



FUSION INDUSTRIES LIMITED

Our Company was incorporated as Yeekay Technocrat Private Limited under the provisions of the Companies Act, 1956 vide certificate of incorporation dated December 12, 2002 in NCT of Delhi & Haryana. Further, pursuant to Shareholders Resolution dated November 02, 2012, our Company changed its name to "Fusion Industries Private Limited" vide a fresh Certificate of Incorporation dated December 11, 2012 having CIN U34300HR2002PTC035006. Subsequently, upon conversion into a Public Limited Company pursuant to Shareholders Resolution dated December 20, 2012, the name of our Company was changed to "Fusion Industries Limited" and a fresh Certificate of Incorporation dated January 23, 2013 having CIN U34300HR2002PLC035006 issued by the Registrar of Companies, NCT of Delhi & Haryana. For details of change in registered office of our Company please refer to chapter titled "Our History and Certain Other Corporate Matters" beginning on page 129.

CIN: U34300HR2002PLC035006

Registered & Corporate Office: SSI Plot NO-4 Block -H, NH-2 Opp. FCI Godown, NIT Faridabad, Haryana-121001, India

Tel No.: +91 9999459541; E-mail: cs@fusionindia.com; Website: www.fusionindia.com

Contact Persons: Mr. Trilok Chand Chandana, Managing Director and Ms. Vinita Matta, Company Secretary & Compliance Officer

PROMOTERS OF OUR COMPANY: MR. TRILOK CHAND CHANDANA AND TARUN CHANDNA

| THE ISSUE |
|---|
| <p>PUBLIC ISSUE OF 26,52,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FULLY PAID UP OF FUSION INDUSTRIES LIMITED ("FUSION" OR "FIL" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF RS. 40/- PER EQUITY SHARE (THE "ISSUE PRICE") (INCLUDING SHARE PREMIUM OF RS. 30/- PER EQUITY SHARE) AGGREGATING RS. 1,060.80 LAKHS (THE "ISSUE") BY OUR COMPANY, OF WHICH 1,38,000 EQUITY SHARES OF FACE VALUE OF Rs. 10/- EACH FULLY PAID UP WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 25,14,000 EQUITY SHARES OF FACE VALUE OF Rs. 10/- EACH FULLY PAID UP IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.52% AND 25.14% RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.</p> |
| <p>THE FACE VALUE OF THE EQUITY SHARES IS RS. 10/- EACH. THE ISSUE PRICE IS RS. 40/- . THE ISSUE PRICE IS 4.00 TIMES THE FACE VALUE.</p> |
| <p>THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER XB OF THE SEBI (ICDR) REGULATIONS, 2009 (AS AMENDED). THIS ISSUE IS A FIXED PRICE ISSUE AND ALLOCATION IN THE NET ISSUE TO THE PUBLIC WILL BE MADE IN TERMS OF REGULATION 43(4) OF THE SEBI (ICDR) REGULATIONS, 2009, AS AMENDED. FOR FURTHER DETAILS PLEASE REFER TO "SECTION VII - ISSUE INFORMATION" BEGINNING ON PAGE 233.</p> |
| <p>All potential investors shall participate in the Issue through Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to "Issue Procedure" on page 233.</p> |
| RISK IN RELATION TO THE FIRST ISSUE |
| <p>This being the first issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is Rs. 10/- and the Issue Price is 4.00 times of the face value. The Issue Price (as determined and justified by the Company and the Lead Manager as stated under chapter titled "Basis for Issue Price" beginning on page 79) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing.</p> |
| GENERAL RISKS |
| <p>Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by 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 the section titled "Risk Factors" on page 19.</p> |
| COMPANY'S ABSOLUTE RESPONSIBILITY |
| <p>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 this 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.</p> |
| LISTING |
| <p>The Equity Shares offered through this Draft Prospectus are proposed to be listed on the NSE Emerge Platform. Our Company has received an in-principle approval letter dated [●] from NSE for using its name in this offer document for listing of our Equity Shares on the NSE Emerge Platform. For the purpose of this Issue, the Designated Stock Exchange will be the National Stock Exchange of India Limited ("NSE").</p> |

| LEAD MANAGER TO THE ISSUE | REGISTRAR TO THE ISSUE |
|---|--|
| <p>KHAMBATTA SECURITIES LIMITED C-42, South Extension Part II, New Delhi-110049 Tel: 011-41645051 Fax: 011-41644896 Email: ipo@khambattasecurities.com Investor Grievance Email: mbcomplaints@khambattasecurities.com Website: www.khambattasecurities.com Contact Person: Mr. Vipin Aggarwal SEBI Registration No.: INM000011914</p> | <p>BIGSHARE SERVICES PRIVATE LIMITED 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai – 400 059. Tel: (022) 62638200 Fax: (022) 62638299 Email: ipo@bigshareonline.com Website: www.bigshareonline.com Contact Person: Mr. Srinivas Dornala SEBI Registration No: INR000001385</p> |

| ISSUE PROGRAMME | | |
|---|----------------------|----------------------|
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The Equity Shares have not been and will not be registered under the U.S Securities Act of 1933, as amended (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 exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transaction in reliance on Regulation S under the U.S Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

SECTION – I GENERAL INFORMATION

DEFINITIONS AND ABBREVIATIONS

In this Draft Prospectus, unless the context otherwise requires, the terms and abbreviations stated hereunder shall have the meanings as assigned therewith.

| Company Related Terms | |
|--|--|
| Term | Description |
| Articles or Articles of Association or AOA | The articles of association of our Company, as amended from time to time. |
| Auditor or Statutory Auditor | The Auditor of the company being M/s Satish Gupta & Associates, Chartered Accountants, having their office at H. No. 1060, Sector - 16, Faridabad – 121 002, India |
| Banker to our Company | Bank of India. |
| “Board” or “Board of Directors” or “our Board” | The Board of Directors of our Company, as duly constituted from time to time, or committee(s) thereof |
| Company Secretary and Compliance Officer | Ms. Vinita Matta |
| Director(s) | The Director(s) of our Company, unless otherwise specified |
| Equity Shares | Equity Shares of our Company of face value of Rs.10/-each |
| Equity Shareholders | Persons holding equity shares of our Company |
| Group Companies | Companies which are covered under the applicable accounting standards and other companies as considered material by our Board, and disclosed in the chapter titled “Our Group Entities” beginning on page 153. |
| Key Management Personnel | Key management personnel of our Company in terms of regulation 2(1)(s) of the SEBI Regulations and section 2(51) of the Companies Act, 2013 and as disclosed in the section titled “Our Management” on page 134. |
| Memorandum of Association or Memorandum or MOA | The Memorandum of Association of our Company, as amended from time to time. |
| “Promoters” or “our Promoters” | Promoters of our company being Mr. Trilok Chand Chandana and Mrs. Tarun Chandna. |
| Promoter Group | Includes such persons and entities constituting our promoter group in terms of Regulation 2(zb) of the SEBI (ICDR) Regulations and a list of which is provided in the chapter titled “Our Promoter and Promoter Group” beginning on 148. |

Registered Office & Corporate Office The Registered Office of our Company located at SSI Plot No.- 4,
Block-H, NH-2, Near FCI Godown, NIT, Faridabad Haryana – 121
001, India

RoC Registrar of Companies, NCT of Delhi & Haryana.

“Fusion Industries Limited”, or
“FUSION”, or “FIL” or “the
Company”, or “our Company” or
“we”, “us”, or “our” and the “Issuer
Company”.

Fusion Industries Limited, a public limited company incorporated
under the provisions of the Companies Act, 1956.

Issue Related Terms

| Term | Description |
|---|--|
| Allocation / Allocation of Equity Shares | The Allocation of Equity Shares of our Company pursuant to Fresh Issue of Equity Shares to the successful Applicants. |
| Allotment/ Allot/ Allotted | Issue an allotment of Equity Shares of our Company pursuant to Fresh Issue of the Equity Shares to the successful Applicants. |
| Allottee(s) | Successful Applicants to whom Equity Shares of our Company shall have been allotted. |
| Applicant | Any prospective investor who makes an application for Equity Shares of our Company in terms. |
| Application Amount | The amount at which the Applicant makes an application for Equity Shares of our Company in terms. |
| Application Form | The Form in terms of which the prospective investors shall apply for our Equity Shares in the Issue. |
| ASBA/ Supported Amount. | Application by Blocked Amount (ASBA) means an application for Subscribing to the Issue containing an authorization to block the application money in a bank account maintained with SCSB. |
| ASBA Account | Account maintained with SCSBs which will be blocked by such SCSBs to the extent of the Application Amount. |
| ASBA Location(s)/ Specified Cities | Application Locations at which ASBA Applications can be uploaded by the SCSBs, namely [●]. |
| ASBA Investor/ASBA applicant | Any prospective investor(s)/applicants(s) in this Issue who apply (ies) through the ASBA process. |
| Banker(s) to the Issue/ Public Issue Bank(s). | The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public Issue Account will be opened and in this case, being [●]. |
| Basis of Allotment | The basis on which Equity Shares will be Allotted to the successful Applicants under the Issue and which is described under chapter titled “Issue Procedure” beginning on page 241. |
| Controlling Branch | Such branch of the SCSBs which coordinate Applications under this Issue by the ASBA Applicants with the Registrar to the Issue and the Stock Exchange 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. |
| Depository Participant | A Depository Participant as defined under the Depositories Act, 1996. |

| Term | Description |
|--|--|
| Designated Branches | Such branches of the SCSBs which shall collect the ASBA Forms from the ASBA Applicants and a list of which is available at www.sebi.gov.in , or at such other website as may be prescribed by SEBI from time to time. |
| Designated Date | The date on which funds are transferred from the amount blocked by the SCSBs is transferred from the ASBA Account to the Public Issue Account, as appropriate, after the Issue is closed, following which the Equity Shares shall be allotted/transfer to the successful Applicants. |
| Designated Stock Exchange | National Stock Exchange of India Limited (NSE) |
| Draft Prospectus | The Draft Prospectus issued in accordance with section 26 of the Companies Act, 2013 and filed with the NSE under SEBI (ICDR) Regulations. |
| Eligible NRIs | NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom this Draft Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein. |
| NSE Emerge | The SME Platform of NSE i.e. NSE Emerge is a platform for listing of Equity Shares offered under Chapter XB of the SEBI (ICDR) Regulations which was approved by SEBI as an NSE Emerge on October 14, 2011. |
| First/ Sole Applicant | The Applicant whose name appears first in the Application Form or Revision Form. |
| Issue/ Issue Size/ Initial Public Offer/ IPO | Public Issue of 26,52,000 Equity Shares of face value of Rs. 10/- each fully paid of Fusion Industries Limited for cash at a price of Rs. 40/- per Equity Share (including a premium of Rs. 30/-per Equity Share) aggregating Rs. 1,060.80 Lakhs. |
| Issue Agreement | The agreement dated May 30, 2018, between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue. |
| Issue Closing Date | The date on which Issue closes for subscription |
| Issue Opening Date | The date on which Issue opens for subscription |
| Issue Period | The period between the Issue Opening Date and the Issue Closing Date inclusive of both the days during which prospective Investors may submit their application. |
| Issue Price | The price at which the Equity Shares are being issued by our Company under this Draft Prospectus being Rs. 40/- per Equity Share of face value of Rs.10/- each fully paid |
| Issue Proceeds | Proceeds from the fresh Issue that will be available to our Company, being Rs. 1,060.80 Lakhs |
| Listing Agreement | The Equity Listing Agreement to be signed between our Company and NSE. |

| Term | Description |
|--|--|
| Lead Manager/ LM | Lead Manager to the Issue in this case being Khambatta Securities Limited, SEBI Registered Category-I Merchant Banker. |
| Market Making Agreement | Market Making Agreement dated May 30, 2018, between our Company, LM and Market Maker |
| Market Maker | Market Maker appointed by our Company being Indo Jatalia Securities Private Limited, who has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time. |
| Market Maker Reservation Portion | The Reserved Portion of 1,38,000 Equity Shares of face value of Rs.10/-each fully paid for cash at a price of Rs. 40/- per Equity Share aggregating Rs. 55.20 Lakhs for the Market Maker in this Issue. |
| Mutual Fund(s) | A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time. |
| NIF | National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India |
| Net Issue | The Issue excluding the Market Maker Reservation Portion of 25,14,000 Equity Shares of face value of Rs. 10/- each fully paid for cash at a price of Rs. 40/- Equity Share aggregating Rs. 1005.60 Lakhs by our Company. |
| Net Proceeds | The Issue Proceeds, less the Issue related expenses, received by the Company. For further information about use of the Issue Proceeds and the Issue expenses, please refer to the chapter titled “Objects of the Issue” beginning on page 73. |
| Non-Institutional Investors | All Applicants that are not Qualified Institutional Buyers or Retail Individual Investors and who have Applied for Equity Shares for an amount more than Rs. 2,00,000. |
| OCB/Overseas Corporate Body | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Issue. |
| Payment through electronic transfer of funds | Payment through NECS, NEFT or Direct Credit, as applicable. |
| Person/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. |

| Term | Description |
|--|---|
| Prospectus | The Prospectus, filed with RoC containing, <i>interalia</i> , the issue opening and closing dates and other information. |
| Public Issue Account Agreement | Agreement to be entered into by our Company, the Registrar to the Issue, the Lead Manager, and the Public Issue Bank/Banker to the Issue for collection of the Application Amounts. |
| Public Issue Account | Account opened with the Banker to the Issue/Public Issue Bank i.e. [●] by our Company to receive monies from the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date. |
| Qualified Institutional Buyers or QIBs | QIBs, as defined under the SEBI ICDR Regulations, including public financial institutions as specified in Section 2(72) of the Companies Act, 2013 scheduled commercial banks, mutual fund registered with SEBI, FII and sub-account (other than a sub-account which is a foreign corporate or foreign individual) registered with SEBI, multilateral and bilateral development financial institution, venture capital fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance company registered with Insurance Regulatory and Development Authority, provident fund with minimum corpus of Rs. 2,500 lakhs, pension fund with minimum corpus of Rs. 2,500 lakhs, NIF, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India. |
| Refund Account (s) | Account(s) to which monies to be refunded to the Applicants shall be transferred from the Public Issue Account in case listing of the Equity Shares does not occur |
| Refund Bank(s) / Refund Banker(s) | Bank(s) which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Accounts will be opened in case listing of the Equity Shares does not occur, in this case being [●]. |
| Registrar /Registrar to the Issue | Registrar to the Issue, in this case being Bigshare Services Private Limited having registered office at 1 st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai – 400 059, Maharashtra. |
| Retail Individual Investor | Individual Applicants, or minors applying through their natural guardians, including HUFs (applying through their <i>Karta</i>) and ASBA Applicants, who apply for an amount less than or equal to Rs. 2,00,000. |
| Revision Form | The form used by the Applicants to modify the quantity of Equity Shares in any of their Application Forms or any previous Revision Form(s). |
| SCSB/ Self Certified Syndicate Banker. | Shall mean a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1480483399603.html , or at such other website as may be prescribed by SEBI from time to time. |
| Underwriter | Khambatta Securities Limited. |

| Term | Description |
|------------------------|---|
| Underwriting Agreement | The agreement dated May 30, 2018 entered into between the Underwriter and our Company. |
| Working Day | Unless the context otherwise requires: Working Days shall be all trading days of stock exchange excluding Sundays and bank holidays in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016. |

Technical and Industry Terms

| Term | Description |
|-----------------|--|
| CPVC | Chlorinated polyvinyl chloride. |
| CRISIL Research | CRISIL Research, a division of CRISIL Limited. |
| EDC | Ethylene dichloride. |
| HDPE | High-density Polyethylene |
| KV | Kilo Volt |
| KVA | Kilovolt-Ampere |
| PO | Polyolefin |
| PP | Polypropylene. |
| PPR | Polypropylene Random. |
| PVC | Polyvinyl Chloride. |
| PVDF | Polyvinylidene Fluoride. |
| PVT | Polished Vitrified. |
| SKU | <p>Stock Keeping Unit is used by Companies to identify and track its inventory, or stock. An SKU is a unique code consisting of letters and numbers that identify characteristics about each product, such as manufacturer, brand, style, color, and size.</p> <p>In our case it is related as (i) water tanks are categorised on the basis of manufacturing process, type of product, brand, capacity, number of layers, colour and variant; and (ii) pipes and fittings are categorised on the basis of product type, product segment, size, colour, brand, variant.</p> |
| UPVC | Unplasticised polyvinyl chloride. |

Conventional and General Terms/ Abbreviations

| Term | Description |
|------------------|--|
| A/C | Account |
| Act | The Companies Act, 1956 as amended from time to time, including sections of Companies Act, 2013 wherever notified by the Central Government. |
| AGM | Annual General Meeting |
| Articles | Articles of Association of the Company as originally framed or as altered from time to time in pursuance of any previous companies law or of this Act |
| AS | Accounting Standards as issued by the Institute of Chartered Accountants of India. |
| A.Y. | Assessment Year |
| ASBA | Applications Supported by Blocked Amount |
| B.Com | Bachelors Degree in Commerce |
| BIFR | Board for Industrial and Financial Reconstruction |
| CAGR | Compounded Annual Growth Rate |
| CDSL | Central Depository Services (India) Limited |
| CESTAT | Customs, Excise and Service Tax Appellate Tribunal |
| CENVAT | Central Value Added Tax |
| CIN | Corporate Identification Number |
| Companies Act | Companies Act, 1956 as amended from time to time, including sections of Companies Act, 2013 wherever notified by the Central Government. |
| CSO | Central Statistical Organisation |
| Depositories | NSDL and CDSL; Depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time. |
| Depositories Act | The Depositories Act, 1996, as amended from time to time. |
| DIN | Director Identification Number |
| DP | Depository Participant |
| DP ID | Depository Participant's Identity |
| DB | Designated Branch |

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| EBIDTA | Earnings before Interest, Depreciation, Tax, Amortization and extraordinary items. |
| ECS | Electronic Clearing Services |
| EGM | Extraordinary General Meeting |
| ESIC | Employee State Insurance Corporation |
| ESOP | Employee Stock Option Plan |
| EPS | Earnings per Share |
| FDI | Foreign Direct Investment |
| FCNR Account | Foreign Currency Non-Resident Account |
| FEMA | Foreign Exchange Management Act, as amended from time to time and the regulations framed there under. |
| FEMA Regulations | FEMA (Transfer or Issue of Security by Person Resident Outside India) Regulations, 2000 and amendments thereto. |
| FII(s) | Foreign Institutional Investors |
| FIs | Financial Institutions |
| FIPB | The Foreign Investment Promotion Board, Ministry of Finance, Government of India. |
| FV | Face Value |
| FVCI | Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000. |
| F.Y | Financial Year |
| GAAP | Generally Accepted Accounting Principles |
| GDP | Gross Domestic Product |
| GOI | Government of India. |
| GST | Goods & Service Tax |
| HNI | High Net worth Individual |
| HUF | Hindu Undivided Family |
| ICDR Regulations/ SEBI Regulations/ SEBI (ICDR) Regulations | SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time. |

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| Indian GAAP | Generally accepted accounting principles in India. |
| ICAI | Institute of Chartered Accountants of India |
| ICSI | Institute of Company Secretaries of India |
| IFRS | International financial reporting standards. |
| Ind AS | Indian Accounting Standards |
| IPC | Indian Penal Code |
| IPO | Initial Public Offering |
| IPR | Intellectual Property Right |
| IT | Information Technology |
| IT Act | The Income-tax Act, 1961 as amended from time to time except as stated otherwise. |
| IT Rules | The Income-tax Rules, 1962, as amended from time to time |
| INR | Indian National Rupee |
| JV | Joint venture |
| KMP | The officers declared as a Key Managerial Personnel and as mentioned in the chapter titled “ <i>Our Management</i> ” beginning on page 134. |
| Ltd. | Limited |
| MBA | Master in Business Administration |
| M.Com | Master Degree in Commerce |
| MD | Managing Director |
| MoU | Memorandum of Understanding |
| MNC | Multinational corporation |
| N/A or NA | Not Applicable |
| NAV | Net Asset Value |
| NECS | National Electronic Clearing Services |
| NEFT | National Electronic Fund Transfer |
| Net Worth | The aggregate of the paid-up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the |

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| | aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account |
| NOC | No Objection Certificate |
| NPV | Net Present Value |
| NR | Non-Resident |
| NRE Account | Non-Resident External Account |
| NRI | Non-Resident Indian, is a person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. |
| NRO Account | Non-Resident Ordinary Account |
| NSDL | National Securities Depository Limited. |
| NSE | National Stock Exchange of India Limited |
| p.a. | per annum |
| PAN | Permanent Account Number |
| PAT | Profit After Tax |
| Pvt. | Private |
| PBT | Profit Before Tax |
| P/E Ratio | Price Earnings Ratio |
| POA | Power of Attorney |
| PIO | Persons of Indian Origin |
| QIB | Qualified Institutional Buyer |
| RBI | Reserve Bank of India |
| RBI Act | The Reserve Bank of India Act, 1934, as amended from time to time |
| Ron | Return on Net Worth. |
| Rs. / INR | Indian Rupees |
| RTGS | Real Time Gross Settlement |
| SCRA | Securities Contracts (Regulation) Act, 1956 |
| SCRR | Securities Contracts (Regulation) Rules, 1957 |

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|---|---|
| SCSB | Self-Certified Syndicate Bank |
| SEBI | Securities and Exchange Board of India. |
| SEBI Act | Securities and Exchange Board of India Act, 1992, as amended from time to time. |
| SEBI Depository Regulations | Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996. |
| SEBI Regulations | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. |
| SEBI Listing Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. |
| SEBI Insider Trading Regulations | The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, including instructions and clarifications issued by SEBI from time to time. |
| SEBI Takeover Regulations / Takeover Code | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time, including instructions and clarifications issued by SEBI from time to time. |
| Sec. | Section |
| SICA | Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time. |
| SSI Undertaking | Small Scale Industrial Undertaking |
| Stock Exchange (s) | NSE |
| Sq. | Square |
| Sq. mtr | Square Meter |
| TAN | Tax Deduction Account Number |
| TRS | Transaction Registration Slip |
| TIN | Taxpayers Identification Number |
| TNW | Total Net Worth |
| u/s | Under Section |
| UIN | Unique Identification Number |
| US/ U.S. / USA | United States of America |
| USD or US\$ | United States Dollar |

| | |
|---------------------------------|--|
| U.S. GAAP | Generally accepted accounting principles in the United States of America |
| UOI | Union of India |
| Venture Capital Fund(s)/ VCF(s) | Venture capital funds as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as amended from time to time. |
| WDV | Written Down Value |
| w.e.f. | With effect from |
| YoY | Year over Year |

Notwithstanding the following: -

- (i) In the section titled '*Main Provisions of the Articles of Association*' beginning on page 297, defined terms shall have the meaning given to such terms in that section;
- (ii) In the section titled '*Financial Statements*' beginning on page 156, defined terms shall have the meaning given to such terms in that section;
- (iii) In the chapter titled "*Statement of Tax Benefits*" beginning on page 82, defined terms shall have the meaning given to such terms in that chapter.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

All references to “India” are to the Republic of India and all references to the “Government” are to the Government of India.

