●] per Equity Share is payable on Application. In case of allotment of lesser number of Equity Shares than the number applied, then the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants.

Issuance of a Confirmation of Allocation Note (“CAN”) and Allotment in the Issue

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the Lead Manager or Registrar to the Issue shall send to the SCSBs a list of their Applicants who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Applicant.

BASIS OF ALLOTMENT

Allotment will be made in consultation with NSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
 - a) Each successful applicant shall be allotted [●] equity shares; and
 - b) The successful applicants out of the total applicants for that category shall be determined by the drawls of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of [●] equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
5. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares.
6. Since present issue is a fixed price issue, the allocation in the net Issue to the public category in terms of Regulation 253 of the SEBI (ICDR) Regulations, 2018 shall be made as follows:
 - a) The 50% net Issue of shares to the Public (i.e. 10,44,000 Equity Shares) shall be made available for allotment to retail individual investors; and
 - b) The balance net Issue of shares to the public (i.e. 10,44,000 Equity Shares) shall be made available for allotment to Non-Institutional Investors, including Qualified Institution Buyers, Corporate Bodies/ Institutions.
 - c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

Explanation: If the retails individual investor category is entitled to more than allocated portion on proportionate basis, the retails individual investors shall be allocated that higher percentage.

Please note that the Allotment to each Retail Individual Investor shall not be less than the minimum application lot, subject to availability of Equity Shares in the Retail portion. The remaining available Equity Shares, if any in Retail portion shall be allotted on a proportionate basis to Retail individual Investor in the manner in this para titled “*Basis of Allotment*” in the chapter titled “*Issue Procedure*” beginning on page no. 180 of this Draft Prospectus.

“Retail Individual Investor” means an investor who applies for shares of value of not more than ₹ 2,00,000. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with the Emerge Platform of NSE.

In the event of under subscription in the Issue, the obligations of the Underwriter shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100% of the Issue size as specified in the chapter titled “General Information” beginning on page no. 38 shall be achieved before our Company proceeds to get the basis of allotment approved by the Designated Stock Exchange.

The Executive Director/Managing Director of the Emerge Platform of NSE – the Designated Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2018.

RIGHT TO REJECT APPLICATIONS

In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

GROUND FOR REJECTIONS

In addition to the grounds for rejection of Application on technical grounds as provided in the “General Information Document for Investing in Public Offers” Applicants are requested to note that Applications may be rejected on the following additional technical grounds.

1. Applications submitted without payment of the entire Application Amount;
2. Applications submitted by Applicants which do not contain details of the Application Amount and the bank account details / UPI ID in the Application Form;
3. Applications submitted on a plain paper;
4. Applications submitted by Applicants using third party bank accounts or using a third party linked bank account UPI ID;
5. Applications by HUFs not mentioned correctly as given in the sub-section “Who can Apply?” on page no. 182 of this Draft Prospectus;
6. Application Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
7. Application submitted without the signature of the First Applicant or sole Applicants;
8. Applications by person for whom PAN details have not been verified and whose beneficiary accounts are ‘suspended for credit’ in terms of SEBI circular (reference number: CIR/MRD/DP/ 22 /2010) dated July 29, 2010;
9. GIR number furnished instead of PAN;
10. Application by Retail Individual Applicants with Application Amount for a value of more than ₹ 200,000
11. Applications by person who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
12. Applications by Applicants (who are not Anchor Investors) accompanied by cheques or demand drafts;
13. Applications accompanied by stock invest, money order, postal order or cash;
14. Application by OCB.

EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL OR CDSL

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- Tripartite agreement dated January 09, 2020 with NSDL, our Company and Registrar to the Issue;
- Tripartite agreement dated January 09, 2020 with CDSL, our Company and Registrar to the Issue;
- The Company's shares bear an ISIN: INE0C1O01015.