FINANCIAL DATA

Unless stated otherwise, the financial data included in this Draft Prospectus are extracted from the restated financial statements of our Company, prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditors, set out in the section titled ‘Financial Statements’ beginning on page 156. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act, and have been restated in accordance with the SEBI (ICDR) Regulations.

Our fiscal year commences on 1st April of each year and ends on 31st March of the next year. All references to a particular fiscal year are to the 12 months period ended 31st March 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. All decimals have been rounded off to two decimal points.

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 “Risk Factors”, “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 restated financial statements prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditors, set out in the section titled ‘Financial Statements’ beginning on page 156.

CURRENCY OF PRESENTATION

In this Draft Prospectus, references to “Rupees” or “Rs.” or “INR” are to Indian Rupees, the official currency of the Republic of India. All references to “\$”, “US\$”, “USD”, “U.S. \$” or “U.S. Dollars” are to United States Dollars, the official currency of the United States of America.

All references to ‘million’ / ‘Million’ / ‘Mn’ refer to one million, which is equivalent to ‘ten lacs’ or ‘ten lakhs’, the word ‘Lacs / Lakhs / Lac’ means ‘one hundred thousand’ and ‘Crore’ means ‘ten million and ‘billion / bn./ Billions’ means ‘one hundred crores’.

INDUSTRY & MARKET DATA

Unless otherwise stated, Industry & Market data used throughout this Draft Prospectus have been obtained from Federation of Indian Chambers of Commerce and Industry (FICCI), International Monetary Fund (IMF), Trading Economics, Indian Brand Equity Foundation (IBEF), Ken Research, CREDAI-CBRE Research and websites-tradingeconomics; grandviewresearch; finetrain; lucintel. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Draft Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports, while believed by us to be reliable, have not been verified by any independent sources.

Further the extent to which the market and industry 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

This Draft Prospectus contains certain “forward-looking statements”. These forward-looking statements can generally be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “shall”, “will”, “will continue”, “will pursue” or other words or phrases of similar meaning. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results and property valuations to differ materially from those contemplated by the relevant forward-looking statement.

Important factors that could cause actual results to differ materially from our expectations include, among others:

- Fluctuations in operating costs;
- Our failure to keep pace with changes in technology;
- Increased competition in our Industry;
- Our ability to attract and retain technical personnel;
- Higher interest outgo on our loans;
- Our ability to successfully implement our growth strategy and expansion plans;
- Our ability to meet our working capital expenditure requirements;
- Our ability to attract and retain qualified personnel;
- Conflict of Interest with affiliated companies, the promoter group and other related parties; and
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- Changes in government policies and regulatory actions that apply to or affect our business;
- The performance of the financial markets in India and globally;
- The occurrence of natural disasters or calamities;
- Other factors beyond our control;

For a further discussion of factors that could cause our actual results to differ, refer to section titled “*Risk Factors*” and chapter titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 19 and 195 respectively. By their nature, certain market 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.

Future looking statements speak only as of the date. Neither we, our Directors, Underwriter, Merchant Banker nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, the LM and our Company will ensure that investors in India are informed of material developments until the grant of listing and trading permission by the Stock Exchange.

SECTION II – RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. In making an investment decision prospective investors must rely on their own examination of our Company and the terms of this offer including the merits and risks involved. Any potential investor in, and subscriber of, the Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment in which some material respects may be different from that which prevails in other countries. The risks and uncertainties described in this section are not the only risks and uncertainties we currently face. Additional risks and uncertainties not known to us or that we currently deem immaterial may also have an adverse effect on our business. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. Additionally, our business operations could also be affected by additional factors that are not presently known to us or that we currently consider as immaterial to our operations.

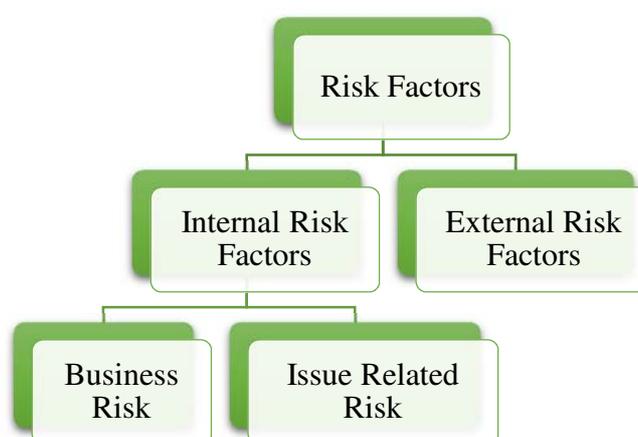
Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. To obtain a complete understanding, you should read this section in conjunction with the chapters titled “Our Business” beginning on page 96, “Our Industry” beginning on page 85 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 195 respectively, as well as other financial information contained herein.

The following factors have been considered for determining the materiality of Risk Factors:

- *Some events may not be material individually but may be found material collectively;*
- *Some events may have material impact qualitatively instead of quantitatively;*
- *Some events may not be material at present but may have material impact in future.*

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence the same has not been disclosed in such risk factors. Unless otherwise stated, the financial information of the Company used in this section is derived from our financial statements under Indian GAAP, as restated in this Draft Prospectus. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. For capitalized terms used but not defined in this chapter, refer to the chapter titled “Definitions and Abbreviations” beginning on page 03. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.

The risk factors are classified as under for the sake of better clarity and increased understanding:



A. INTERNAL RISK FACTORS

I. Business Risks/ Company specific Risk

1. *There are outstanding litigation against or by our Company and any adverse outcome in any of these proceedings may adversely affect our profitability and reputation and may have an adverse effect on our results of operations and financial condition.*

There are certain following outstanding legal proceedings involving our Company. These proceedings are pending at different levels of adjudication before various courts, tribunals, authorities, enquiry officers and appellate tribunals. The brief details of such outstanding litigation are as follows.

Proceedings by our Company

| Nature of Cases | No. of cases outstanding | Amount Involved (In lakhs) |
|----------------------|--------------------------|----------------------------|
| Civil proceedings | - | - |
| Criminal proceedings | 24 | 49.57 |

All the cases are under Negotiable Instruments Act.

Proceedings against our Company

| Nature of Cases | No. of cases outstanding | Amount Involved (In lakhs) |
|----------------------|--------------------------|----------------------------|
| Civil proceedings | 2 | 50.51 |
| Criminal proceedings | - | - |

There is an outstanding TDS Demand against the company as on June 27, 2018 is Rs. 35,830. For further details of certain material legal proceedings against our Company, see the section titled “*Outstanding Litigation and Material Developments*” beginning on page 209.

We cannot assure you that these legal proceedings will be decided in favour of our Company, as the case may be, or that no further liability will arise out of these proceedings. Further, such legal proceedings could divert management time and attention and consume financial resources. Any adverse outcome in any of these proceedings may adversely affect our profitability and reputation and may have an adverse effect on our results of operations and financial condition.

2. *Increase in the cost of, or a shortfall in the availability of our raw materials i.e. HDPE, PVC, CPVC, PPR, etc. could have an adverse effect on our business, results of operations and financial condition.*

Our primary raw materials include various polymers such as HDPE, PVC, CPVC, PPR, etc. In addition, we also use various other raw materials including other polymers, impact modifier, colouring pigments, brass inserts, adhesives, aluminium and packing items. The price of these materials have been fluctuating which is evident from the cost of materials consumed to revenue ratio as under:

(Rs. In Lakhs)

| Particulars | For the Year ended March 31 | | |
|---|-----------------------------|----------|----------|
| | 2018 | 2017 | 2016 |
| Net Revenue of Operations | 9,033.85 | 9,071.65 | 8,472.54 |
| Cost of material Consumed for Manufacturing | 6,445.48 | 6,904.00 | 5,912.85 |
| % of Net Revenue of Operations | 71.34% | 76.10% | 69.78% |

**On the basis of Restated financial statement.*

The price and availability of these raw materials depend on several factors beyond our control, including overall economic conditions, production levels, market demand and competition for such materials, production and transportation cost, duties and taxes and trade restrictions. We buy our indigenous raw materials from Indian Oil Corporation Limited, Reliance Industries Limited, Haldia Petrochemicals Ltd, Gail (India) Limited & buy imported raw materials from Osho Polymers, Gourishanker Polymers, AVR Overseas Pvt Ltd, etc. We also buy from local vendors. We typically enter into yearly MoUs with our key raw material suppliers, to ensure consistent supply and volume based discounts. Under the terms of these MoUs, while the minimum contracted quantities of raw materials to be purchased from each key raw material supplier are fixed for availing volume discounts, the cost of procurement is determined by the prevailing market price at the time of placement of each purchase order, quantity and availability of raw material. Price of certain of our raw materials change periodically and are based on crude prices, demand-supply, exchange rates and availability of material in domestic and international market. If we are unable to compensate for or pass on our increased costs to end-customer, such price increases could have an adverse impact on our result of operations, financial condition and cash flows. We also face a risk that one or more of our existing suppliers may discontinue their supplies to us. Any inability on our part to procure raw materials & products from alternate suppliers in a timely fashion, or on terms acceptable us, may adversely affect our operations.

For further details, kindly see chapters “Our Business” and “Financial Statements” beginning on page 96 & 156, respectively.

3. ***Our business is dependent on our manufacturing facilities and we are subject to certain risks in our manufacturing process. Any slowdown or shutdown in our manufacturing operations or under-utilization of our manufacturing facilities could have an adverse effect on our business, results of operations and financial condition.***

As of March 31, 2018, we conducted our operations through our three manufacturing facilities, details as under:

| Manufacturing Facilities | Address |
|--------------------------|--|
| Unit I | Khasra No. 356, Gagal Hedi Road, Bhagwanpur, Roorkee-247667, Uttrakhand. |
| Unit II | Plot No. 78, Malanpur Industrial Area, Malanpur- 474011, Gwalior, Madhya Pradesh |
| Unit III | No. 2-E Dobaspet, 1st Phase, Sompura KIADB Industrial Area, Hobli Nelamanga, Bangalore- 562 111, Karnataka, India. |

Our business is dependent upon our ability to manage our manufacturing facilities, which are subject to various operating risks, including those beyond our control, such as the breakdown and failure of equipment or industrial accidents and severe weather conditions and natural disasters. Any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs and cause delays in our operations. If we are unable to repair malfunctioning machinery in a timely manner or at all, our operations may need to be suspended until we procure machinery to replace the same. In addition, we may be required to carry out planned shutdowns of our facilities for maintenance, statutory inspections and testing, or may shut down certain facilities for capacity expansion and equipment upgrades. We may also face protests from local citizens at our existing facilities or while setting up new facilities, which may delay or halt our operations.

Although we have not experienced any significant disruptions at our manufacturing facilities in the past, we cannot assure you that there will not be any disruptions in our operations in the future. Our inability to effectively respond to such events and rectify any disruption, in a timely manner and at an acceptable cost, could lead to the slowdown or shut-down of our operations or the under-utilization of our manufacturing facilities, which in turn may have an adverse effect on our business, results of operations and financial condition.

4. ***Within the parameters as mentioned in the chapter titled ‘Objects of this Issue’ beginning on page 73, our Company’s management will have flexibility in applying the proceeds of this Issue. The fund requirement and deployment mentioned in the Objects of this Issue have not been appraised by any bank or financial institution.***

The fund requirement and deployment, as mentioned in the “Objects of the Issue” on page 73 is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan and operation position. We cannot assure that the current business plan will be implemented or orders shall be executed in its entirety or at all. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements. The requirement of working capital for the initial public offer has been based on the limit of Rs. 2,000.00 Lakhs (Fund-based) maintained with Bank of India. The deployment of the funds as stated under chapter “Objects of the Issue” is at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency. Further, we have not identified any alternate source of working capital funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds could adversely affect our growth plans.

5. ***We sell our products under our brand name ‘fusion’[®]. If we are unable to maintain quality, our brand building exercise may be adversely affected. Any deterioration in the reputation and market perception of our brand may have an adverse effect on our sales, profitability and the implementation of our growth strategy. Further, the sale of counterfeit products may also affect our reputation and profitability.***

We believe that the recognition and reputation of our brand ‘fusion’[®] among customers has contributed significantly to the growth and success of our business. The ability to differentiate our brand and our products from our competitors through our branding is an important factor in attracting customers. If we to maintain our reputation, enhance our brand recognition or increase positive awareness of our products, it may be difficult to maintain and grow our customer base, which could have a material adverse effect on our business and prospects. However, we have understood that our brand functions as a multiplier for us. It not only increases the voice and customer awareness, but it also gives an identity and worth to our Company. It generates desire and differentiation and motivates customers to pay more for our products than they might otherwise. So, we also protect our reputation in order to preserve our credibility and trust.

Our products are subject to counterfeiting. As our brand ‘fusion’[®] is gaining customer recognition, we encounter counterfeiting of our products, such as unauthorized imitation or replication of our designs, trademarks or labeling by third parties from time to time. Although we have been actively taking actions to combat against counterfeiting of our products, there can be no assurance that such actions will be successful in prevention of counterfeiting. A significant presence of counterfeit products in the market could have a negative impact on the value and image of our brand, result in a loss of consumer confidence in our brand, and as a consequence, adversely affect our business and results of operations. Further, we are selling some of our products with new brand name and the same is not registered in the name of the Company under Trade Mark Act, 1999. In case we are unable to obtain the registration for the said trademark in our name which is important to retain our brand image, our business revenues and profitability may be impacted.

6. ***Any delay or default in payment from our customers could result in the reduction of our profits and affect our cash flows.***

Our operations involve extending credit, ranging typically from 45-60 Days, to our customers in respect of our products. Consequently, we face the risk of the uncertainty regarding the receipt of these outstanding amounts. Accordingly, we had and may continue to have high levels of outstanding receivables.

Details of Trade Receivables for the last three financial years are as under:

(Rs. In Lakhs)

| Particulars | For the Year ended March 31 | | |
|--------------------------------|-----------------------------|----------|----------|
| | 2018 | 2017 | 2016 |
| Net Revenue of Operations | 9,033.85 | 9,071.65 | 8,472.54 |
| Trade Receivables | 1,732.47 | 1,335.28 | 1,042.58 |
| % of Net Revenue of Operations | 19.17% | 14.71% | 12.30% |

**On the basis of Restated financial statement.*

The details of top 5 debtors as on March 31, 2018 are as under:

| Sr. No. | Name of Customer | Amount (In Lakhs) |
|---------|--------------------------|-------------------|
| 1 | Fusion House (UP) | 83.87 |
| 2 | Fusion World Bihar | 56.08 |
| 3 | Fusion House(Gwalior) | 53.64 |
| 4 | Airmen Engineers | 40.26 |
| 5 | Fusion India (Bhagalpur) | 36.39 |
| | Total | 270.23 |

For details on Fusion Houses please see Our Strategies mentioned in the Chapter titled “*Our Business*” on page 96.

If our customers delay or default in making these payments, our profits margins and cash flows could be adversely affected. For further details, kindly see chapter titled “*Financial Statements*” beginning on page 156.

7. ***Information relating to our production capacities and the historical capacity utilization of our production facilities included in this Draft Prospectus is based on certain assumptions and has been subjected to rounding off, and future production and capacity utilization may vary.***

Information relating to our production capacities and the historical capacity utilization of our production facilities included in this Draft Prospectus is based on various assumptions and estimates of our management, including proposed operations, assumptions relating to availability and quality of raw materials and assumptions relating to operational efficiencies. Actual production levels and utilization may differ significantly from the estimated production capacities or historical estimated capacity utilization of our facilities. Undue reliance should therefore not be placed on our production capacity or historical estimated capacity utilization information for our existing facilities included in this Draft Prospectus. For further information, see the section titled “*Our Business*” on page 96.

8. ***In case of our inability to obtain, renew or maintain the statutory and regulatory licenses, permits and approvals required to operate our business it may have a material adverse effect on our business.***

We require certain statutory and regulatory permits, licenses and approvals to operate our business. We believe that we have obtained all the requisite permits and licenses which are adequate to run our business. However, there is no assurance that there are no other statutory/regulatory requirements which we are required to comply with.

Further, some of these approvals are granted for fixed periods of time and need renewal from time to time. We are required to renew such permits, licenses and approvals. Further, certain licenses and registrations obtained by our Company contain certain terms and conditions, which are required to be complied with by us. Any default by our Company in complying with the same, may result in inter alia the cancellation of such licenses, consents, authorizations and/or registrations, which may adversely affect our operations. There can

be no assurance that the relevant authorities will issue or renew any of such permits or approvals in time or at all. Failure to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business.

We have regular system of checking for any regulatory license being expiring & to apply for renewal within stipulated time. For further details, please refer to section titled “Government and Other Statutory Approvals” beginning on page 215.

9. We face competition in our business from domestic competitors. Such competition would have an adverse impact on our business and financial performance.

The industry, in which we are operating, is highly and increasingly competitive and our results of operations and financial condition are sensitive to, and may be materially adversely affected by, competitive pricing and other factors. Competition may result in pricing pressures, reduced profit margins or lost market share or a failure to grow our market share, any of which could substantially harm our business and results of operations. 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.

10. Credit Rating from CARE Ratings.

The cost and availability of capital, amongst other factors, is also dependent on our credit rating. Our Company has assigned following ratings by Care Ratings dated February 06, 2018:

| Facilities | Amount (Rs. In Lakhs) | Rating | Remarks |
|----------------------------|--------------------------|------------------|-------------|
| Long Term Bank Facilities | 2,616.00 | CARE BB+, Stable | Re-affirmed |
| Short Term Bank Facilities | 300.00 | CARE A4+ | Re-affirmed |
| Total Facilities | 2,916.00 | | |

Rating reflect a rating agency’s opinion of our financial strength, operating performance, position and ability to meet our obligations. Any downgrade of our credit rating would increase borrowing costs and constrain our access to capital and lending markets and, as a result, could adversely affect our business. Further, downgrades of our credit ratings could increase the possibility of additional terms and conditions being added to any new or replacement financing arrangements.

11. Our Company has certain contingent liabilities which if materialized, could adversely affect the financial position of the Company.

As on March 31, 2018 our Company has contingent liabilities as per restated financial statement of Rs. 19.40 Lakhs as follows:

(Rs. In Lakhs)

| Sr. No. | Particulars | As on March 31, 2018 |
|---------|-----------------|----------------------|
| 1 | Bank Guarantees | 19.40 |
| 2 | TDS Demand | 0.36 |
| | Total | 19.76 |

In the event of any such contingencies mentioned above were to materialize or if our contingent liabilities were to increase in the future, our financial condition could be adversely affected. For further details, please refer to section titled “Financial Statements” beginning on page 156.

12. Our lender i.e. Bank of India have imposed certain restrictive conditions on us under our financing arrangements.

Under our financing arrangements dated March 24, 2017 with Bank of India, we are required to obtain the prior written consent for, among other matters, changes in our capital structure, formulate a scheme of amalgamation or reconstruction and entering into any other borrowing arrangement. Further, we are required to maintain certain financial ratios. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain the consents necessary to take the actions we believe are necessary to operate and grow our business. Our level of existing debt and any new debt that we incur in the future has important consequences. Any failure to comply with these requirements or other conditions or covenants under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may require us to repay the borrowing in whole or part and may include other related costs. Our Company may be forced to sell some or all of its assets or limit our operations. This may adversely affect our ability to conduct our business and impair our future growth plans. For further details, please refer to section titled “Financial Indebtedness” beginning on page 204.

13. Our lender have charge over our immovable & movable properties in respect of finance availed by us.

We have secured our lender by creating a charge over our immovable & movable properties in respect of loans / facilities availed by us. We have been extended Working Capital loan (Fund Based and Non- Fund Based Limits) from Bank of India against hypothecation of our Company’s property. For further details, please refer to section titled “Financial Indebtedness” beginning on page 204.

14. Our Company may not have complied with certain statutory provisions under Companies Act 1956 or Companies Act, 2013. Such non-compliances may attract penalties.

Our Company was incorporated on December 12, 2002 under the Companies Act, 1956. Our Company may have delayed and made incorrect filing of some forms under the Companies Act, 1956 and Companies Act, 2013 in the past. No show cause notice in respect of such filings has been received by the Company till date, For further details, please refer to section titled “Outstanding Litigations and Material Developments” beginning on page 209.

However any penalty imposed for non-compliance in future by any regulatory authority could affect our financial conditions to that extent. Such delay/non-compliance may in the future render us liable to statutory provisions concerned.

However our Company has now appointed Ms. Vinita Matta as Company Secretary & Compliance officer in terms of Companies Act 2013 & SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 who shall ensure that all compliances are made within necessary timelines.

15. Our Company had negative cash flows in some of the previous year(s) as per the Restated Financial Statements and the same are summarized as under:

Our Company had negative cash flows in some of the previous year(s) as per the Restated Financial Statements and the same are summarized as under:

(Rs. In Lakhs)

| Particulars | As on March 31, 2018 | As on March 31, 2017 | As on March 31, 2016 | As on March 31, 2015 | As on March 31, 2014 |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Cash Flow from/ (used in) Operating Activities | 421.97 | 566.04 | 126.02 | 397.86 | 269.79 |
| Cash Flow from/ (used in) Investing Activities | (101.28) | (205.84) | (222.68) | (337.54) | (347.04) |
| Cash Flow from/ (used in) Financing Activities | (352.32) | (270.96) | 76.81 | (34.73) | 93.92 |
| Net increase in cash and cash equivalents (A+B+C) | (31.62) | 89.24 | (19.86) | 25.58 | 16.66 |

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

16. Two out of three of our manufacturing units are not owned by us.

| Property Usage | Property Address | Document & Date | Lease Valid Till |
|------------------------|---|---|------------------|
| Manufacturing Unit II | Plot no. 78, I/A Malanpur, Tehsil Gohad, District - Bhind, Gwalior – 474011, Madhya Pradesh, India | Lease Agreement dated February 28, 2012 | August 27, 2089 |
| Manufacturing Unit III | No. 2-E Dobaspet, 1st Phase, Sompura KIADB Industrial Area, Hobli Nelamanga, Bangalore- 562 111, Karnataka, India | Lease Agreement dated March 23, 2013 | March 22, 2024 |

Our two manufacturing units has been taken on lease. In case the owner of the property does not renew the said lease agreement or renew the same on the term which are detrimental to the company we may suffer increased relocating costs. For further details of the property refer chapter titled “Our Business” beginning on page 96.

17. A shortage or non-availability of electricity, LPG, fuel or water may adversely affect our manufacturing operations and have an adverse effect on our business, results of operations and financial condition.

Our manufacturing operations require a significant amount and continuous supply of electricity, LPG, fuel and water and any shortage or non-availability may adversely affect our operations. The manufacturing process of our products requires significant power. We currently source our water requirements from local body water supply, canals & bore wells and depend on state electricity boards. Although we also have D.G. sets for emergency power requirement which assist in the manufacturing process and for other general purposes. We cannot assure you that our facilities will be operational during power failures.

Further, we also use LPG for rotational moulded tanks which we procure from LPG dealers. We have entered into MoUs with the suppliers for fulfilling our 100% of LPG requirements in Unit-II (Madhya Pradesh) and Unit-III (Karnataka) respectively. Any shortfall in supply of LPG, our production & financial condition could be adversely affected accordingly.

- 18. *We are dependent on third party transportation providers for delivery of raw materials to us from our suppliers and delivery of our products to our customers and dealers/distributors. Any failure on part of such service providers to meet their obligations could have a material adverse effect on our business and results of operation.***

As a manufacturing business, our success depends on the smooth supply and transportation of the raw materials required for our manufacturing process and transportation of our products from our manufacturing units to our customers, both of which are subject to various uncertainties and risks. We use third party transportation providers. Transportation strikes have had in the past, and could again in the future have, an adverse effect on our supplies and our deliveries to and from our customers and suppliers in a timely and cost efficient manner. In addition, raw materials and products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of raw materials and products which may also affect our business and operations negatively. A failure to maintain a continuous supply of raw materials or to deliver our products to our customers in an efficient and reliable manner could have a material and adverse effect on our business, financial condition and results of operations.

- 19. *Breakdowns of our major plants or machineries or failures to repair or maintain the same may affect our business.***

Breakdowns of our major plants or machineries may significantly increase our machineries purchase cost/repair and the depreciation of our plants and machineries, as well as change the way our management estimates the useful life of our plants and machineries. In such cases, we may not be able to acquire new plants or machineries or repair the damaged plants or machineries in time or at all, particularly where our plants or machineries are not readily available from the market or require services from original machinery manufacturers. Some of our major machineries or parts may be costly to replace or repair. We may experience significant price increases due to supply shortages, inflation, transportation difficulties or unavailability.

- 20. *We are exposed to foreign currency exchange rate fluctuations, which may harm our results of operations.***

Our financial statements are presented in Indian Rupees. However, some part of our operating expenses are influenced by the currency of that country from where we import the raw material. The exchange rate between the Indian Rupee and foreign currencies has fluctuated in the past and our results of operations may be impacted by such fluctuations.

- 21. *The company has not complied with the requirement of providing for employee benefits in the books of accounts as mandated under Accounting Standard 15 (“AS 15”) under “Accounting for Employee Benefits” issued by the Institute of Chartered Accountant of India.***

The Company has completed sixteen years from the date of Incorporation and the Payment of Gratuity Act, 1972 is applicable. We have not made provision for Gratuity Payment as required under the Payment of Gratuity Act 1972. The Compliance of Accounting Standard-15 - Employee Benefits is Mandatory for the Companies. The Company has not complied with the Accounting Standard AS 15 - Employee Benefits.

- 22. *If we are unable to raise additional capital, our business prospects could be adversely affected.***

We intend to fund our development plans through our internal accruals, cash flow from operations and working capital from banks. We will continue to incur significant expenditure in maintaining and growing our existing manufacturing infrastructure. We cannot assure you that we will have sufficient capital resources for our current operations or any future expansion plans that we may have. While we expect our internal accruals and cash flow from operations to be adequate to fund our existing commitments, our ability to incur any future borrowings is dependent upon the success of our operations. Additionally, the inability to obtain

sufficient financing could adversely affect our ability to complete expansion plans. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. If we decide to meet our capital requirements through debt financing, we may be subject to certain restrictive covenants. If we are unable to raise adequate capital in a timely manner and on favourable terms, or at all, our business, results of operations, cash flows and financial condition could be adversely affected.

23. *Our Company has availed certain unsecured long-term loans that are callable by the lenders at any time.*

Our Company has availed unsecured long-term loans to the tune of Rs. 535.35 Lakhs as on March 31, 2018 that are callable on demand by the lenders including our Promoters, Promoter Group and financial institutions. In such cases, the lender is empowered to require repayment of the facility at any point in time during the tenure. We may not be able to secure fresh funds or have internal accruals to repay those loans. As a result, our cash flow may be affected resulting in working capital constraints. However since all of them belong to promoter group, we do not foresee any such situation. For further details please refer chapter titled “Financial Information” beginning on page 156.

24. *The average cost of acquisitions of Equity Shares by our Promoters is lower than the issue price.*

Our Promoters average cost of acquisition of Equity Shares in our Company are as follows:

| Name of the Promoters | No. of Shares held | Average cost of Acquisition (In Rs.) |
|---------------------------|--------------------|---|
| Mr. Trilok Chand Chandana | 30,31,200 | 1.55 |
| Mrs. Tarun Chandna | 25,12,800 | 1.71 |

For further details regarding average cost of acquisitions of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters in our Company, please refer chapter titled “Capital Structure” beginning on page 57.

25. *We have entered into certain transactions with related parties. These transactions or any future transactions with our related parties could potentially involve conflicts of interest.*

We have entered into certain transactions with our Promoters & Promoter Group and may continue to do so in future. For absolute value of all transactions entered into with our related party entities please refer to Statement of Related Party Transactions under chapter “Financial Statement” beginning on page 156. These transactions or any future transactions with our related parties could potentially involve conflicts of interest. However the Company cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on business and financial results. Our Company shall follow the provisions as laid down under Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

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

Some of our Directors (including our Promoters) and Key Management Personnel are interested in our Company to the extent of their shareholding and dividend entitlement in our Company, in addition to normal remuneration or benefits and reimbursement of expenses. We cannot assure you that our Directors or our Key Management Personnel would always exercise their rights as Shareholders to the benefit and best interest of our Company. As a result, our Directors will continue to exercise significant control over our Company, including being able to control the composition of our board of directors and determine decisions requiring simple or special majority voting, and our other Shareholders may be unable to affect the outcome of such

voting. Our Directors may take or block actions with respect to our business, which may conflict with our best interests or the interests of other minority Shareholders, such as actions with respect to future capital raising or acquisitions. We cannot assure you that our Directors will always act to resolve any conflicts of interest in our favour, thereby adversely affecting our business and results of operations and prospects.

27. Our success depends largely upon the services of our Management and other Key Managerial Personnel and our ability to retain them. Our inability to attract and retain key managerial personnel may adversely affect the operations of our Company.

Our success largely depends on the continued services and performance of our management and other key personnel. Though they have been assisted by team of professionals, the loss of service of the Promoters and other senior management could seriously impair the ability to continue to manage and expand the business efficiently. Further, the loss of any of the senior management or other key personnel may adversely affect the operations, finances and profitability of our Company. Any failure or inability of our Company to efficiently retain and manage its human resources would adversely affect our ability to implement new turn key projects and expand our business.

28. One of our Key Management Personnel are associated with the Company less than one year.

One of our Key Management Personnel i.e. Company Secretary is associated with the Company for a period of less than one year. For details of Key Management Personnel and their appointment, please refer to chapter “Our Management” beginning on page 134.

29. Certain documents in relation to educational qualifications and experience of our Promoters & Directors are not available.

Certain supporting documentation for details required to be stated under brief profiles of Promoters & Directors of our Company in “Our Management” on page 134, including in respect of educational qualifications and work experience could not be made available to our Company, despite due enquiries with such Directors and KMPs. We have relied on certain indirect sources for such information.

30. Our operations are subject to environmental, health and safety laws and regulations.

Our operations are subject to various Central and State environmental laws and regulations relating to the control of pollution in the area where we operate. In particular, dust or other pollutants into the air, soil or water that exceed permitted levels and cause damage to others may give rise to liability to the Government and third parties, and may result in our incurring costs to remedy such discharge or emissions. There can be no assurance that compliance with such environmental laws and regulations will not result in a curtailment of operations, or a material increase in the costs of operations, or otherwise have a material adverse effect on the financial condition and results of our operations. Environmental laws and regulations in India have been increasing in stringency and it is possible that they will become significantly more stringent in the future. Stricter laws and regulations, or stricter interpretation of the existing laws and regulations, may impose new liabilities on us or result in the need for additional investment in pollution control equipment, either of which could adversely affect our business, financial condition or prospects. While as of the date of this Draft Prospectus, we are not subject to any environmental legal proceedings, we may be impleaded in such legal proceedings in the course of our business. Such legal proceedings could divert management time and attention, and consume financial resources in defense or prosecution of such legal proceedings or cause delays in the production, development or commencement of operations of our projects. No assurance can be given that we will be successful in all, or any, of such proceedings.

31. Our manufacturing activities are dependent upon availability of skilled and unskilled labour.

Our manufacturing units are dependent on availability of skilled and unskilled labour. Non-availability of labour at any time or any disputes with them may affect our manufacturing schedule and timely delivery to customers which may adversely affect our business and results of operations.

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

As of March 31, 2018, we had total inventory consisting of raw materials, stock in process and finished goods to the value of Rs. 3,097.79 Lakhs as per our Restated Financial Statements. Our operations may be subject to incidents of theft or damage to inventory in transit, prior to or during stocking. We may also encounter some inventory loss on account of employee/vendor fraud, theft, embezzlement and general administrative error. Although, we have set up various security measures, including CCTV in our offices and the existing Manufacturing Units, deployment of security guards and follow stringent operational processes such as periodic stock tracking, there can be no assurance that we will not experience any fraud, theft, employee negligence, security lapse, loss in transit or similar incidents in the future, which could adversely affect our results of operations and financial condition.

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

We may encounter problems in executing the orders in relation to our products, or executing it on a timely basis. Moreover, factors beyond our control or the control of our customers may result in the postponement of the delivery of products or cause its cancellation. Accordingly, it is difficult to predict with certainty that, when, and to what extent we may be able to deliver the orders placed. Further, we may be bound to certain terms in the contracts entered with the customers any non-adherence to the same may lead to breach of the contract, which may subject us to penalties and liquidated damages. Any failure to adhere to the conditions which may be beyond our control may subject us to liquidated damages which could have an effect on the result of operation and cash flow.

34. Our Company has filed certain forms as prescribed under the Companies Act with Registrar of Companies with additional fees and.

Under the provisions of Companies Act, certain forms are required to be filed within prescribed timelines. In past, our Company has exceeded such timeline for filing the forms and has paid applicable additional fees. If our company fails to comply with the provisions for filing of forms under the provisions of the Companies Act, then the company and every officer of the company who is in default is punishable with fine. ROC forms filed late with additional fees during the last three financial years has been detailed below:

| Sr. No. | ROC e-Forms | Date of filing |
|---------|-------------|----------------|
| 1 | MGT-14 | 07-11-2015 |
| 2 | MGT-14 | 29-10-2016 |
| 3 | MGT-14 | 15-12-2017 |
| 4 | AOC-4 | 16-12-2017 |
| 5 | MGT-7 | 16-12-2017 |
| 6 | CHG-1 | 24-04-2018 |
| 7 | MGT-14 | 30-04-2018 |
| 8 | DIR-12 | 08-05-2018 |
| 9 | DIR-11 | 08-05-2018 |
| 10 | DIR-11 | 08-05-2018 |

Further, there have been some inaccuracies/clerical mistakes in filing of certain forms with ROC, which may result in levy of penalties and which may adversely affect our reputation. Our Company got corrected the following previous ROC forms during the last three years:

| Sr. No. | Forms | Date of Rectification |
|---------|-------|-----------------------|
| 1 | MGT-7 | 16-04-2018 |

The above mentioned details has been certified by Gyaneshwar Sahai and Associates vide certificate dated July 18, 2018. Although no show cause notice have been issued against our Company till date in respect of above, we cannot rule out possibility of receiving a notice in future.

35. *We have not independently verified certain data in this Draft Prospectus.*

We have not independently verified data from industry publications contained herein and although we believe these sources to be reliable, we cannot assure you that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regard to other countries. Therefore, discussions of matters relating to India and its economy are subject to the caveat that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete or unreliable.

These facts and statistics are included in “Summary of Industry” and “Industry Overview” on page no. 36 and 85 respectively. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be elsewhere.

36. *Loans availed by our Company have been secured on personal guarantees of our Promoters & Promoter Group. Our business, financial condition, results of operations, cash flows and prospects may be adversely affected in case of invocation of any personal guarantees or collateral securities provided by our Promoters.*

Our Promoters and Promoter Group Members has provided personal guarantees as security to secure our existing limits of Rs. 2,000.00 Lakh taken from Bank of India and may continue to provide such guarantees and other security post listing. In case of a default under our loan agreements, any of the personal guarantees provided by our Promoters may be invoked and/ or the security may also be enforced, which could negatively impact the reputation and Net Worth of the Promoters. Also, we may face certain impediments in taking decisions in relation to our Company, which in turn would result in a material adverse effect on our financial condition, business, results of operations and prospects and would negatively impact our reputation. In addition, our Promoters may be required to liquidate their shareholding in our Company to settle the claims of the lenders, thereby diluting their shareholding in our Company. We may also not be successful in procuring alternate guarantees/ alternate security satisfactory to the lenders, as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows. For further details regarding loans availed by our Company, please refer “Statement of Financial Indebtedness” on page 204.

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

We have taken insurance which may not be adequate enough for covering the entire future unforeseen liabilities that might occur in the normal course of business. Further, there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part or on time by the insurers. 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 for which we did not obtain or maintain insurance, and which is not covered by insurance, 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, cash flows and financial performance could be adversely affected. For further details on insurance arrangements, see the section titled “*Our Business*” on page 96.

- 38. *Our Promoters and the members of our Promoters Group will continue to retain significant control in the Company after the Issue, which will enable them to influence the outcome of matters submitted to shareholders for approval. Our Promoters and the members of our Promoter Group may have interests that are adverse to the interests of our other shareholders and may take positions with which our other shareholders do not agree.***

As of March 31, 2018, our Promoters and the members of our Promoter Group hold entire issued equity share capital of the Company. After completion of the Issue, our Promoters and the members of our Promoter Group will hold 73.48% of the equity shares capital of the Company and continue to retain a significant control of the Company. As a result, our Promoters and our Promoter Group will have the ability to control our business, including matters relating to any sale of all or substantially all of our assets, the timing and distribution of dividends and the election or termination of appointment of our officers and directors. This control could delay, defer or prevent a change in control of the Company, impede a merger, consolidation, takeover or other business combination involving the Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Company even if it is in the Company’s best interest. In addition, for so long as our Promoters and the members of our Promoter Group continue to exercise significant control over the Company they may influence the material policies of the Company in a manner that could conflict with the interests of our other shareholders. Our Promoters and the members of our Promoter Group may have interests that are adverse to the interests of our other shareholders and may take positions with which our other shareholders do not agree.

II. *Risk related to this Issue and our Equity Shares*

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

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

- 40. *Our ability to pay any dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.***

The amount of our future dividend payments, if any, will depend upon our Company’s future earnings, financial condition, cash flows, working capital requirements, capital expenditures, applicable Indian legal restrictions and other factors. There can be no assurance that our Company will be able to pay dividends.

- 41. *There is no guarantee that the Equity Shares issued pursuant to this Issue will be listed on the NSE – Emerge in a timely manner.***

We have applied to NSE to use the name of its SME platform “NSE-Emerge” as the Stock Exchange in this offer document for listing our 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. There could be a delay in listing the Equity Shares on the Stock Exchange. Any delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

B. EXTERNAL RISK FACTORS

42. *Natural calamities and force majeure events may have an adverse impact on our business.*

Natural disasters may cause significant interruption to our operations, and damage to the environment that could have a material adverse impact on us. The extent and severity of these natural disasters determines their impact on the Indian economy. Prolonged spells of deficient or abnormal rainfall and other natural calamities could have an adverse impact on the Indian economy, which could adversely affect our business and results of operations.

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

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

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

Under current Indian tax laws, capital gains arising from the sale of equity shares within 12 months in an Indian company are classified as short term capital gains and generally taxable. Any gain realised on the sale of listed equity shares on a stock exchange that are held for more than 12 months is considered as long term capital gains and currently, such gains are not be subject to capital gains tax in India if Securities Transaction tax (STT) has been paid on the transaction. STT is levied on and collected by a domestic stock exchange on which equity shares are sold. The Finance Bill, 2018, tabled before the Parliament, proposes to withdraw the exemption on long-term capital gains tax from April 01, 2018 and to impose 10% tax on such long-term capital gains in excess of Rs. 1,00,000. This proposal is subject to parliamentary process. Any long-term gain realised on the sale of equity shares, which are sold other than on a recognised stock exchange and on which no STT has been paid, is also subject to tax in India. Capital gains arising from the sale of equity shares are exempt from taxation in India where an 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 to pay tax in India as well as in their own jurisdiction on a gain on the sale of equity shares.

45. *We have not prepared, and currently do not intend to prepare, our financial statements in accordance with the International Financial Reporting Standards ("IFRS"). Our transition to IFRS reporting could have a material adverse effect on our reported results of operations or financial condition.*

Public companies in India, including us, may be required to prepare annual and interim financial statements under IFRS in accordance with the roadmap for convergence with IFRS announced by the Ministry of Corporate Affairs, Government of India through a press note dated January 22, 2010 (the "IFRS Convergence Note"). The Ministry of Corporate Affairs by a press release dated February 25, 2011 has notified that 35 Indian Accounting Standards are to be converged with IFRS. The date of implementation of such converged Indian accounting standards has not yet been determined. Our financial condition, results of operations, cash flows or changes in shareholders' equity may appear materially different under IFRS than under Indian GAAP or our adoption of converged Indian Accounting Standards may adversely affect our reported results of operations or financial condition. This may have a material adverse effect on the amount of income recognized during that period and in the corresponding (restated) period in the comparative Fiscal/period.