DESIGNATED DATE AND ALLOTMENT

- (a) Our Company will ensure that the Allotment and credit to the successful Applicants's depository account will be completed within six Working Days, or such period as may be prescribed by SEBI, of the Issue Closing Date or such other period as may be prescribed.
- (b) Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.
- (c) Allottees will have the option to re-materialise the Equity Shares so allotted as per the provisions of the Companies Act, 2013 and the Depositories Act.

Communications

All future communications in connection with Applications made in this Issue should be addressed to the Registrar quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application Form, name and address of the SCSB / Designated Intermediary, where the Application was submitted and bank account number in which the amount equivalent to the Application Amount was blocked.

Applicants can contact the Compliance Officer or the Registrar in case of any pre-issue or post-issue related problems such as non-receipt of letters of Allotment, credit of allotted shares in the respective beneficiary accounts, refund orders etc. In case of ASBA Applications submitted to the Designated Branches of the SCSBs, the Applicants can contact the Designated Branches of the SCSBs

Letters of Allotment or Refund Orders or Instructions to the SCSBs

The Registrar to the Issue shall give instructions for credit to the beneficiary account with depository participants within 6 Working Days from the Issue Closing Date. the Registrar shall instruct the relevant SCSBs to, on the receipt of such instructions from the Registrar, unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Form or the relevant part thereof, for withdrawn, rejected or unsuccessful or partially successful Applications within 6 Working Days of the Issue Closing Date.

Mode of Refund

Within 6 Working Days of the Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Application and also for any excess amount blocked on Application.

Interest in Case of Delay in Allotment or Refund

The Issuer shall allot the equity shares offered to the public within the period prescribed by the Board. The Issuer may pay interest at the rate of 15% per annum in case demat credits are not made to Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within 15 Days of the Issue Closing Date.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

“Any person who:

- a) makes or abets making of an application in a fictitious name to a Company for acquiring, or subscribing for, its securities; or
- b) makes or abets making of multiple applications to a Company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c) Otherwise induces directly or indirectly a Company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447”

Undertaking by our Company

We undertake the following:

- 1) If our Company does not proceed with the Issue after the Issue Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the Pre-Issue advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 2) If our Company withdraw the Issue after the Issue Closing Date, our Company shall be required to file a fresh offer document with the RoC/SEBI, in the event our Company subsequently decides to proceed with the Issue;
- 3) The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- 4) All steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of the Issue Closing Date;
- 5) Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days from the Issue Closing Date, or such time period as specified by SEBI, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- 6) The funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
- 7) Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period;
- 8) The certificates of the securities/refund orders to Eligible NRIs shall be dispatched within specified time;
- 9) No further Issue of Equity Shares shall be made till the Equity Shares offered through this Issue Document are listed or until the Application monies are refunded on account of non-listing, under-subscription etc;
- 10) Adequate arrangements shall be made to collect all Application Forms and

Utilization of Issue Proceeds

The Board of Directors of our Company certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act, 2013;
- 2) Details of all monies utilized out of the Issue shall be disclosed under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilized under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;

- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.

Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

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 FIPB 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 Circular of 2017 (“FDI Policy”) with effect from August 28 2017, 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 August 28, 2017. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, the Consolidation FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares by an Indian resident to a Non-Resident does not require the prior approval of the FIPB or 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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (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 SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

The Equity Shares Issued in the Issue have not been and will not be registered under the Securities Act, and may not be Issued or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States to persons reasonably believed to be “qualified institutional investors” (as defined in Rule 144A under the Securities Act) pursuant to Rule 144A under the Securities Act or other applicable exemption under the Securities Act and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdictions where such offers and sales occur.

The above information is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them.

SECTION XI – MAIN PROVISION OF ARTICLES OF ASSOCIATION

Subject as hereinafter provided, the regulations contained in Table ‘F’ in the Schedule I to the Companies Act, 2013 shall apply to the Company as so far as they are not inconsistent with any of the provisions contained in these regulations or modifications thereof and only to the extent that there is no specific provisions in these regulations. In case of any conflict between the express provisions herein contained and the incorporated Regulations of ‘Table F’, the provisions herein shall prevail.