46. Political instability or changes in the Government could adversely affect economic conditions in India generally and our business in particular.

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. Elimination or substantial change of policies or the introduction of policies that negatively affect the Company's business could cause its results of operations to suffer. Any significant change in India's economic policies could disrupt business and economic conditions in India generally and the Company's business in particular.

47. Economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.

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

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

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

49. Financial difficulty and other problems in certain long-term lending institutions and investment institutions in India could have a negative impact on our business.

We are exposed to the risks of the Indian financial system which may be affected by the financial difficulties faced by certain Indian financial institutions because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships. This risk, which is referred to as "systemic risk," may adversely affect financial intermediaries, such as clearing agencies, banks, securities firms and exchanges with whom we interact on a daily basis. Our transactions with these financial institutions expose us to credit risk in the event of default by the counter party, which can be exacerbated during periods of market illiquidity. As the Indian financial system operates within an emerging market, we face risks of a nature and extent not typically faced in more developed economies, including the risk of deposit runs notwithstanding the existence of a national deposit insurance scheme. The problems faced by individual Indian financial institutions and any instability in or difficulties faced by the Indian financial system generally could create adverse market perception about Indian financial institutions and banks. This in turn could adversely affect our business, financial condition, results of operations and cash flows.

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

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

PROMINENT NOTES

a) The Public Issue of 26,52,000 Equity Shares of face value of Rs. 10/- each fully paid for cash at a price of Rs. 40/- per Equity Share aggregating Rs. 1,060.80 Lakhs (“the Issue”). Issue of Equity Shares will constitute 26.52% of the fully diluted Post-Issue paid up capital of our Company. For more information, please refer to chapter titled “The Issue” on page 48.

b) The net worth and book value of our Company is as under:

(In Lakhs)

| Sr. No. | Particulars | As on March 31, 2018 | As on March 31, 2017 | As on March 31, 2016 |
|---------|-------------|----------------------|----------------------|----------------------|
| 1. | Net worth | 1,881.31 | 1,602.80 | 1,380.28 |
| 2. | Book Value | 25.60 | 22.06 | 19.17 |

For more information, please refer to section titled “Financial Statements” beginning on page 156.

c) The average cost of acquisition of per Equity Shares by our Promoters, which has been calculated by taking the average amount paid by them to acquire our Equity Shares, is as follows:

| Name of the Promoters | No. of Shares held | Average cost of Acquisition (In Rs.) |
|---------------------------|--------------------|--------------------------------------|
| Mr. Trilok Chand Chandana | 30,31,200 | 1.55 |
| Mrs. Tarun Chandna | 25,12,800 | 1.71 |

d) For details of Related Party Transactions entered into by our Company, please refer to the chapter titled “*Related Party Transactions*” beginning on page 154.

e) Except as disclosed in the chapter titled “*Capital Structure*”, “*Our Promoter and Promoter Group*” and “*Our Management*” beginning on pages 56, 148 and 134 respectively, none of our Promoters, Directors or Key Management Personnel have any interest in our Company.

f) Except as disclosed in the chapter titled “*Capital Structure*” beginning on page 57, we have not issued any Equity Shares for consideration other than cash.

g) Investors may contact the LM or the Compliance Officer for any clarification / complaint or information relating to the Issue, which shall be made available by the LM and our Company to the investors at large. No selective or additional information will be available for a section of investors in any manner whatsoever. For contact details of the LM and the Compliance Officer, please refer to the chapter titled “*General Information*” beginning on page 49.

h) Investors are advised to refer to chapter titled “*Basis for Issue Price*” on page 79.

i) Trading and Allotment in Equity Shares for all investors shall be in dematerialized form only.

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

k) Except as stated in the chapter titled “*Our Group Entities*” beginning on page 153 and chapter titled “*Related Party Transactions*” beginning on page 154, our Group Entities have no business interest or other interest in our Company.

l) Investors may note that in case of over-subscription in the Issue, allotment to Retail applicants and other applicants shall be on a proportionate basis. For more information, please refer to the chapter titled “*Issue Structure*” beginning on page 238.

**SECTION II – INTRODUCTION
SUMMARY OF OUR INDUSTRY**

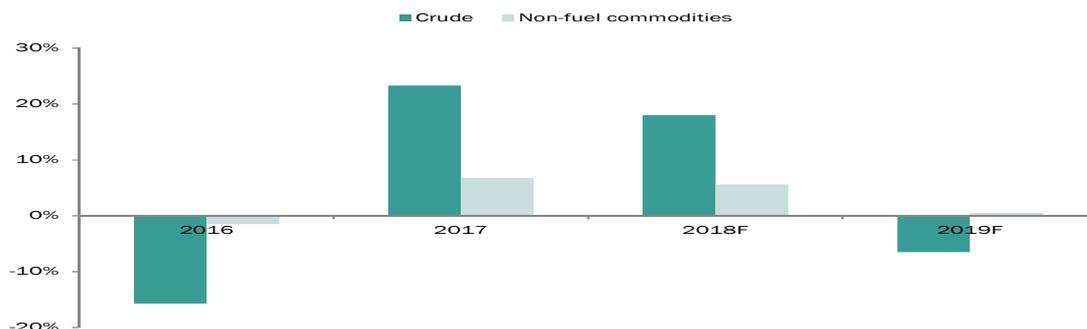
The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and other sources of which link are mentioned (as available on public domain). So, all the Information Shared is believed to be accurate and reliable. None of the Company, the LM or any other person connected with the Issue has independently verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on or base their investment decision on this information. The information in this section must be read in conjunction with the sections titled “Risk Factors” and “Our Business” beginning on pages 19 and 96, respectively.

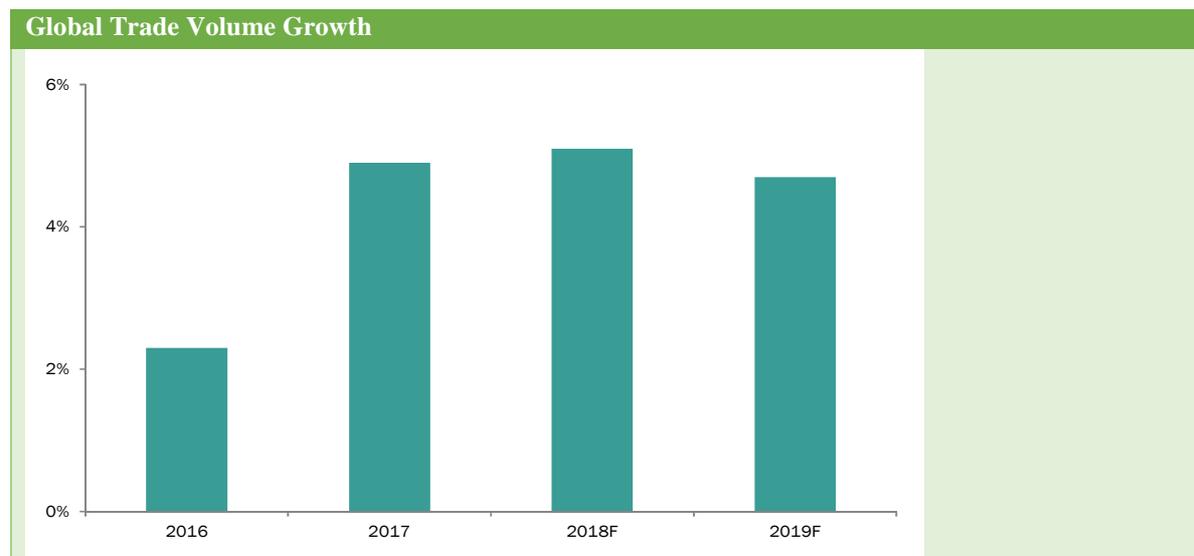
GLOBAL ECONOMIC OVERVIEW

The global economy is witnessing a broad-based revival with the cyclical upswing that started in mid-2016 gaining strength, aided by policy stimulus and characterized by a pickup in investments, growth in international trade and employment gains. This is the strongest synchronized global growth upturn since 2010 with GDP growth in two-thirds of countries collectively contributing 75% of the global GDP accelerating in 2017. The growth rate in the second half of 2017 was above 4%, taking the full-year growth to 3.8%. Consumer confidence indicators signal healthy end-market demand while purchasing managers’ indices point towards brisk manufacturing activity going forward. Global trade flows have seen a healthy improvement in the last few months driven by a pickup in investment, especially in advanced economies, strong manufacturing growth in Asia, and a recovery in commodity exporting economies.

The advanced economies grew 2.3% in 2017 (+60 bps) on the back of acceleration in investment expenditure. The recovery in the capex cycle reflected higher capacity utilization, favourable financing conditions and strengthening of balance sheets, translating into stronger business sentiments. The revival of investments led to job gains supporting growth in consumer spending. A turnaround in global commodities trade and a pick-up in private consumption led to higher GDP growth in the emerging market and developing economies (EMDEs) in 2017 (4.8%, +40 bps). While China benefitted from a recovery in exports, India’s growth was consumption-driven. Commodity exporters going through a recession such as Brazil and Russia as well as South Africa (witnessing a severe slowdown) benefitted from the bottoming out of the commodity cycle and the consequent revival of export earnings and resurgence in investments. Crude price, after witnessing a sharp decline of 15.7% in 2016, increased 23.3% in 2017. Non-fuel commodity prices expanded 6.8% after falling 1.5% in 2016. The upturn in commodity prices helped global trade volumes accelerate to 4.9% in 2017 after growing 2.3% during the previous year.

Change in Commodity Prices





Source: *World Economic Outlook, April 2018, IMF*

Commodity prices are expected to accelerate further through 2018, aiding a further strengthening of international trade. Oil is expected to be expensive by 18% while non-fuel commodity prices are projected to increase by 5.6% in 2018. 2019 will see some moderation in crude price (-6.5%) while non-fuel commodity prices are expected to remain flat. The advanced economies are expected to remain steady on their growth path with their combined GDP increasing by 2.5% and 2.2% in 2018 and 2019, respectively. The US is expected to be the principal driver of growth within the group, expanding 2.9% and 2.7% over this period compared to the Euro Area's 2.4% and 2%. US GDP growth is seen to accelerate from 2017 levels of 2.3% in spite of the normalization of monetary policy, driven by an expanding job market, an increase in inflation rates from sub-target levels, and output and profitability gains. Growth in the Euro Area will marginally increase from 2.3% in 2017 in spite of anticipated monetary tightening by the European Central Bank (ECB). Post-Brexit, the UK's growth is expected to moderate to 1.6% and 1.5% in 2018 and 2019, respectively (from 1.8% in 2017). Japanese growth too is expected to decelerate to 1.2% in 2018 and 0.9% in 2019 after expanding 1.7% in 2017. International trade volumes are projected to grow 5.1% in 2018 and 4.7% in 2019.¹

Growth at the EMDEs is forecast to increase to 5.1% in 2019 (from 4.9% in 2017 and 2018F). India is seen to lead the EMDE pack with a growth rate of 7.4% and 7.8% in 2018 and 2019, respectively (2017: 6.7%), followed by China's 6.6% and 6.4% (2017: 6.9%). Brazil is expected to accelerate strongly from 1% in 2017 to 2.3% in 2018 and 2.5% in 2019.

The US Federal Reserve has already embarked on its journey of gradually reducing the size of its balance sheet and raising rates. The Fed has raised interest rates twice so far in 2018, first in March and subsequently in June, and has forecast two further rates hikes this year. The benchmark overnight lending rate was hiked by 25 bps on each occasion and currently stands in a range of 1.75% to 2%. While the tone of the central bank became relatively hawkish in June, it also means that the economy is growing strongly. The monetary policy committee acknowledged that the economy is expanding at a solid rate and household expenditure has picked up. The Fed expects inflation to hover around 2.1% in 2018 through 2020, marginally over its target of 2%. The policy rate is seen to increase to 3.1% by 2019-end and subsequently touch 3.4% by 2020. The central bank expects a GDP growth of 2.8% this year, an upward revision from its March estimate of 2.7%. Thereafter, it expects the economy to expand by 2.4% in 2019 and 2% in 2020. Since the financial crisis of the last decade, the US economy grew at an average annual rate of 2.2% between 2009 and 2017. The US\$ 1.5 tn in tax cuts and planned increase in federal

¹ World Economic Outlook, IMF

spending by US\$ 320 bn over the next decade are expected to provide further thrust to the economy, leading to accelerated expansion.

The European Central Bank (ECB) is expected to reduce its monthly asset purchases during 2018. A faster-than-expected bounce-back in inflation rates could result in an early end to the ECB’s asset purchase programme. Monetary policy is expected to moderately tighten in the G7 as output gaps close out and inflation expectations stabilize. Policy stance of the Bank of Japan (BoJ) is expected to remain largely unchanged though.

INDIAN ECONOMIC OVERVIEW

A revival of rural demand aided by a normal monsoon and the implementation of the 7th Pay Commission recommendations helped drive an expansion in public and private consumption during 1H FY18. However, overall demand lagged with investments remaining weak. Output growth witnessed a slowdown except for the agriculture sector with the most affected sectors being construction, real estate and manufacturing. Following 5 consecutive quarters of deceleration from 1Q FY17 to 1Q FY18, India’s GDP growth bottomed out to start rebounding in 2Q FY18, posting a rate of 6.3%. In the third quarter, real GDP expanded by 7%, surpassing China’s 6.8% growth and restoring India to the coveted position of the fastest growing big economy. Subsequently, growth rate improved further to 7.7% in 4Q FY18 as the economy expanded by 6.7% during the fiscal year (FY17: 7.1%). The strong resurgence in the fourth quarter was driven by the construction (11.5%), manufacturing (9.1%), and agriculture (4.5%) sectors. Manufacturing activities continue to expand with the Nikkei India Manufacturing Purchasing Managers’ Index (PMI) staying above 50 for 10 consecutive months to May 2018. The trend suggests that the sector has come out of the slowdown caused by demonetization and GST implementation. Gross fixed capital formation expanded 14.4% in 4Q FY18, signalling a revival of investment activities while government spending grew 13.3%. The IMF forecasts the Indian economy growing by 7.4% and 7.8% in FY19 and FY20, respectively.

Retail inflation as measured by the Consumer Price Index (CPI) increased in April and May after declining through the last quarter of FY18. May CPI inflation stood at 4.87% compared to 4.58% in April and 4.28% in March. After recording a multi-year low of 1.54% in June 2017, retail inflation rates witnessed a secular uptrend from June to December. The Reserve Bank of India (RBI) hiked the key policy rate by 25 bps to 6.25% in June 2018 after a gap of four and a half years while reiterating a GDP growth forecast of 7.4% for FY19 in line with IMF’s projection.

India CPI Inflation



India Key Policy (Repo) Rate



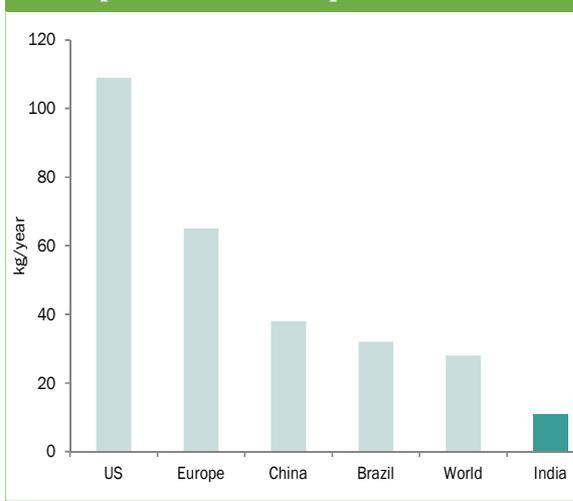
Source: www.tradingeconomics.com

Exports expanded 9.8% during FY18, the highest growth rate in 6 years, after growing 4.5% in FY17. Previously, FY16 had seen a decline in exports by 5.3%. The robust growth in FY18 was driven by a reversal in commodity prices and improved global trade flows. India's trade prospects are expected to thrive with improvements in logistics, integration of investments in the global supply chain, infrastructure development, and an improved business environment.

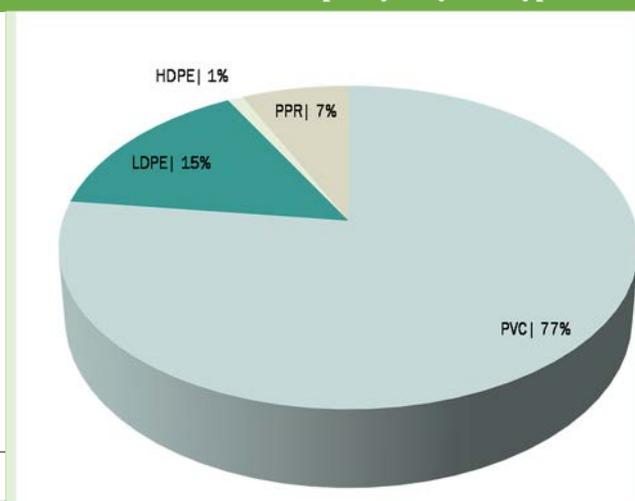
Indian Plastic Pipes & Fittings Industry

The annual capacity of the Indian plastic pipes industry is estimated to be 2.5 million tonnes. The industry value stands at around Rs 22,000 crore with PVC pipes accounting for 70% of the market. The market is fragmented with about 600 manufacturers where the top 20 players command a 60% market share.² The plastic pipes market in India is forecast to grow by 10.4% CAGR from 2016 to 2021 with government infrastructural spending, residential and commercial construction, industrial production, irrigation, and replacement of aging pipelines being the key growth drivers. Out of these markets, agriculture and wastewater applications are expected to record above-average growth during the forecast period with agriculture remaining the largest segment.³ The Indian plastic pipes industry primarily comprises PVC, PP and PE pipes (including different variants of these polymers).

Per Capita Plastic Consumption



Market Share of Plastic Pipes by Polymer Type in



² www.finetrain.com

³ <http://www.lucintel.com/indian-plastic-pipe-market-2016-2021.aspx>

PVC is an industrial plastic and one of its primary uses is in the manufacture of water pipes and plumbing fittings. Approximately 70% of Indian PVC consumption goes into the manufacturing of pipes and fittings. The segment has seen strong growth over the last few years, primarily driven by the irrigation sector, especially due to uncertainties surrounding annual monsoon rains.⁴

The Indian PVC pipes and fittings industry serves different end markets such as irrigation, water supply, sewerage, plumbing, chemical, oil & gas and others. An ever-increasing population and the consequent growth in demand for farm produce and water & sanitary management drive the sale of PVC pipes and fittings in agriculture, infrastructure, real estate and construction sectors. Due to their lower cost and higher durability, PVC pipes are becoming increasingly popular and substituting conventional pipes. Production capacity of CPVC pipes are expected to grow faster going forward due to its relatively higher demand over galvanized and PVC pipes. Further, the organized players are expected to see higher growth as the demand shifts towards branded products for their superior quality and reliability as well as due to GST.

The PVC pipes & fittings industry too is quite fragmented with a large number of organized and unorganized players operating in the market. After growing by 13.4% CAGR between FY10 and FY15, the PVC pipes & fittings market is projected to grow by a double-digit CAGR over FY15-FY20, reaching Rs 32,700 crore and increased penetration, aided by expansion of distribution network, new product launches, growth in real estate, and government initiatives in the development of irrigation.⁵

There are different kinds of PVC pipes such as regular PVC, rigid PVC (RPVC), flexible PVC (FPVC), chlorinated PVC (CPVC) and unplasticized PVC (uPVC) pipes. RPVC is converted into FPVC through the addition of plasticizers. RPVC pipes are primarily used in agriculture and construction while FPVC pipes have applications in plumbing. The installation of a RPVC pipe system is more complex and labour intensive compared to FPVC. RPVC pipes are, however, cheaper than FPVC pipes and are also available in a wider range of sizes varying from 20mm to 400mm. FPVC pipes, on the other hand, are not available in larger diameters. CPVC is a thermoplastic produced by chlorination of polyvinyl chloride resin. The CPVC resin technology enables enrichment of the chlorine content in PVC by chlorination. CPVC piping is employed in residential, commercial and industrial plumbing systems. CPVC pipes are ideal for the transportation of all types of water from hot and cold potable to acidic water.⁶

⁴ Ken Research

⁵ Ken Research

⁶ Ken Research

SUMMARY OF OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section “Forward-Looking Statements” for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the Twelve-month period ended March 31 of that year. In this section, a reference to the “Company” or “we”, “us” or “our” means Fusion Industries Limited.

All financial information included herein is based on the Chapter titled “Financial Statements of the Company” on page 156.

OVERVIEW OF OUR BUSINESS

Our Company was incorporated as Yeekay Technocrat Private Limited under the provisions of the Companies Act, 1956 vide certificate of incorporation dated December 12, 2002 in NCT of Delhi & Haryana. Further, pursuant to Shareholders Resolution dated November 02, 2012, our Company changed its name to “Fusion Industries Private Limited” vide a fresh Certificate of Incorporation dated December 11, 2012 having CIN U34300HR2002PTC035006. Subsequently, upon conversion into a Public Limited Company pursuant to Shareholders Resolution dated December 20, 2012, the name of our Company was changed to “Fusion Industries Limited” and a fresh Certificate of Incorporation dated January 23, 2013 having CIN U34300HR2002PLC035006 issued by the Registrar of Companies, NCT of Delhi & Haryana.

Fusion is an ISO 9001:2008 recognized company. In our industry we are recognized for delivering Quality Products and bringing Innovative Products in the Market. We market our products under our registered brand name - ‘fusion[®]’. Due to our comprehensive product range, we are positioned as an end-to-end Air and Water Piping System Solution Provider. We have over 14 years of experience in manufacturing.

Our company was started by Mr. Trilok Chand Chandana and Mrs. Tarun Chandna in the year 2002. After seeing the growth in our trading of pipes we decided to manufacture PPR Pipes and due to technical know-how of Mr. Trilok Chand Chandana we became one of the few manufacturers of PPR pipes in the year 2004.

We currently manufacture polymer pipes and fittings using four different polymers: PVC; CPVC; PPR; and PP. We also manufacture Blow Water Storage Tanks using Polymer HDPE and Roto Water Storage Water Tanks using Polymer LLDPE. As at June 30, 2018, we have a product range of more than 4,000 SKUs. Our products are used for varied applications in Air, Plumbing, Irrigation, Sewage disposal & Water Storage. Our product range meets the requirements of both the rural and urban markets for domestic and industrial purposes.

We distribute our products from our plants only. We have three strategically located manufacturing plants, which has enabled us to develop a strong presence in Northern, Central and Southern India. Our plants are located at the following locations: Roorkee (Uttarakhand), Malanpur (Gwalior, Madhya Pradesh), Bangalore (Karnataka). The total installed capacity of our three existing plants is 22581 tonnes per annum as at June 30, 2018. We plan to increase capacities by 2100 tonnes per annum at our existing manufacturing plant at Roorkee.

We currently sell our products to distributors who then resell them to wholesalers, retailers, and consumers. As at June 30, 2018, we had 296 distributors spread across India.

COMPETITIVE STRENGTHS

Since its inception, our company has worked earnestly towards providing the best quality and hence has acquired the following strengths in the industry:

1. **Strong brand in the pipes, fittings & tank segment with over 14 years of experience and focus on quality**

We have a strong legacy of more than a decade in the pipes & fittings segment. We market our products under single brand name: i.e. 'fusion[®]', since 2004. We believe in providing Quality products in the market. Our slogan is "think of Quality, think of fusion". We have an advantage of being one of the leading organized players in this highly fragmented market. We believe our strong brand enable us to increase our penetration in the market. We are an ISO 9001:2008 certified manufacturing company. We have checks and testing systems in place, from the procurement of raw material to the manufactured product, for ensuring the quality of our products

2. **Comprehensive product portfolio across polymers serving diverse end-use applications**

Owing to our comprehensive product portfolio, we are positioned not just as a pipe manufacturer but also as an end-to-end piping systems supplier. We currently manufacture pipes and fittings using four different polymers: PVC; CPVC; PPR; and PP. We have different SKUs for different products under each polymer type. Our products are used for varied applications in the field of plumbing, irrigation, and sewage disposal.

We have a product development team, which is responsible for expanding our product portfolio. Our product development team regularly interacts with the plumbing consultants and contractors to understand the demand for new products. Our SKUs increased from 2800 as at March 31, 2017 to 4000 as at March 31, 2018, representing an increase of 43%.

3. **Strategically located manufacturing facilities with a core focus on customer satisfaction**

Due to the size of pipes & tanks, an important factor in their cost is transportation cost. Therefore, it is a competitive advantage to manufacture pipes as close as possible to the ultimate consumers.

We have established three manufacturing facilities, which are in: Roorkee (Uttarakhand), Malanpur (Gwalior, Madhya Pradesh), Bangalore (Karnataka). The multi-location facilities have assisted in market penetration and developing a strong presence in North, Center and South India. For Fiscal 2018, our sales in North, East, West, Center, South India represented 51%, 5%, 11%, 12% and 18% of our total sales revenue, respectively.

4. **Large and growing distribution network**

We have a pan-India network of distributors. We had 296 distributors as at June 30, 2018 compared to 254 distributors as at March 31, 2016, a 16.54% increase in 15 months.

5. **Experienced promoters and management with long track record of operation**

The company was promoted by Mr Trilok Chand Chandana and Mr Tarun Chandna, who collectively look after the production and after sales activities. Mr Trilok Chand Chandana is a qualified mechanical diploma holder with more than 3 decades of experience in manufacturing sector. Furthermore, both directors are supported by Mr Yunik Chandna & Mr. Karan Chandna. Mr Yunik Chandna, a qualified mechanical diploma holder, has a decade of experience in Plastic industry. He looks after the production. Mr Karan Chandna, a qualified B.Tech MBA, collectively look after the marketing and sales of our Company. Mr. Aditya Gupta, our Chief Financial Officer, has more than two decades experience in accounting, finance, and taxation. Ms. Vinita Matta, our Company Secretary & Compliance Officer, has approximately 5 years of experience in the field of secretarial and compliance functions.

BUSINESS STRATEGY

1. Continue to optimize our product mix to improve margins

We will continue to actively manage our product mix at each of our plants to ensure maximizing our profit margins. Our plumbing products have higher gross margins than our other products. Our fittings have higher margins than our pipes and we endeavor to optimize our mix of pipes and fittings to maximize our margins.

2. Increase our focus on building our brands

Company has started to organize Joint Foreign Tour every year for its Distributors to develop close relations among Company's Distributors with the Company and amongst themselves also to give a feeling of association as a Fusion Family.

During April 2018, in order to connect with and reward our distributors, retailers, wholesalers, and plumbers we had organized a joint Tour to Malaysia. During this Tour, Distributors were given rewards for their performance and association with the Company.

We plan to spend the majority of our advertising budget on activities such as dealer meets, plumber meets, buying merchandise, branding in trade rural activation, new product launch meets, media event sponsorship and exhibitions, customer loyalty programs, industrial projects and digital marketing. We also plan to spend on advertisement through print and electronic media.

3. Expansion

We plan to purchase 3 different machinery for manufacturing CPVC Pipes, PPR Pipes and CPVC Fittings which will increase the production capacity by 1,927 mt.pa., 170 mt.pa., and 169 mt.pa., respectively. We also plan to purchase support machines & moulds and construct a shed with mezzanine floor at our manufacturing facility – Unit-1 located in Roorkee, Uttarakhand for a total expected cost of Rs. 451.00 Lakhs. The support machinery will enhance the efficiency of our current installed machinery and the mezzanine floor will be used for storing of finished goods. For further details, please see “*Our Objects*” beginning on page 73.

4. Increasing Operational efficiency

We continue to invest in increasing our operational efficiency throughout the organization. We are addressing the increase in operational output through continuous process improvement, customer service, consistent quality and technology development. Alignment of our people to ‘process improvement’ through change management and upgrading of skills as required for customer satisfaction is a continuous activity.

5. Increase sales of our products by reaching out to more retailers and expanding our distribution network both in new areas as well as in areas where we already have a strong presence

We plan to increase sales of our products by increasing the number of retailers who stock our products. We plan to expand the sale of our products into cities where our products are not currently sold as well as consolidating our position in areas where we already have a strong presence. Our strategy is to focus on increasing the width and depth of our distribution network by increasing the number of distributors, and the frequency and quantity of our products purchased by retailers through our distributors.

As at June 30, 2018, we had a sales and marketing team of 112 persons. Our salespersons meet with retailers who do not currently stock our products to encourage them to do so. As we do not sell our products directly to retailers, we connect each new retailer that wants to sell our products to one of our existing distributors. Our salespersons also meet with distributors in areas where we do not have a distributor to encourage them to stock our products. We also encourage our existing distributors to meet with their existing retailers to encourage them to stock a wider range of our products.

6. Fusion House Concept to tap bigger market share and Brand Building

Company has formulated a Concept of “Fusion House” wherein, Company appoints its existing and new Distributors as “Fusion House”. In this concept, the Distributor is required to submit Security Deposit of Rs. 25 lakh with the Company and Distributor has to open a New GST Registered Firm in the name of “Fusion House” under their own ownership. Distributor should have Sales Office in relevant main market area and should have minimum 1000 square meter of warehouse space. Appointed distributor becomes the sole distributor for one or more than one District area. Under this concept, Company save on multiple location dispatch and freight costs and also reduces risk of sale recovery.

Company has further refined and added concept for opening “Fusion India” by allowing on security deposit of Rs. 15 lakh with distribution area within one District and Concept of “Fusion World” by allowing on security deposit of Rs. 50 lakh with distribution area for multiple districts / larger part of a State. Further, none of the “Fusion House”, “Fusion India” or “Fusion World” are related to the Company.

As a result, our Company had gained sales momentum during last three year – on - year sales as per comparative details below:

| Year | No of Fusion House | Sale (Rs. In Lakh) | % of Total Sale |
|---------|--------------------|--------------------|-----------------|
| 2017-18 | 18 | 1569 | 17.37% |
| 2016-17 | 11 | 707 | 7.79% |
| 2015-16 | 7 | 333 | 3.94% |

Presently, our company is having 17 such distributors that have generated considerable amount of Sales in three months (April to Jun ‘18). Our Company is targeting to reach 20 such distributors by the end of this fiscal year.

7. Focus on special product development for Exports:

Our Company has developed special Electrical and Plumbing Items for Exports to Canada. The Development & Clearances took almost 4 long years and now Company is expecting regular orders in this fiscal and coming years. Company has also appointed a Distributor in Kathmandu, Nepal for sale of its Products. Our Company is expecting to good response in Nepal too by the end of coming year. Our Company’s export revenue increased from Rs. 57 Lakhs in 2016-17 to Rs. 243 Lakhs in 2017-18.

SUMMARY OF FINANCIAL INFORMATION

ANNEXURE I: STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

(Rs. in Lakhs)

| Particulars | Note No. | As at March 31, | | | | |
|--|----------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | | 2018 | 2017 | 2016 | 2015 | 2014 |
| I Equity and Liabilities | | | | | | |
| 1 Shareholders' Funds | | | | | | |
| (a) Share Capital | 2.1 | 734.82 | 400.00 | 400.00 | 400.00 | 333.33 |
| (b) Reserves & Surplus | 2.2 | 1,146.49 | 1,202.80 | 980.28 | 806.37 | 703.34 |
| (c) Money received against share warrants | | | - | - | - | - |
| | | 1,881.31 | 1,602.80 | 1,380.28 | 1,206.37 | 1,036.67 |
| 2 Share application money pending allotment | | | - | - | - | - |
| 3 Non-Current Liabilities | | | | | | |
| (a) Long-term borrowings | 2.3 | 927.69 | 752.21 | 1,043.89 | 1,106.72 | 1,195.59 |
| (b) Deferred Tax Liabilities (Net) | 2.22 | - | - | 44.32 | 10.85 | 18.67 |
| (c) Other Long-Term Liabilities | 2.4 | 481.45 | 218.70 | 213.11 | 188.70 | 19.00 |
| | | 1,409.14 | 970.91 | 1,301.32 | 1,306.27 | 1,233.26 |
| 4 Current Liabilities | | | | | | |
| (a) Short Term Borrowings | 2.5 | 2,218.54 | 2,383.11 | 1,954.46 | 1,445.40 | 1,055.29 |
| (b) Trade Payables | 2.6 | 1,280.91 | 979.29 | 744.14 | 766.97 | 724.10 |
| (c) Other current Liabilities | 2.7 | 454.04 | 605.40 | 396.48 | 360.68 | 358.02 |
| (d) Short Term Provisions | 2.8 | 63.16 | 42.01 | 57.05 | 43.66 | 33.76 |
| | | 4,016.65 | 4,009.81 | 3,152.14 | 2,616.71 | 2,171.17 |
| Total | | 7,307.10 | 6,583.52 | 5,833.75 | 5,129.34 | 4,441.10 |
| II Assets | | | | | | |
| 1 Non-Current Assets | | | | | | |
| (a) Fixed Assets | | | - | - | - | - |
| (i) Tangible Assets | 2.9 | 1,605.74 | 1,641.94 | 1,711.67 | 1,756.11 | 1,699.97 |
| (ii) Intangible Assets | | - | - | - | - | - |
| (d) Deferred Tax Assets (Net) | 2.22 | 32.31 | 19.99 | - | - | - |
| (e) Other Non-Current Assets | 2.10 | 31.00 | 35.95 | 88.26 | 80.80 | 69.03 |
| | | 1,669.05 | 1,697.89 | 1,799.94 | 1,836.91 | 1,769.00 |
| 2 Current Assets | | | | | | |
| (a) Current investments | | | | - | - | - |
| (b) Inventories | 2.11 | 3,097.79 | 2,995.50 | 2,566.57 | 1,966.27 | 1,494.17 |
| (c) Trade Receivables | 2.12 | 1,732.47 | 1,335.28 | 1,042.58 | 782.03 | 681.84 |
| (d) Cash and Cash Equivalents | 2.13 | 189.05 | 220.68 | 131.44 | 151.29 | 125.71 |
| (e) Short-term loans and advances | 2.14 | 618.74 | 334.17 | 293.23 | 392.84 | 370.39 |
| | | 5,638.05 | 4,885.63 | 4,033.82 | 3,292.42 | 2,672.10 |
| Total | | 7,307.10 | 6,583.52 | 5,833.75 | 5,129.34 | 4,441.10 |

ANNEXURE II: STATEMENT OF PROFIT AND LOSS AS RESTATED

(Rs. in Lakhs)

| Particulars | Notes No. | For the year ended | | | | |
|--|-------------|--------------------|-----------------|-----------------|-----------------|-----------------|
| | | March 31, 2018 | March 31, 2017 | March 31, 2016 | March 31, 2015 | March 31, 2014 |
| I Revenue: | | | | | | |
| Revenue from operations (net) | 2.15 | 9,033.85 | 9,071.65 | 8,472.54 | 6,704.19 | 4,512.36 |
| Other income | 2.16 | 153.33 | 25.96 | 30.59 | 15.32 | 8.91 |
| Total revenue | | 9,187.19 | 9,097.61 | 8,503.13 | 6,719.51 | 4,521.28 |
| II Expenses: | | | | | | |
| Cost of material Consumed | 2.17 | 6,445.48 | 6,904.00 | 5,912.85 | 4,771.32 | 3,269.70 |
| Purchases of Stock-in-Trade | | | | | | |
| Changes in inventories of Finished goods, work-in-progress, Stock in Trade | 2.18 | (57.89) | (446.84) | (75.08) | (295.58) | (451.04) |
| Employee benefit expenses | 2.19 | 725.21 | 615.82 | 549.33 | 461.83 | 386.48 |
| Finance costs | 2.20 | 398.23 | 407.91 | 369.41 | 335.98 | 275.06 |
| Depreciation and amortization expense | 2.9 | 290.82 | 301.54 | 297.72 | 296.72 | 218.19 |
| Other expenses | 2.21 | 1,090.88 | 1,109.59 | 1,182.67 | 943.62 | 670.12 |
| Total Expenses | | 8,892.72 | 8,892.01 | 8,236.90 | 6,513.89 | 4,368.51 |
| III Profit/(loss) before tax (I-II) | | 294.47 | 205.59 | 266.23 | 205.61 | 152.76 |
| IV Tax expense: | | | | | | |
| (i) Current tax | | 63.15 | 42.01 | 57.05 | 43.65 | 33.76 |
| (ii) Deferred Tax | | (12.32) | (64.31) | 33.47 | (7.83) | (0.10) |
| (iii) Earlier Years | | 0.13 | 5.37 | 1.80 | 0.09 | 0.62 |
| Profit/(loss) for the year (VII-VIII) | | 243.51 | 222.52 | 173.91 | 169.70 | 118.48 |
| V Earning per equity share in Rs.: | | | | | | |
| (1) Basic | | 3.31 | 3.09 | 2.42 | 2.36 | 1.97 |
| (2) Diluted | | 3.31 | 3.09 | 2.42 | 2.36 | 1.97 |

ANNEXURE III: STATEMENT OF CASH FLOW FROM RESTATED FINANCIAL STATEMENTS

(Rs. in Lakhs)

| Particulars | As at March, 31 | | | | |
|---|-------------------|-----------------|-----------------|-----------------|-----------------|
| | 2018 | 2017 | 2016 | 2015 | 2014 |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | | | |
| Profit/ (Loss) before tax | 294.47 | 205.59 | 266.23 | 205.61 | 152.76 |
| Adjustments for: | | | | | |
| Depreciation & amortization | 290.82 | 301.54 | 297.72 | 296.72 | 218.19 |
| Interest Expense | 398.23 | 407.91 | 369.41 | 335.98 | 275.06 |
| Other income | (153.33) | (25.96) | (30.59) | (15.32) | (8.91) |
| Operating profit before working capital changes | 841.89 | 913.44 | 919.40 | 835.36 | 660.59 |
| Movements in working capital: | | | | | |
| Increase/(decrease) in trade payables | 301.63 | 235.14 | (22.83) | 42.87 | 419.22 |
| Increase/(decrease) in loans and advances & Other Assets | (279.60) | 11.36 | 92.16 | (34.22) | 66.10 |
| Increase/(decrease) in provisions & other liabilities | 132.53 | 199.47 | 73.61 | 182.25 | 28.55 |
| Decrease/(increase) in trade receivable | (397.19) | (292.70) | (260.56) | (100.19) | 3.93 |
| Decrease/(increase) in inventories | (102.29) | (428.93) | (600.30) | (472.10) | (851.35) |
| Cash generated/used from operations | 496.97 | 637.78 | 201.48 | 453.97 | 327.04 |
| Income tax Refund/ (paid) during the year | 63.29 | 47.38 | 58.84 | 43.74 | 33.76 |
| Net cash from operating activities | A 421.97 | 566.04 | 126.02 | 397.86 | 269.79 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | | | |
| Purchase of Fixed assets | (254.61) | (231.80) | (253.27) | (352.86) | (355.95) |
| Other Income | 153.33 | 25.96 | 30.59 | 15.32 | 8.91 |
| Net cash from investing activities (B) | B (101.28) | (205.84) | (222.68) | (337.54) | (347.04) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | | | |
| Proceeds from Borrowings | 175.48 | 428.64 | 509.06 | 390.12 | 268.98 |
| Repayment of Borrowings | (164.57) | (291.69) | (62.84) | (88.87) | |
| Issue of Share Capital | 8.24 | | | - | 100.00 |
| Increase in Share Premium | 26.76 | | | | |
| Finance Cost | (398.23) | (407.91) | (369.41) | (335.98) | (275.06) |
| Net cash from financing activities (C) | C (352.32) | (270.96) | 76.81 | (34.73) | 93.92 |
| Net increase in cash and cash equivalents (A+B+C) | D (31.62) | 89.24 | (19.86) | 25.58 | 16.66 |
| Cash and cash equivalents at the beginning of the year | 220.68 | 131.44 | 151.29 | 125.71 | 109.05 |
| Cash and cash equivalents at the end of the year | 189.05 | 220.68 | 131.44 | 151.29 | 125.71 |

THE ISSUE

| Particulars | Number of Equity Shares |
|---|--|
| Equity Shares Offered | 26,52,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. 40/- per Equity Share aggregating Rs. 1,060.80 lakhs. |
| Fresh Issue Consisting of | |
| Issue Reserved for Market Maker | 1,38,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. 40/- per Equity Share aggregating Rs. 55.20 lakhs. |
| Net Issue to the Public | 25,14,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. 40/- per Equity Share aggregating Rs. 1005.60 lakhs. |
| | of which: |
| | 12,57,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. 40/- per Equity Share will be available for allocation to investors up to Rs. 2.00 Lakhs |
| | 12,57,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. 40/- per Equity Share will be available for allocation to investors above Rs. 2.00 Lakhs |
| Pre Issue & Post Issue Equity Shares | |
| Equity Shares outstanding prior to the Issue | 73,48,230 Equity Shares |
| Equity Shares outstanding after the Issue | 1,00,00,230 Equity Shares |
| Objects of the Issue | See the chapter titled “Objects of the Issue” on page 73. |

This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations. The Issue is being made through the Fixed Price Process and hence, as per Regulation 43, sub regulation (4) of SEBI (ICDR) Regulations, the allocation in the net issue to public category shall be made as follows:

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

For the purpose of Regulation 43(4), if the retail individual investor category is entitled to more than fifty percent, on proportionate basis, the retail individual investors shall be allocated that higher percentage.