Interpretation

2. In the interpretation of these Articles, unless repugnant to the subject or context:-

a) “The company” or “this company” means VELTECH FORGING LIMITED

b) “The Act” means the Companies Act 2013, or any statutory modification or re- enactment thereof for the time being in force.

c) “Auditor” means and includes those persons appointed as such for the time being by the Company.

d) “Board Meeting” means meeting of the Directors duly and constituted or as the case may be, the Directors assembled at a Board.

e) “Capital” means the share capital for the time being raised or authorized to be raised, for the Company.

f) “Debenture” includes the Debenture stock.

g) “Directors” mean the Directors for the time being of the Company of as the case may be the Directors assembled at as Board.

h) “Dividend” includes bonus.

i) Gender

Word importing the masculine gender also includes the feminine gender.

j) In Writing or Written

“In Writing” or “Written” includes printing, lithography and other modes of representing or reproducing words in a visible form.

k) Member

“Member” means the duly registered holder from time to time of the shares of the Company and includes the subscriber to the Memorandum of the Company.

l) Meeting or Annual General Meeting

“Annual General Meeting” means a General Meeting of the members duly called and constituted and any adjourned holding thereof in accordance of section 96 of the Act.

m) Meeting or Extraordinary general meeting

“Extraordinary General Meeting” means Extraordinary General meeting of the Members duly called and constituted and any adjourned holding thereof.

n) Month

“Month” means a calendar month

o) Office

“Office” means the registered office for the time being of the Company.

p) Paid up

“Paid up” includes credited as paid up.

q) Persons

“Persons” includes corporation and firms as well as individuals.

r) Register of members

“Register of member” means the Register of members to be kept pursuant to the Act.

s) The Registrar

“The Registrar” means the Registrar of the Companies (as defined under Section 2(75) of the Act of the state in which the office of the Company is for the time being situated.

t) Officer

“Officer” includes any director, manager or secretary, or any person in accordance with whose direction or instruction the board of Director or any or more of the directors is accustomed to act

u) Seal

“Seal” means the Common Seal for the time being of the Company.

v) Share

“Share” means share in the share capital of a company and includes stock except where a distinction between stock and share is expressed or implied.

w) Special Resolution

“Special Resolution” shall have the meaning assigned thereto by section 114 of Companies Act, 2013.

x) Year and Financial Year.

“Year” means the calendar year and “financial year” shall have the meaning assigned thereto by section 2(41) of the Act.

Public Company

3. The company is a Public Company within the meaning of section 2(71) of the Companies Act, 2013.

Share capital and variation of rights

4. (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.

5. (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.

6. (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.

7. 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.

8. (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.

9. (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.

10. 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.

11. 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

12. (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.

13. 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.

14. (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.

15. (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

16. (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.

17. 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.

18. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

19. (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.

20. (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.

21. 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

22. (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.

23. 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.

24. 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.

25. 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.

26. 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

27. (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.

28. (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.

29. (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.

30. 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

31. 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.

32. 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.

33. 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.

34. (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.

35. (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.

36. (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.

37. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment 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

38. 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.

39. 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.

40. 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.

41. 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

42. (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.

43. (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 in fractions; and

b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares 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

44. (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

45. 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

46. 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

47. All general meetings other than Annual General Meeting shall be called extraordinary general meeting.

48. (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

49. (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.

50. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

51. 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.

52. 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

53. (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

54. 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.

55. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

56. (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.

57. 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.

58. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

59. 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.

60. (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

61. 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.

62. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

63. 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

64. The minimum number of Directors shall be 3 and maximum number of directors shall be 15.

First Directors of the Company are:

1. Panchal Virabhai Manilal
2. Panchal Mansukh Ganpatlal
3. Panchal Amratlal Dalchharam
4. Panchal Ambaben Raichandbhai
5. Panchal Babulal Shivaram
6. Amin Haren Vithaldas
7. Miss Patel Chetna Ugarchand
8. Mody Jayantibhai Shivaram

65. (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.