For further details please refer to chapter titled “Issue Structure” beginning on page 238.

GENERAL INFORMATION

Our Company was incorporated as Yeekay Technocrat Private Limited under the provisions of the Companies Act, 1956 vide certificate of incorporation dated December 12, 2002 in NCT of Delhi & Haryana. Further, pursuant to Shareholders Resolution dated November 02, 2012, our Company changed its name to “Fusion Industries Private Limited” vide a fresh Certificate of Incorporation dated December 11, 2012 having CIN U34300HR2002PTC035006. Subsequently, upon conversion into a Public Limited Company pursuant to Shareholders Resolution dated December 20, 2012, the name of our Company was changed to “Fusion Industries Limited” and a fresh Certificate of Incorporation dated January 23, 2013 having CIN U34300HR2002PLC035006 issued by the Registrar of Companies, NCT of Delhi & Haryana.

For further details please refer to chapter titled “*Our History and Certain Other Corporate Matters*” beginning on Page 129.

REGISTERED AND CORPORATE OFFICE OF OUR COMPANY

FUSION INDUSTRIES LIMITED

SSI Plot NO-4 Block –H,
NH-2 Opp. FCI Godown,
NIT Faridabad, Haryana-121001, India

Tel. No.: 9999459541

E-mail: cs@fusionindia.com

Website: www.fusionindia.com

Registration Number: 035006

Corporate Identification Number: U34300HR2002PLC035006

FACTORY ADDRESSES OF OUR COMPANY

Unit – I

Khasra No. 356, Gagal Hedi Road,
Raipur Industrial Area, Bhagwanpur,
Roorkee, Distt. Haridwar,
Uttrakhand – 247 667, India

Unit – II

Plot no. 78, I/A Malanpur,
Tehsil Gohad, District Bhind,
Gwalior, Madhya Pradesh – 474011, India

Unit – III

No. 2-E Dobaspeth, 1st Phase,
Sompura KIADB Industrial Area,
Hobli Nelamanga, Bangalore- 562 111,
Karnataka, India.

REGISTRAR OF COMPANIES

REGISTRAR OF COMPANIES, NATIONAL CAPITAL TERRITORY OF DELHI AND HARYANA

4th Floor, IFCI Tower, 61, Nehru Place,
New Delhi – 110019, India

Website-www.mca.gov.in

DESIGNATED STOCK EXCHANGE

NATIONAL STOCK EXCHANGE OF INDIA LIMITED (EMERGE PLATFORM)

Exchange Plaza, Plot No. C/1, G Block,

Bandra - Kurla Complex, Bandra (E),

Mumbai-400051, India

For details in relation to the changes to the name of our Company, please refer to the chapter titled, “*Our History and Certain Other Corporate Matters*” beginning on page 129.

BOARD OF DIRECTORS OF OUR COMPANY

| Sr. No. | Name | Age | DIN | Address | Designation |
|---------|-----------------------|-----|----------|--|---------------------------------------|
| 1. | Trilok Chand Chandana | 61 | 00225184 | 3E-32A, B.P, N.I.T Faridabad, Haryana – 121 001, India | Managing Director |
| 2. | Yunik Chandna | 36 | 00225203 | 3E-32A, B.P, N.I.T Faridabad, Haryana – 121 001, India | Executive Director |
| 3. | Karan Chandna | 33 | 00225207 | 3E-32A, B.P, N.I.T Faridabad, Haryana – 121 001, India | Executive Director |
| 4. | Ashish Ahuja | 24 | 08110974 | House No. 1-K-35 A, Near Kalyan Singh Chowk, Ward No.-12, NIT Faridabad, Haryana-121001, India | Non- Executive & Independent Director |
| 5. | Jagan Nath Chawla | 68 | 08123870 | House No. H-1/56-57, Ground Floor, Sector-11, Rohini, New Delhi-110085, India | Non- Executive & Independent Director |
| 6. | Veena Mitra | 58 | 08160345 | House No. - 2258, Sector-9, Faridabad, Haryana – 121 006, India | Non- Executive & Independent Director |

For further details of our Directors, please refer to the chapter titled “Our Management” beginning on page 134.

COMPANY SECRETARY AND COMPLIANCE OFFICER

Ms. VINITA MATTA

FUSION INDUSTRIES LIMITED

SSI Plot NO-4 Block –H, NH-2 Opp. FCI Godown,

NIT Faridabad, Haryana-121001, India

Tel. No.: 9999048414

E-mail: cs@fusionindia.com

Investors may contact the Compliance Officer and / or the Registrar to the Issue and / or the LM to the Issue in case of any Pre-Issue or Post-Issue related matter such as non-receipt of letters of Allotment, credit of allotted Equity Shares in the respective beneficiary account, unblocking of amount in ASBA etc.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the concerned SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSB where the ASBA Application Form was submitted by the ASBA Applicant.

For all issue related queries and for redressal of complaints, Applicants may also write to the Lead Manager. All complaints, queries or comments received by Stock Exchange/SEBI shall be forwarded to the Lead Manager, who shall respond to the same.

CHIEF FINANCIAL OFFICER

Mr. ADITYA GUPTA

FUSION INDUSTRIES LIMITED

SSI Plot NO-4 Block -H, NH-2 Opp. FCI Godown,

NIT Faridabad, Haryana-121001, India

Tel. No.: 9958389075

E-mail: gmfinance@fusionindia.com

STATUTORY AUDITORS

SATISH GUPTA & ASSOCIATES

Chartered Accountants

House No. 1060, Sector-16,

Faridabad, Haryana – 121 002, India

Tel: 0129-2286588, 9818561530

Contact Person: Mr. Satish Kumar Gupta

Firm Registration No.: 002984N

Membership No.: 081841

E-mail: satishgupta.ca@gmail.com

PEER REVIEW AUDITOR

SANMARKS & ASSOCIATES

Chartered Accountants

504, 1st Floor, Nehru Ground,

NIT Faridabad, Haryana-121001, India

Tel: (0129) 2419373

E-mail: skagarwalfbd@yahoo.co.in

Contact Person: Mr. Santosh Kumar Agarwal

ICAI Membership No.: 091127

Firm Registration No.: 003343N

Peer Review Certificate No.: 009051

LEAD MANAGER TO THE ISSUE

KHAMBATTA SECURITIES LIMITED

B.O.:

C-42, South Extension Part II,
New Delhi – 110 049

Tel: (011) 41645051

Fax: (011) 41644896

Contact Person: Mr. Vipin Aggarwal

Email: ipo@khambattasecurities.com

Investor Grievance Email:

mbcomplaints@khambattasecurities.com

SEBI Regn. for Merchant Banking Activities:
INM000011914

H.O.:

#1, Ground Floor, 7/10 Botawala Building,
9, Bank street, Horniman Circle, Mumbai – 400 001

Tel: (022) 40273300

Fax: (022) 22654652

Contact Person: Mr. Ronak Jhaveri

Email: ipo@khambattasecurities.com

Investor Grievance Email:

mbcomplaints@khambattasecurities.com

SEBI Regn. for Merchant Banking Activities:
INM000011914

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: (022) 62638200

Fax: (022) 62638299

E-mail: ipo@bigshareonline.com

Website: www.bigshareonline.com

Contact Person: Mr. Srinivas Dornala

SEBI Registration No.: INR000001385

LEGAL ADVISOR TO THE ISSUE

HARISH KUMAR CHETAL

Advocate

Chamber-559, Sector-12,
Faridabad District Court, Haryana.

Tel: +91 9818107822

E-mail: harishchetal@gmail.com

Contact Person: Mr. Harish Kumar Chetal

ADVISOR TO THE COMPANY

APPARENT ADVISORS LLP

G-36, 1st Floor, Outer Circle,
Connaught Place, New Delhi – 110001.

Tel: +91 9560054705

E-mail: info@apparentadvisors.com

Contact Person: Mr. Abhishek Jain

LLPIN: AAH-3878

BANKER & LENDER TO THE COMPANY

BANK OF INDIA

1G/52, B.P., NIT Faridabad,

Haryana – 121 001, India

Tel: (0129) 4010036

Contact Person: Mr. Atul Hajela

Email Id: faridabad.chandigarh@bankofindia.co.in

Note: Our Company has received the No Objection Certificate from Bank of India on June 20, 2018 for this Issue.

BANKER TO THE ISSUE/ PUBLIC ISSUE BANK

[Will be finalized before filing of Final Prospectus]

REFUND BANKER

[Will be finalized before filing of Final Prospectus]

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 <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details on Designated Branches of SCSBs collecting the ASBA Application Form, please refer to the above-mentioned SEBI link.

CREDIT RATING FOR THIS ISSUE

This being an issue of Equity shares, credit rating is not mandatory.

IPO GRADING FOR THIS ISSUE

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

APPRAISAL AND MONITORING AGENCY

As per Regulation 16(1) of the SEBI (ICDR) Regulations, the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 10,000 Lakhs. Since the Issue size is only of Rs. 1,060.80 Lakhs, our Company has not appointed any monitoring agency for this Issue. However, the Audit Committee of our Company would be monitoring the utilization of the proceeds of the Issue.

INTER-SE ALLOCATION OF RESPONSIBILITIES

Since Khambatta Securities Limited is the sole Lead Manager to this Issue, a statement of inter se allocation of responsibilities among Lead Managers is not applicable.

EXPERT OPINION

Except the report of the Statutory Auditor on statement of tax benefits included in this Draft Prospectus, our Company has not obtained any other expert opinion.

DEBENTURE TRUSTEE

Since this is not a debenture issue, appointment of debenture trustee is not required.

UNDERWRITER

Our Company and LM to the issue hereby confirm that the Issue is 100% Underwritten. The Underwriting Agreement is dated May 30, 2018 pursuant to the terms of the underwriting agreement; the obligations of the underwriter are subject to certain conditions specified therein. The underwriter has indicated its intention to underwrite the following number of specified securities being offered through this Issue.

| Name and Address of the Underwriter | Indicative Number of Equity shares to be Underwritten | Amount Underwritten (Rs. in Lakhs) | % of the Total Issue Size Underwritten |
|--|---|------------------------------------|--|
| KHAMBATTA SECURITIES LIMITED C-42, South Extension Part II, New Delhi – 110 049 Tel: (011) 41645051 Fax: (011) 41644896 Contact Person: Mr. Vipin Aggarwal Email: ipo@khambattasecurities.com SEBI Regn. for Merchant Banking Activities : INM000011914 | 26,52,000 | 1,060.80 | 100.00 |
| Total | 26,52,000 | 1,060.80 | 100.00 |

In the opinion of the Board of Directors of the Company, the resources of the above-mentioned underwriter are sufficient to enable them to discharge their respective underwriting obligations in full. Further, the underwriter shall not be paid any commission.

DETAILS OF THE MARKET MAKING ARRANGEMENT

Our Company and the Lead Manager have entered into a tripartite agreement dated May 30, 2018 with the following Market Maker, duly registered with National Stock Exchange of India Limited to fulfill the obligations of Market Making:

INDO JATALIA SECURITIES PRIVATE LIMITED

102, 1st Floor, Jhilmil Metro Complex,

Above State Bank of India,

Jhilmil, Delhi-110095, India

Tel: 011-22893600/699

E-mail: info@indojatalia.in, compliance@indojatalia.in

Contact Person: Mr. P.K. Jain

SEBI Registration No.: INB231449530

Indo Jatalia Securities Private Limited, registered with SME segment (NSE-EMERGE) of NSE 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.

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

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

1. The Market Maker(s) (individually or jointly) 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(s) shall inform the Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The minimum depth of the quote shall be Rs. 1,00,000/-. However, the investors with holdings of value less than Rs. 1,00,000/- shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) 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. After a period of three months from the market making period, the market maker would be exempted to provide quote if the Shares of market maker in our Company reaches to 25 % of Issue Size (Including the 1,38,000 Equity Shares out to be allotted under this Issue.) Any Equity Shares allotted to Market Maker under this Issue over and above 1,38,000 Equity Shares would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduce to 24% of Issue Size, the market maker will resume providing 2-way quotes.
4. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, the concerned stock exchange may intimate the same to SEBI after due verification.
5. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
6. 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. At this stage, Indo Jatalia Securities Private Limited is acting as the sole Market Maker.
7. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen 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.
8. The Market Maker may also be present in the opening call auction, but there is no obligation on him to do so.
9. 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, 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.
10. The Market Maker(s) shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s).

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(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations, 2009. Further the Company and the Lead Manager reserve the right to appoint other Market Maker(s) 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 5 (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, India from 11.00 a.m. to 5.00 p.m. on working days.

11. Emerge Platform of NSE will have all margins which are applicable on the NSE main board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.

12. Emerge Platform of NSE will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker(s) 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.

13. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market maker(s) during market making process has been made applicable, based on the issue size and as follows:

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

The Market Making arrangement, trading and other related aspects including all those specified above shall be subject to the applicable provisions of law and/or norms issued by SEBI/NSE from time to time.

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

CAPITAL STRUCTURE

The share capital of our Company as of the date of this Draft Prospectus before and after the issue is set forth below:

(Rs. In lakhs except share data)

| Sr. No | Particulars | Aggregate Value | |
|----------|---|-----------------|-------------|
| | | Face Value | Issue Price |
| A | AUTHORISED SHARE CAPITAL | | |
| | 1,10,00,000 Equity Shares of face value of Rs. 10/- each | 1,100.00 | |
| B | ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL | | |
| | 73,48,230 fully paid up Equity Shares of face value of Rs. 10/- each | 734.82 | |
| C | PRESENT ISSUE IN TERMS OF DRAFT PROSPECTUS* | | |
| | 26,52,000 Equity Shares of face value of Rs. 10/- each at a premium of Rs. 30/- per Equity Share | 265.20 | 1,060.80 |
| | Which comprises of | | |
| | 1,38,000 Equity Shares of face value of Rs.10/- each at a premium of Rs. 30/- per Equity Share reserved as Market Maker portion | 13.80 | 55.20 |
| | Net Issue to Public of 25,14,000 Equity Shares of face value of Rs. 10/- each at a premium of Rs. 30/- per Equity Share to the Public | 251.40 | 1,005.60 |
| | Of which | | |
| | 12,57,000 Equity Shares of face value of Rs. 10/- each at a premium of Rs. 30/- per Equity Share will be available for allocation to Investors up to Rs. 2.00 Lakhs | 125.70 | 502.80 |
| | 12,57,000 Equity Shares of face value of Rs. 10/- each at a premium of Rs. 30/- per Equity Share will be available for allocation to Investors above Rs. 2.00 Lakhs | 125.70 | 502.80 |
| D | ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL AFTER THE ISSUE | | |
| | 1,00,00,230 Equity Shares of face value of Rs. 10/- each | 1,000.02 | |

| | | |
|----------|-----------------------------------|--------|
| E | SECURITIES PREMIUM ACCOUNT | |
| | Before the Issue | 124.94 |
| | After the Issue | 920.54 |

**The Issue has been authorized pursuant to a resolution of our Board dated March 10, 2018 and by Special Resolution passed under Section 62 (1) (c) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of our shareholders held on March 31, 2018.*

The Company has only one class of share capital i.e. Equity Shares of face value of Rs.10/- each only. All Equity Shares issued are fully paid-up.

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

NOTES TO THE CAPITAL STRUCTURE:

History of change in authorized Equity Share capital of Our Company

- a) The Initial Authorized Share Capital of Rs. 10,00,000 (Rupees Ten Lakhs only) consisting of 1,00,000 Equity shares of face value of Rs. 10/- each was increased to Rs. 20,00,000 (Rupees Twenty Lakhs only) consisting of 2,00,000 Equity Shares of face value of Rs.10/- each pursuant to a resolution of the shareholders dated March 15, 2003.
- b) The Authorized Share Capital of Rs. 20,00,000 (Rupees Twenty Lakhs only) consisting of 2,00,000 Equity shares of face value of Rs. 10/- each was increased to Rs. 50,00,000 (Rupees Fifty Lakhs only) consisting of 5,00,000 Equity Shares of face value of Rs.10/- each pursuant to a resolution of the shareholders dated November 21, 2005.
- c) The Authorized Share Capital of Rs. 50,00,000 (Rupees Fifty Lakhs only) consisting of 5,00,000 Equity shares of face value of Rs. 10/- each was increased to Rs. 75,00,000 (Rupees Seventy Five Lakhs only) consisting of 7,50,000 Equity Shares of face value of Rs.10/- each pursuant to a resolution of the shareholders dated January 01, 2010.
- d) The Authorized Share Capital of Rs. 75,00,000 (Rupees Seventy Five Lakhs only) consisting of 7,50,000 Equity shares of face value of Rs. 10/- each was increased to Rs. 3,00,00,000 (Rupees Three Crores only) consisting of 30,00,000 Equity Shares of face value of Rs.10/- each pursuant to a resolution of the shareholders dated October 28, 2011.
- e) The Authorized Share Capital of Rs. 3,00,00,000 (Rupees Three Crores only) consisting of 30,00,000 Equity shares of face value of Rs. 10/- each was increased to Rs. 5,00,00,000 (Rupees Five Crores only) consisting of 50,00,000 Equity Shares of face value of Rs.10/- each pursuant to a resolution of the shareholders dated December 20, 2012.
- f) The Authorized Share Capital of Rs. 5,00,00,000 (Rupees Five Crores only) consisting of 50,00,000 Equity shares of face value of Rs. 10/- each was increased to Rs. 11,00,00,000 (Rupees Eleven Crores only) consisting of 1,10,00,000 Equity Shares of face value of Rs.10/- each pursuant to a resolution of the shareholders dated March 31, 2018.

1. Equity Share Capital History:

| Date of Allotment | No. of Shares Allotted | Face Value | Issue Price | Nature of Allotment | Nature of Consideration | Cumulative No. of Shares | Cumulative Paid up Capital |
|-------------------|------------------------|------------|-------------|---|--------------------------------------|--------------------------|----------------------------|
| On Incorporation | 10,000 | 10 | 10 | Subscription to MOA ⁽¹⁾ | Cash | 10,000 | 1,00,000 |
| April 01, 2003 | 1,70,000 | 10 | 10 / NA | Further Allotment / Transfer of Business ⁽²⁾ | Cash / Consideration other than Cash | 1,80,000 | 18,00,000 |
| December 01, 2003 | 1,000 | 10 | 10 | Further Allotment ⁽³⁾ | Cash | 1,81,000 | 18,10,000 |
| November 21, 2005 | 2,19,000 | 10 | 10 | Further Allotment ⁽⁴⁾ | Cash | 4,00,000 | 40,00,000 |
| March 30, 2007 | 35,000 | 10 | 100 | Further Allotment ⁽⁵⁾ | Cash | 4,35,000 | 43,50,000 |
| March 31, 2010 | 65,000 | 10 | 10 | Further Allotment ⁽⁶⁾ | Cash | 5,00,000 | 50,00,000 |
| November 15, 2011 | 25,00,000 | 10 | NA | Bonus (5:1) ⁽⁷⁾ | NA | 30,00,000 | 3,00,00,000 |
| December 16, 2013 | 3,33,333 | 10 | 30 | Further Allotment ⁽⁸⁾ | Cash | 33,33,333 | 3,33,33,330 |
| December 20, 2014 | 6,66,667 | 10 | NA | Bonus (1:5) ⁽⁹⁾ | NA | 40,00,000 | 4,00,00,000 |
| March 10, 2018 | 82,350 | 10 | 42.50 | Right Issue (1: 48.50) ⁽¹⁰⁾ | Cash | 40,82,350 | 4,08,23,500 |
| March 31, 2018 | 32,65,880 | 10 | NA | Bonus (4:5) ⁽¹¹⁾ | NA | 73,48,230 | 7,34,82,300 |

⁽¹⁾ Initial Subscribers to Memorandum of Association hold 10,000 Equity Shares each of face value of Rs. 10/- fully paid up as per the details given below:

| Sr. No | Name of Person | No. of Shares Allotted |
|--------|---------------------------|------------------------|
| 1. | Mr. Trilok Chand Chandana | 5,000 |
| 2. | Mrs. Tarun Chandna | 5,000 |
| | Total | 10,000 |

- (2) The Company allotted 1,70,000 Equity Shares of face value of Rs. 10/- each at par as per the details given below*:

| Sr. No | Name of Person | No. of Shares Allotted |
|--------|--------------------------|------------------------|
| 1. | Mrs. Tarun Chandna | 1,60,000 |
| 2. | Mr. Yunik Chandna | 5,000 |
| 3. | T.C. Chandna & Sons, HUF | 5,000 |
| | Total | 1,70,000 |

*Mr. Yunik Chandna and T.C. Chandna & Sons, HUF were issued 5000 Equity Shares each through further allotment at par.

Further, our Company allotted 1,60,000 Equity Shares as consideration to Mrs. Tarun Chandana for transfer of her proprietary concern M/s. Yeekay International on a going concern basis w.e.f. April 01, 2003.

- (3) The Company allotted 1,000 Equity Shares of face value of Rs. 10/- each at par as per the details given below:

| Sr. No | Name of Person | No. of Shares Allotted |
|--------|-------------------|------------------------|
| 1. | Mr. Karan Chandna | 1,000 |
| | Total | 1,000 |

- (4) The Company allotted 2,19,000 Equity Shares of face value of Rs. 10/- each at par as per the details given below:

| Sr. No | Name of Person | No. of Shares Allotted |
|--------|---------------------------|------------------------|
| 1. | Mr. Trilok Chand Chandana | 2,05,000 |
| 2. | Mr. Yunik Chandna | 5,000 |
| 3. | Mr. Karan Chandna | 9,000 |
| | Total | 2,19,000 |

- (5) The Company allotted 35,000 Equity Shares of face value of Rs. 10/- each on a premium of Rs. 90 per share as per the details given below:

| Sr. No | Name of Person | No. of Shares Allotted |
|--------|--------------------------------------|------------------------|
| 1. | Zenith Estates Limited | 5,000 |
| 2. | Taurus Iron & Steel Co. Pvt Ltd | 15,000 |
| 3. | New Star Information Systems Pvt Ltd | 5,000 |
| 4. | Tejasvi Investments Pvt Ltd | 10,000 |
| | Total | 35,000 |

- (6) The Company allotted 65,000 Equity Shares of face value of Rs. 10/- each at par as per the details given below:

| Sr. No | Name of Person | No. of Shares Allotted |
|--------|---------------------|------------------------|
| 1. | Mr. Yunik Chandna | 30,000 |
| 2. | Mr. Karan Chandna | 30,000 |
| 3. | Mrs. Preeti Chandna | 5,000 |
| | Total | 65,000 |

- (7) The Company allotted 25,00,000 Equity Shares as Bonus Shares of face value Rs. 10/- each in the ratio of 5 Equity Shares for every 1 Equity Share held as per the details given below:

| Sr. No | Name of Person | No. of Shares Allotted |
|--------|---------------------------|------------------------|
| 1. | Mrs. Tarun Chandna | 9,00,000 |
| 2. | Mr. Yunik Chandna | 2,25,000 |
| 3. | T.C. Chandna & Sons, HUF | 25,000 |
| 4. | Mr. Karan Chandna | 2,25,000 |
| 5. | Mrs. Preeti Chandna | 25,000 |
| 6. | Mr. Trilok Chand Chandana | 11,00,000 |
| | Total | 25,00,000 |

- (8) The Company allotted 3,33,333 Equity Shares of face value of Rs. 10/- each at a premium of Rs. 20 per share as per the details given below:

| Sr. No | Name of Person | No. of Shares Allotted |
|--------|---------------------------|------------------------|
| 1. | Mrs. Tarun Chandna | 83,333 |
| 2. | Mr. Yunik Chandna | 66,667 |
| 3. | Mr. Karan Chandna | 50,000 |
| 4. | Mrs. Preeti Chandna | 50,000 |
| 5. | Mr. Trilok Chand Chandana | 83,333 |
| | Total | 3,33,333 |

- (9) The Company allotted 6,66,667 Equity Shares as Bonus Shares of face value Rs. 10/- each in the ratio of 1 Equity Share for every 5 Equity Share held as per the details given below:

| Sr. No | Name of Person | No. of Shares Allotted |
|--------|--------------------|------------------------|
| 1. | Mrs. Tarun Chandna | 2,32,667 |
| 2. | Mr. Yunik Chandna | 67,333 |

| Sr. No | Name of Person | No. of Shares Allotted |
|--------|---------------------------|------------------------|
| 3. | T.C. Chandna & Sons, HUF | 6,000 |
| 4. | Mr. Karan Chandna | 64,000 |
| 5. | Mrs. Preeti Chandna | 16,000 |
| 6. | Mr. Trilok Chand Chandana | 2,80,667 |
| | Total | 6,66,667 |

(10) The Company allotted 82,350 Equity Shares of face value of Rs. 10/- each at a premium of Rs. 32.50 per share as per the details given below:

| Sr. No | Name of Person | No. of Shares Allotted |
|--------|----------------------|------------------------|
| 1. | Mrs. Anushri Chandna | 82,350 |
| | Total | 82,350 |

(11) The Company allotted 32,65,880 Equity Shares as Bonus Shares of face value Rs. 10/- each in the ratio of 4 Equity Shares for every 5 Equity Shares held as per the details given below:

| Sr. No | Name of Person | No. of Shares Allotted |
|--------|---------------------------|------------------------|
| 1. | Mrs. Tarun Chandna | 11,16,800 |
| 2. | Mr. Yunik Chandna | 3,23,200 |
| 3. | T.C. Chandna & Sons, HUF | 28,800 |
| 4. | Mr. Karan Chandna | 3,07,200 |
| 5. | Mrs. Preeti Chandna | 76,720 |
| 6. | Mr. Trilok Chand Chandana | 13,47,200 |
| 7. | Mrs. Anushri Chandna | 65,960 |
| | Total | 32,65,880 |

2. Except as mentioned below we have never issued Equity Shares for consideration other than cash –

| Date of Allotment | Number of Equity Shares | Face Value (in Rs) | Issue Price (in Rs) | Reason for Allotment | Allottees | Number of shares Allotted |
|-------------------|-------------------------|--------------------|---------------------|--|--------------------|---------------------------|
| April 01, 2003 | 1,60,000 | 10 | Nil | Against purchase of M/s. Yeekay International on a going concern basis | Mrs. Tarun Chandna | 1,60,000 |

| | | | | | | |
|-------------------|------------------|----|-----|--|---------------------------|------------------|
| November 15, 2011 | 25,00,000 | 10 | Nil | Bonus Issue of Equity Shares in the Ratio of 5:1 | Mrs. Tarun Chandna | 9,00,000 |
| | | | | | Mr. Yunik Chandna | 2,25,000 |
| | | | | | T.C. Chandna & Sons, HUF | 25,000 |
| | | | | | Mr. Karan Chandna | 2,25,000 |
| | | | | | Mrs. Preeti Chandna | 25,000 |
| | | | | | Mr. Trilok Chand Chandana | 11,00,000 |
| | | | | | Total | 25,00,000 |
| December 20, 2014 | 6,66,667 | 10 | Nil | Bonus Issue of Equity Shares in the Ratio of 1:5 | Mrs. Tarun Chandna | 2,32,667 |
| | | | | | Mr. Yunik Chandna | 67,333 |
| | | | | | T.C. Chandna & Sons, HUF | 6,000 |
| | | | | | Mr. Karan Chandna | 64,000 |
| | | | | | Mrs. Preeti Chandna | 16,000 |
| | | | | | Mr. Trilok Chand Chandana | 2,80,667 |
| | | | | | Total | 6,66,667 |
| March 31, 2018 | 32,65,880 | 10 | Nil | Bonus Issue of Equity Shares in Ratio of 4:5 | Mrs. Tarun Chandna | 11,16,800 |
| | | | | | Mr. Yunik Chandna | 3,23,200 |
| | | | | | T.C. Chandna & Sons, HUF | 28,800 |
| | | | | | Mr. Karan Chandna | 3,07,200 |
| | | | | | Mrs. Preeti Chandna | 76,720 |
| | | | | | Mr. Trilok Chand Chandana | 13,47,200 |
| | | | | | Mrs. Anushri Chandna | 65,960 |
| Total | 32,65,880 | | | | | |

3. We have not issued any Equity Shares out of revaluation reserves or in terms of any scheme approved under Sections 391- 394 of the Companies Act, 1956 or under section 230-234 of the Companies Act, 2013.
4. We have not issued any equity shares in last one year at price below Issue Price.

5. Details of shareholding of promoters.

A. Trilok Chand Chandana

| Date of Allotment/ Transfer | No. of Equity Shares | Face value per Share (Rs.) | Issue / Acquisition / Transfer price (Rs.) | Nature of Transactions | Pre-issue shareholding % | Post-issue shareholding % | No. of Shares Pledged | % of Shares Pledged |
|-----------------------------|----------------------|----------------------------|--|---|--------------------------|---------------------------|-----------------------|---------------------|
| Incorporation | 5000 | 10 | 10 | Subscription to MOA | 0.07% | 0.05% | 0 | 0.00% |
| November 21, 2005 | 2,05,000 | 10 | 10 | Further Allotment | 2.79% | 2.05% | 0 | 0.00% |
| July 20, 2009 | 10,000 | 10 | 10 | Transfer from Tejasvi Investments Pvt Ltd | 0.14% | 0.10% | 0 | 0.00% |
| November 15, 2011 | 11,00,000 | 10 | 0 | Bonus Allotment | 14.97% | 11.00% | 0 | 0.00% |
| December 16, 2013 | 83,333 | 10 | 30 | Further Allotment | 1.13% | 0.83% | 0 | 0.00% |
| December 20, 2014 | 2,80,667 | 10 | 0 | Bonus Allotment | 3.82% | 2.81% | 0 | 0.00% |
| March 31, 2018 | 13,47,200 | 10 | 0 | Bonus Allotment | 18.33% | 13.47% | 0 | 0.00% |
| Total | 30,31,200 | | | | 41.25% | 30.31% | | |

B. Tarun Chandna

| Date of Allotment/ Transfer | No. of Equity Shares | Face value per Share (Rs.) | Issue / Acquisition / Transfer price (Rs.) | Nature of Transactions | Pre-issue shareholding % | Post-issue shareholding % | No. of Shares Pledged | % of Shares Pledged |
|-----------------------------|----------------------|----------------------------|--|---|--------------------------|---------------------------|-----------------------|---------------------|
| Incorporation | 5000 | 10 | 10 | Subscription to MOA | 0.07% | 0.05% | 0 | 0.00% |
| December 1, 2003 | 1,60,000 | 10 | 10 | Against purchase of Business | 2.18% | 1.60% | 0 | 0.00% |
| July 20, 2009 | 15,000 | 10 | 10 | Transfer from Taurus Iron & Steel Co. Pvt Ltd | 0.20% | 0.15% | 0 | 0.00% |
| November 15, 2011 | 9,00,000 | 10 | 0 | Bonus Allotment | 12.25% | 9.00% | 0 | 0.00% |
| December 16, 2013 | 83,333 | 10 | 30 | Further Allotment | 1.13% | 0.83% | 0 | 0.00% |
| December 20, 2014 | 2,32,667 | 10 | 0 | Bonus Allotment | 3.17% | 2.33% | 0 | 0.00% |

| | | | | | | | | |
|----------------|------------------|----|---|-----------------|---------------|---------------|---|-------|
| March 31, 2018 | 11,16,800 | 10 | 0 | Bonus Allotment | 15.20% | 11.17% | 0 | 0.00% |
| Total | 25,12,800 | | | | 34.20% | 25.13% | | |

6. Our Promoter Group, Directors and their immediate relatives have not purchased/sold Equity Shares of the Company during last 6 months.
7. 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 or their internal accruals, as the case may be, and no loans or financial assistance from any bank or financial institution has been availed by them for this purpose.
8. There are no financing arrangements whereby the Promoter Group, the Directors of our Company and their relatives have financed the purchase by any other person of securities of the issuer other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of filing offer document with the Stock Exchanges.
9. **Details of Promoter's Contribution locked in for three years:**

Pursuant to Regulation 32 and 36 of SEBI (ICDR) Regulations not less than 20% of the post-issue capital held by our Promoters shall be considered as Promoters' Contribution ("Promoters Contribution") and locked-in for a period of three years from the date of Allotment. The lock-in of the Promoters' Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

Our Promoters have granted consent to include such number of Equity Shares held by them as may constitute 20.10 % of the post-issue Equity Share Capital of our Company as Promoters Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters Contribution from the date of filing of this Draft Prospectus until the completion of the lock-in period specified above.

| Date of allotment & Date when made fully paid up | No. of Shares Allotted | Face Value | Issue Price | Nature of Allotment | % of Post Issue Capital |
|--|------------------------|------------|-------------|---------------------|-------------------------|
| Mr. Trilok Chand Chandana | | | | | |
| March 31, 2018 | 10,98,000 | 10 | NA | Bonus Allotment | 10.98 |
| Total | 10,98,000 | | | | 10.98 |
| Mrs. Tarun Chandna | | | | | |
| March 31, 2018 | 9,12,000 | 10 | NA | Bonus Allotment | 9.12 |
| Total | 9,12,000 | | | | 9.12 |
| Grand Total | 20,10,000 | | | | 20.10 |

We further confirm that as per Regulation 33 of SEBI (ICDR) Regulations, the aforesaid minimum Promoter Contribution of 20% 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 offered to public in the Initial Public Offer.
- The Equity Shares held by the Promoters and offered for minimum Promoters' Contribution are not subject to any pledge.
- Equity shares issued to our Promoters on conversion of partnership firm into limited company during the preceding one year, at a price lower than the price at which Equity Shares are being offered to public in the Initial Public Offer.
- Equity Shares for which specific written consent has not been obtained from the shareholders for inclusion of their subscription in the minimum Promoters' Contribution subject to lock-in.

The Promoters' Contribution can be pledged only with a scheduled commercial bank or public financial institution as collateral security for loans granted by such banks or financial institutions, in the event the pledge of the Equity Shares is one of the terms of the sanction of the loan. The Promoters' Contribution may be pledged only if in addition to the above stated, the loan has been granted by such banks or financial institutions for the purpose of financing one or more of the objects of this Issue.

The Equity Shares held by our Promoters may be transferred to and among the Promoter Group or to new Promoters 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 the Takeover Regulations, as applicable.

10. Details of share capital locked in for one year

In addition to minimum 20% of the Post-Issue shareholding of our Company held by the Promoters (locked in for three years as specified above), in accordance with regulation 36 of SEBI (ICDR) Regulations, the entire pre-issue share capital of our Company shall be locked in for a period of one year from the date of Allotment in this Issue.

The Equity Shares held by persons other than our Promoters and locked-in for a period of one year from the date of Allotment, in accordance with regulation 37 of SEBI (ICDR) Regulations, in the Issue may be transferred to any other person holding Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Takeover Regulations.

A. The table below represents the current shareholding pattern of our Company as per Regulation 31 of the SEBI (LODR) Regulations, 2015:

I. Summary of Shareholding Pattern

| Category Code | Category of shareholder | No. Of shareholders | No. of fully paid up equity shares held | No. of Partly paid up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C 2) | Number of Voting Rights held in each class of securities* | | | | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share Capital) As a % of (A+B+C 2) | Number of locked in Shares** | | Number of Shares pledged or otherwise encumbered | | Number of shares held in dematerialized form |
|---------------|------------------------------|---------------------|---|--|--|------------------------|--|---|---------|-----------|-------------------------|--|--|------------------------------|---------------------------------|--|---------------------------------|--|
| | | | | | | | | No. of Voting Rights | | | 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 X | Class Y | Total | | | | | | | | |
| I | II | III | IV | V | VI | VII=IV+V+VI | VIII | IX | | | | X | XI-VII+X | XII | | XIII | | XIV |
| (A) | Promoters and Promoter Group | 7 | 73,48,230 | - | - | 73,48,230 | 100.00 | 73,48,230 | - | 73,48,230 | 100.00 | - | 100.00 | 73,48,230 | 100.00 | - | - | - |

| | | | | | | | | | | | | | | | | | | |
|------|--------------------------------|----------|------------------|----------|----------|------------------|---------------|------------------|----------|------------------|---------------|----------|---------------|------------------|---------------|----------|----------|----------|
| (B) | Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C) | Non Promoter- Non Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C1) | Shares underlying DRs | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C2) | Shares held by Employee Trusts | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Total | 7 | 73,48,230 | - | - | 73,48,230 | 100.00 | 73,48,230 | - | 73,48,230 | 100.00 | - | 100.00 | 73,48,230 | 100.00 | - | - | - |

*As on the date of this Draft Prospectus 1 Equity Share holds 1 vote.

**Shall be locked-in on or before the date of allotment in this Issue.

*In terms of SEBI circular bearing no. Cir/ISD/3/2011 dated June 17, 2011 and SEBI circular bearing no. SEBI/Cir/ISD/05/2011, dated September 30, 2011, the Equity Shares held by the Promoters/Promoter Group Entities and 50% of the Equity Shares held by the public shareholders shall be dematerialised prior to filing the Prospectus with the RoC.

Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI (LODR) Regulations, 2015 one day prior to the listing of the equity shares. The shareholding pattern will be uploaded on the website of NSE (National Stock Exchange of India Limited) before commencement of trading of such Equity Shares.

B. Shareholding of our Promoters and Promoter Group

The table below presents the current shareholding pattern of our Promoters and Promoter Group (individuals).

| Sr. No. | Name of the Shareholder | Pre – Issue | | Post – Issue | |
|---------|---------------------------|----------------------|------------------------|----------------------|-------------------------|
| | | No. of Equity Shares | % of Pre-Issue Capital | No. of Equity Shares | % of Post-Issue Capital |
| (I) | (II) | (III) | (IV) | (V) | (VI) |
| | Promoters | | | | |
| 1 | Mr. Trilok Chand Chandana | 30,31,200 | 41.25 | 30,31,200 | 30.31% |
| 2 | Mrs. Tarun Chandna | 25,12,800 | 34.20 | 25,12,800 | 25.13% |
| | Promoters Group | | | | |
| 3. | Mr. Yunik Chandna | 7,27,200 | 9.90 | 7,27,200 | 7.27% |
| 4. | Mr. Karan Chandna | 6,91,200 | 9.40 | 6,91,200 | 6.91% |
| 5. | Mrs. Preeti Chandna | 1,72,620 | 2.35 | 1,72,620 | 1.73% |
| 6. | Mrs. Anushri Chandna | 1,48,410 | 2.02 | 1,48,410 | 1.48% |
| 7. | T.C. Chandna & Sons, HUF | 64,800 | 0.88 | 64,800 | 0.65% |
| | Total | 73,48,230 | 100.00 | 73,48,230 | 73.48% |

The average cost of acquisition of or subscription to Equity Shares by our Promoters is set forth in the table below:

| Name of the Promoters | No. of Shares held | Average cost of Acquisition (in Rs.) |
|---------------------------|--------------------|--------------------------------------|
| Mr. Trilok Chand Chandana | 30,31,200 | 1.55 |
| Mrs. Tarun Chandna | 25,12,800 | 1.71 |

Equity Shares held by top seven shareholders

Our top Seven* shareholders and the number of Equity Shares held by them as on date of this Draft Prospectus are as under:

| Sr. No. | Name of shareholder | No. of Shares | % age of pre-Issue capital |
|---------|---------------------------|---------------|----------------------------|
| 1. | Mr. Trilok Chand Chandana | 30,31,200 | 41.25 |
| 2. | Mrs. Tarun Chandna | 25,12,800 | 34.20 |

| Sr. No. | Name of shareholder | No. of Shares | % age of pre-Issue capital |
|---------|--------------------------|------------------|----------------------------|
| 3. | Mr. Yunik Chandna | 7,27,200 | 9.90 |
| 4. | Mr. Karan Chandna | 6,91,200 | 9.40 |
| 5. | Mrs. Preeti Chandna | 1,72,620 | 2.35 |
| 6. | Mrs. Anushri Chandna | 1,48,410 | 2.02 |
| 7. | T.C. Chandna & Sons, HUF | 64,800 | 0.88 |
| | Total | 73,48,230 | 100.00 |

**As on date of this Draft Prospectus our company have only Seven shareholders.*

Our top Seven* shareholders and the number of Equity Shares held by them ten days prior to the date of this Draft Prospectus are as under:

| Sr. No. | Name of shareholder | No. of Shares | % age of pre-Issue capital |
|---------|---------------------------|------------------|----------------------------|
| 1. | Mr. Trilok Chand Chandana | 30,31,200 | 41.25 |
| 2. | Mrs. Tarun Chandna | 25,12,800 | 34.20 |
| 3. | Mr. Yunik Chandna | 7,27,200 | 9.90 |
| 4. | Mr. Karan Chandna | 6,91,200 | 9.40 |
| 5. | Mrs. Preeti Chandna | 1,72,620 | 2.35 |
| 6. | Mrs. Anushri Chandna | 1,48,410 | 2.02 |
| 7. | T.C. Chandna & Sons, HUF | 64,800 | 0.88 |
| | Total | 73,48,230 | 100.00 |

**For the period mentioned above our company had only seven shareholders.*

Our top ten shareholders and the number of Equity Shares held by them two years prior to date of this Draft Prospectus are as under:

| Sr. No. | Name of shareholder | No. of Shares | % age of pre-Issue capital |
|---------|---------------------------|---------------|----------------------------|
| 1. | Mr. Trilok Chand Chandana | 16,84,000 | 42.10 |
| 2. | Mrs. Tarun Chandna | 13,96,000 | 34.90 |
| 3. | Mr. Yunik Chandna | 4,04,000 | 10.10 |
| 4. | Mr. Karan Chandna | 3,84,000 | 9.60 |
| 5. | Mrs. Preeti Chandna | 95,900 | 2.40 |

| Sr. No. | Name of shareholder | No. of Shares | % age of pre-Issue capital |
|---------|--------------------------|------------------|----------------------------|
| 6. | Mrs. Manju Ahuja | 100 | 0.00 |
| 7. | T.C. Chandna & Sons, HUF | 36,000 | 0.90 |
| | Total | 40,00,000 | 100.00 |

**For the period mentioned above our company had only seven shareholders*

11. There is no "Buyback", "Standby", or similar arrangement for the purchase of Equity Shares by our Company/Promoters/Directors/Lead Manager for purchase of Equity Shares offered through this Draft Prospectus.
12. The Equity Shares, which are subject to lock-in, shall carry the inscription "non-transferable" and the non-transferability details shall be informed to the depository. The details of lock-in shall also be provided to the Stock Exchange before the listing of the Equity Shares.
13. As on the date of this Draft Prospectus, none of the shares held by our Promoters/ Promoter Group are pledged with any financial institutions or banks or any third party as security for repayment of loans.
14. Except, as otherwise disclosed in the chapter titled "Objects of the Issue" beginning on page 73 of this Draft Prospectus, we have not raised any bridge loans against the proceeds of the Issue.
15. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed in heading on "Basis of Allotment" beginning on page 252 of this Draft Prospectus.
16. The Equity Shares Issued pursuant to this Issue shall be fully paid-up at the time of Allotment, failing which no allotment shall be made.
17. Our Company has not issued any Equity Shares at a price less than the Issue Price in the last one year preceding the date of filing of this Draft Prospectus.
18. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 43 (4) of SEBI (ICDR) Regulations, as amended from time to time.
19. Under subscription, if any, in any category, shall be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the Lead Manager and National Stock Exchange of India Limited.
20. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off while finalizing the basis of allotment to the nearest integer during finalizing the allotment, subject to minimum allotment lot. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock-in shall be suitably increased to ensure that 20% of the post issue paid-up capital is locked-in.
21. The Issue is being made through Fixed Price Method.
22. As on date of filing of this Draft Prospectus with Stock Exchange, the entire issued share capital of our Company is fully paid-up. The Equity Shares offered through this Public Issue will be fully paid up.
23. On the date of filing this Draft Prospectus with Stock Exchange, 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.
24. Our Company has not issued any Equity Shares out of revaluation reserves and not issued any bonus shares out of capitalization of revaluation reserves.
25. Lead Manager to the Issue viz. Khambatta Securities Limited and its associates do not hold any Equity Shares of our Company.

26. Our Company has not revalued its assets since incorporation.
27. Our Company has not made any Public Issue of any kind or class of securities since its incorporation.
28. There will be only one denomination of the Equity Shares of our Company unless otherwise permitted by law.
29. Our Company shall comply with such disclosure, and accounting norms as may be specified by SEBI from time to time.
30. There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner during the period commencing from submission of this Draft Prospectus with Stock Exchange until the Equity Shares to be issued pursuant to the Issue have been listed.
31. 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 (6) months from the date of opening of the Issue, by way of spilt/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise. However, during such period or a later date, it may issue Equity Shares or securities linked to Equity Shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.
32. Our Company does not have any ESOS/ESPS scheme for our employees and we do not intend to allot any shares to our employees under ESOS/ESPS scheme from the proposed Issue. As and when, options are granted to our employees under the ESOP scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.
33. 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.
34. 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.
35. Our Company has Seven (7) shareholders as on the date of filing of this Draft Prospectus.

OBJECTS OF THE ISSUE

Requirement of Funds:

Our Company proposes to utilize the funds which are being raised towards funding the following objects:

1. To purchase additional plant and machinery and build a shed & mezzanine floor in our existing manufacturing facility
2. To meet the working capital requirements of the Company including margin money;
3. To meet General Corporate Expenses; and
4. To meet the Issue Expenses

Our Company believes that listing will enhance our Company's corporate image, brand name and create a public market for its Equity Shares in India. The main objects clause of our Memorandum of Association enables our Company to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the objects clause of our Memorandum. For the main objects clause of our Memorandum of Association, see "History and Certain Other Corporate Matters" on page 129.

NET PROCEEDS OF THE ISSUE

The details of utilization of the proceeds of the Fresh Issue are summarized below:

| Particulars | Amount (Rs. in Lakhs) |
|--|-----------------------|
| Gross proceeds of the Issue | 1,060.80 |
| (Less) Issue related expenses in relation to the Issue | 80.00 |
| Net Proceeds | 980.80 |

UTILISATION OF NET PROCEEDS

The fund requirement and deployment is based on internal management estimates of our Company and have not been verified by the Lead Manager or appraised by any bank or financial institution or any other external agency. They are based on current circumstances of our business and our Company may have to revise its estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment, costs of commodities and interest rate fluctuations. Consequently, the fund requirements of our Company are subject to revisions in the future at the discretion of the management.

We intend to utilize the proceeds of the Issue, in the manner set forth below:

(Rs. In lakhs)

| Sr. No. | Particulars | Amount |
|---------|--|----------------|
| 1 | Purchase of additional plant and machinery and build a shed & mezzanine floor in our existing manufacturing facility | 451.00 |
| 2 | Working capital requirements of the Company including margin money | 450.00 |
| 3 | General Corporate Expenses | 79.80 |
| 4 | Issue Expenses | 80.00 |
| | Total | 1060.80 |

The above Objects of the Issue authorised by the Board of Directors pursuant to its Resolution passed on July 11, 2018.

The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes in external circumstances or costs, other financial conditions, business or strategy, as discussed further below.

In case of variations in the actual utilization of funds allocated 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, the required financing will be through our internal accruals and/or debt.

We may have to revise our fund requirements and deployment as a result of changes in commercial and other external factors, which may not be within the control of our management. This may entail scheduling, revising or cancelling the fund requirements and increasing or decreasing the fund requirements for a particular purpose from its fund requirements mentioned below, at the discretion of our management. In case of any shortfall, we intend to meet our estimated requirement from internal accruals and/or debt. In case of any such re-schedulement, it shall be made by compliance of the relevant provisions of the Companies Act, 2013.

DETAILS OF THE OBJECTS

1. To purchase additional plant and machinery and build a shed & mezzanine floor in our existing manufacturing facility

We propose to purchase additional plant and machinery and build a mezzanine floor in our existing manufacturing facility at Roorkee, Uttarakhand. With this, we intend to increase our existing capacity and enhance the production efficiency.

The following table depicts category wise break-down of estimated expenditure:

| Sr. No. | Particulars | Purpose | Vendor | Total cost* (Rs. In Lakhs) |
|-----------|---|--|---|----------------------------|
| A | Machinery – Pipes & Fittings | | | |
| 1. | TC65 Extruder Milacron Machine for manufacturing C-PVC Pipes | Increase In Capacity Of C-PVC Pipes | Milacron India Pvt Ltd | 108.25 |
| 2. | LX-65 PPR Extruder Machine for manufacturing PPR Pipes | Capacity Enhancement of Existing Extruder | Windsor Machines Limited | 17.34 |
| 3. | Mars G Series Model MA 1600 540G C-PVC Injection Moulding Machine | Increase In Capacity of C-PVC Fittings | Haitian Huayuan Machinery (India) Private Limited | 29.07 |
| | Total | | | 154.66 |
| B. | Support Machines & Moulds | | | |
| 4. | Die TSM 110HV – PPR Die Heads | Capacity enhancement of existing Extruder | Windsor Machines Limited | 6.81 |
| 5. | PPR Inserts | Capacity enhancement of existing Extruder | Windsor Machines Limited | 0.84 |
| 6. | 4-nod Heating Zone | Capacity enhancement of existing Extruder | Windsor Machines Limited | 0.77 |
| 7. | Turbo-160 75hp Motor – Heating Cooling Mixer | Support For C-PVC Milacron Machine | V V Enterprises | 11.46 |
| 8. | Lathe CNC, model PN150BBF/130, CNC Pipe Threading Machine for Column & Casing Pipes | To manufacture new Product – Threading of Column Pipes | Hytech Machine Tool & Automation India Pvt Ltd | 22.50 |
| 9. | SWR Fitting Moulds | To manufacture new Product – SWR Fittings | Micro-Tech | 75.43 |
| 10. | APS-FRS-50-160 SWR Fitting Socketing Machine | | Airopower Systems | 9.99 |
| 11. | FRP 400 TR – Cooling Tower | Overall Support Machines | M. K. Cooling Towers Pvt Ltd | 4.72 |

| | | | | |
|-----------|---|--------------------------|--------------------------------|---------------|
| 12. | 1010 KVA Caterpillar – DG Set 1010 KVA | Overall Support Machines | Tractors India Private Limited | 70.30 |
| 13. | 1000 KVA Oil Cooled – Voltage Stabilizer 1000 KVA | Overall Support Machines | Reliable Power Systems | 10.20 |
| 14. | RFV10440S 125 tr – Water Cooled Screw Chiller | Overall Support Machines | Reynold India Private Limited | 30.75 |
| | Total | | | 243.77 |
| C. | Installation Charges | | | 2.57 |
| D. | Construction of Shed & Mezzanine floor | | | 50.00 |
| | Grand Total | | | 451.00 |

* Based on quotations received from third party vendors in the month of June, 2018. These amounts are exclusive of applicable taxes.

No second hand machinery or material is proposed to be purchased out of the above funds. The abovementioned Plant & Machinery is proposed to be acquired in a ready-to use condition. Further, we have not entered into any definitive agreements with the suppliers and there can be no assurance that the same suppliers would be engaged to eventually supply the machinery at the same costs. The quantity of the machinery is based on the estimates of our management. Our Company shall have the flexibility to deploy the machinery and material at additional manufacturing facility, according to the business requirements of such facility, which are dynamic, which may evolve with the passage of time and based on the estimates of our management

2. To meet working capital requirements including margin money

Our Business is working capital intensive and we avail our working capital in the ordinary course of our business from Bank of India. As on March 31, 2018, our Company's working capital facility consisted of an aggregate fund based limit of Rs. 2,000.00 Lakhs and an aggregate non-fund based limit of Rs. 300.00 Lakhs. For further details of the working capital facilities currently availed by us, please refer the section "Financial Indebtedness" on page 204.

As on March 31, 2017 and March 31, 2018 the Company's net working capital consisted of Rs. 3,175.31 Lakhs and Rs. 3,573.38 Lakhs respectively. The total working capital requirement for the year 2018-19 is estimated to be Rs. 4,064.62 Lakhs. The incremental working capital requirement will be met through the Net Proceeds and the balance portion of working capital requirement will be met through Net Worth / Internal Accruals/ Borrowings.

Basis of estimation of working capital requirement

The details of our Company's expected working capital requirements on the basis of restated financials for the Financial Year 2017-18 and funding of the same are as set out in the table below:

(Rs. in Lakhs)

| Particulars | 2016-17 (Audited) | 2017-18 (Audited) | 2018-19 (Estimated) |
|-------------------------|----------------------|----------------------|------------------------|
| Current Assets | | | |
| Cash & Cash Equivalents | 96.37 | 56.46 | 47.87 |
| Trade Receivables | 1,224.75 | 1,609.23 | 1,898.83 |
| Inventories | 2,995.50 | 3,097.79 | 3,437.15 |
| Other Current Assets | 334.17 | 618.72 | 316.69 |
| Total (A) | 4,650.79 | 5,382.20 | 5,700.54 |

| | | | |
|--|-----------------|-----------------|-----------------|
| Current Liabilities | | | |
| Trade Payables | 979.29 | 1,280.91 | 1,107.03 |
| Liabilities due in 1 year | 267.50 | 288.17 | 341.18 |
| Other Current Liabilities | 76.11 | 89.27 | 39.76 |
| Advance from Customers | 110.57 | 87.32 | 32.55 |
| Short Term Provisions | 42.01 | 63.15 | 115.40 |
| Total (B) | 1,475.48 | 1,808.82 | 1,635.92 |
| Net Working Capital (A-B) | 3,175.31 | 3,573.38 | 4,064.62 |
| Sources of Working Capital | | | |
| Fund Based & Non-Fund Based Borrowings | 2,383.11 | 2,218.54 | 2,000.00 |
| IPO Proceeds | - | - | 450.00 |
| Internal sources/Net Worth/ Borrowings | 792.20 | 1,354.84 | 1,614.62 |

BASIS OF ESTIMATION FOR WORKING CAPITAL REQUIREMENTS

The incremental working capital requirements are based on historical Company data and estimation of the future requirements in FY 2018-19 considering the growth in activities of our Company and in line with norms generally accepted by banker(s).

Holding Levels

(In no. of days)

| Particulars | | Basis | 2016-17 | 2017-18 | 2018-19(E) |
|---------------|-----------------------------------|-------------------|---------|---------|------------|
| Receivables | | Collection Period | 46 | 58 | 56 |
| Inventory | Raw Materials & other Consumables | Consumption | 63 | 70 | 75 |
| | Finished Goods / Scrap | Cost of Sales | 78 | 80 | 67 |
| Credit Period | | Purchases | 52 | 73 | 52 |

3. To meet General Corporate Expenses

We intend to deploy approximately Rs. 79.80 Lakhs, for general corporate purposes, as may be approved by our management, including but not restricted to maintenance and expansion of our manufacturing facilities, strategic initiatives and acquisitions, strengthening of the marketing capabilities and meeting on-going general corporate exigencies.

Further, we confirm that in compliance with the SEBI ICDR Regulations, 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.

4. Issue Expenses

The expenses for this Issue include issue management fees, underwriting fees, Registrar & Transfer Agent fees, Legal Advisor fees, printing and distribution expenses, advertisement expenses, depository charges and listing fees to the Stock Exchange, among others. The total expenses for this Issue are estimated not to exceed Rs. 80.00 Lakhs.

(Rs. in Lakhs)

| Expenses | Expenses (Rs. in Lakhs) | Expenses (% of total Issue expenses) | Expenses (% of Issue size) |
|--|-------------------------|--------------------------------------|----------------------------|
| Payment of professional charges to Intermediaries such as Merchant Banker, Registrar & Transfer Agent, Market Maker, etc. and payment of other charges including Underwriting Commission, postage, printing & stationery, etc. | 65.00 | 6.13% | 81.25% |
| Statutory Expenses | 5.00 | 0.47% | 6.25% |
| Marketing Expenses and other Expenses | 10.00 | 0.94% | 12.50% |
| Total estimated Issue expenses | 80.00 | 7.54% | 100.00% |

DEPLOYMENT OF FUNDS

As estimated by our management, the entire proceeds from the Issue shall be utilized as follows:

(Rs. in Lakhs)

| Particulars | Total Deployment | Amount incurred till June 30, 2018 | Balance deployment during FY 2018-19 |
|---|------------------|------------------------------------|--------------------------------------|
| Purchase additional plant and machinery and building a mezzanine floor in our existing manufacturing facility | 451.00 | - | 451.00 |
| Working capital requirements of the Company including margin money | 450.00 | - | 450.00 |
| General Corporate Expenses | 79.80 | - | 79.80 |
| Issue Expenses* | 80.00 | 6.93 | 73.07 |
| Total | 1,060.80 | 6.93 | 1,053.87 |

*As on June 30, 2018, our Company has incurred a sum of Rs. 6,93,100/- towards issue expenses as certified by our statutory auditor.

MEANS OF FINANCE

We intend to entirely finance our objects from issue proceeds, other than our working capital requirements. In the event any additional payments are required to be made for financing our objects (other than our working capital requirements), it shall be made from our existing identifiable internal accruals. The working capital requirements under our objects will be met through the Issue Proceeds to the extent of Rs. 450.00 lakhs and the balance through internal accruals, net worth and borrowings. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the proposed Issue as mentioned in SEBI ICDR Regulations.

Funding requirements of our objects will be met in the following manner –

(Rs. in Lakhs)

| Particulars | Estimated Amount |
|-------------------|------------------|
| Net Proceeds | 1,060.80 |
| Internal Accruals | NIL |
| Total | 1,060.80 |

INTERIM USE OF PROCEEDS

Pending utilization for the purposes described above, we intend to deposit the funds with scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for any investment in the equity markets. Our management, in accordance with the policies established by our Board of Directors from time to time, will deploy the Net Proceeds. Further, our Board of Directors hereby undertakes that full recovery of the said deposit shall be made without any sort of delays as and when need arises for utilization of proceeds for the objects of the issue.

BRIDGE FINANCING FACILITIES

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Prospectus, which are proposed to be repaid from the Net Proceeds. However, depending upon business requirements, our Company may consider raising bridge financing facilities.

MONITORING UTILIZATION OF FUNDS

Since the proceeds from the Fresh Issue do not exceed Rs. 10,000 Lakhs, in terms of Regulation 16 of the SEBI Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue. Hence, our Board 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 Exchanges.

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

Furthermore, in accordance with the Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a 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 Sections 13(8) and 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the objects of the Issue without our Company being authorised to do so by the Shareholders through a special resolution undertaken by a postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the "Postal Ballot Notice") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where the Registered Office is situated. Our Promoters will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed in this regard under SEBI Regulations.

APPRAISAL BY APPRAISING AGENCY

The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution.

OTHER CONFIRMATIONS

No part of the proceeds of the Issue will be paid by us to the Promoters and Promoter Group, Group Companies, the Directors, associates or Key Management Personnel, except in the normal course of business and in compliance with applicable law.

BASIS FOR ISSUE PRICE

The Issue Price of Rs. 40/- per Equity Share has been determined by our Company, in consultation with the LM on the basis of an assessment of market demand for the Equity Shares through the Fixed Price Process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Share of our Company is Rs. 10/- and Issue Price is 4.0 times the face value.

QUALITATIVE FACTORS

Some of the qualitative factors, which form the basis for computing the price, are –

- Experienced Promoters and proficient management team with low attrition rates;
- Established and proven track record;
- Leveraging the experience of our Promoters;
- Long standing relationship with the customers & Suppliers;
- Location of Manufacturing units;
- Quality Assurance & Control.

For further details, refer to heading ‘Our Strengths’ under chapter titled ‘Our Business’ beginning on page 96.

QUANTITATIVE FACTORS

The information presented below relating to the Company is based on the restated financial statements of the Company for Financial Year 2017-18, 2016-17 and 2015-16 prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

1. Basic Earnings per Share (EPS) as per Accounting Standard 20:

| Year ended | EPS (Rs.) | Weight |
|-------------------------------------|-------------|--------|
| March 31, 2016 | 2.42 | 1 |
| March 31, 2017 | 3.09 | 2 |
| March 31, 2018 | 3.31 | 3 |
| Weighted Average[#] | 3.09 | |

#derived by multiplication of weight with their respective EPS divided by sum of weights.

Notes:

- i. Basic earnings per share (Rs.) = Restated Net Profit after tax attributable to equity shareholders / Weighted number of equity shares outstanding during the year.
- ii. EPS has been calculated in accordance with the Accounting Standard 20 – “Earning per share” issued by the Institute of Chartered Accountants of India. As required by AS20, the calculation of basic earnings per share is adjusted for all the periods mentioned in the working of EPS on post-bonus basis of face value of Equity Shares.

2. Price to Earnings (P/E) ratio in relation to Issue Price of Rs. 40/- per Equity Share of face value of Rs. 10/- each.

| Particulars | P/E Ratio |
|---|-----------|
| P/E ratio based on Basic EPS for FY 2017-18 | 12.08 |
| P/E ratio based on Weighted Average EPS | 12.94 |

3. Average Return on Net worth (Ron) for the preceding three years.

Return on Net Worth (“Ron”) as per Restated financial statements:

| Year ended | Ron (%) | Weight |
|-------------------------------------|--------------|--------|
| March 31, 2016 | 12.60 | 1 |
| March 31, 2017 | 13.88 | 2 |
| March 31, 2018 | 12.94 | 3 |
| Weighted Average[§] | 13.20 | |

[§]derived by multiplication of weight with their respective RoNW divided by sum of weights.

Note: Return on net worth (%) = Restated net profit after tax attributable to equity shareholders / Net worth X 100.

Net worth = Equity share capital + Reserves and surplus (including surplus in the Statement of Profit and Loss).

4. Minimum Return on Total Net Worth after Issue needed to maintain Pre-Issue EPS for the year ended March 31, 2018 -: 11.25%

5. Net Asset Value (NAV)

(Amount in Rs.)

| Particulars | On Restated basis (In Rs.) |
|---|----------------------------|
| Net Asset Value per Equity Share as of March 31, 2018 | 25.60 |
| Net Asset Value per Equity Share after the Issue | 29.42 |
| Issue Price per equity share | 40.00 |

*NAV per Equity Share has been calculated as Net Worth as divided by number of Equity Shares.

6. Comparison with other listed companies/Industry peers

| Name of the Company | Revenue from operations (Rs. in Cr.) | Face Value per Equity Shares | P/E Ratio | Basic EPS (In Rs.) | CMP* (In Rs.) |
|-----------------------------|--------------------------------------|------------------------------|-----------|--------------------|---------------|
| Fusion Industries Limited | 91.87 | 10.00 | 12.08 | 3.31 | 40.00 |
| Peer Group | | | | | |
| Supreme Industries Limited | 4,966.03 | 2.00 | 37.09 | 32.24 | 1,195.35 |
| Astral Poly Technik Limited | 1,632.36 | 1.00 | 107.70