66. The Board may pay all expenses incurred in getting up and registering the company.

67. 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.

68. 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.

69. 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.

70. (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

71. (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.

72. 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.

73. (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.

74. (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.

75. (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.

76. A committee may elect a Chairperson of its meetings.

77. 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.

78. (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.

79. 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.

80. 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

81. 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.

82. 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

83. 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.

84. 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

85. (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

86. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

87. 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.

88. (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.

89. (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.

90. 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.

91. (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

92. 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.

93. 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.

94. No dividend shall bear interest against the company.

95. 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

96. (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

97. 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.

98. 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.

99. 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

100. 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 XII – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by the Company (not being contracts entered into in the ordinary course of business carried on by the Company or contracts entered into more than two years before the date of this Draft Prospectus) which are or may be deemed material have been attached to the copy of the Draft Prospectus delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office 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 January 13, 2020 between our Company and the Lead Manager.
2. Memorandum of Understanding dated January 13, 2020 between our Company and the Registrar to the Issue.
3. Escrow Agreement dated [●] between our Company, the Lead Manager, Escrow Collection Bank(s), Sponsor Bank and the Registrar to the Issue.
4. Market Making Agreement dated January 13, 2020 between our Company, the Lead Manager and Market Maker.
5. Underwriting Agreement dated January 13, 2020 between our Company, the Lead Manager and Market Maker.
6. Tripartite agreement between the NSDL, our Company and the Registrar dated January 09, 2019.
7. Tripartite agreement between the CDSL, our Company and the Registrar dated January 09, 2019.

B. Material Documents

1. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.
2. Copy of Certificates of Incorporation of Veltech Forging Limited.
3. Resolution of the Board of Directors meeting dated January 10, 2020 authorizing the Issue.
4. Shareholders' resolution passed at the EGM dated January 11, 2020 authorizing the Issue.
5. Auditor's report for Restated Financials dated January 21, 2020 included in this Draft Prospectus.
6. The Statement of Tax Benefits dated January 21, 2020 from our Statutory Auditors.
7. Consent of our Directors, Chief Financial Officer, Statutory Auditor, Lead Manager, Banker to the Company / Sponsor Bank* Banker to the Issue*, Legal Advisor to the Issue, Registrar to the Issue, Market Maker and Underwriters as referred to in their specific capacities.
**Will obtain prior to filing of prospectus with RoC*
8. Due Diligence Certificate(s) dated [●] of the Lead Manager to be submitted to SEBI along with the filing of the Prospectus.
9. Approval from NSE vide letter dated [●] to use the name of NSE in this Issue Document for listing of Equity Shares on the EMERGE Platform of the NSE.

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We, hereby declare that, all the relevant provisions of the Companies Act, 1956, Companies Act, 2013 (to the extent notified) and the Guidelines issued by the Government of India or the Regulations or Guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in the Draft Prospectus is contrary to the provisions of the Companies Act, 1956, Companies Act, 2013 (to the extent notified), the Securities Contract (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as Amended or Rules made there under or Guidelines / Regulations issued, as the case may be. We further certify that all the disclosures and statements made in the Draft Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY:

Sd/-

Mr. Virabhai Panchal
Chairman & Managing Director

Sd/-

Mr. Bhavesh Panchal
Whole-Time Director

Sd/-

Mrs. Hina Panchal
Non-Executive Director

Sd/-

Mr. Chhaganlal Chandra
Non-Executive Independent Director

Sd/-

Mr. Vivek Redkar
Non-Executive Independent Director

SIGNED BY THE CHIEF FINANCIAL OFFICER & COMPANY SECRETARY AND COMPLIANCE OFFICER

Sd/-

Mr. Suresh Shiad
Chief Financial Officer

Sd/-

Mr. Sagar Sawant
Company Secretary and Compliance Officer

Date:

Place: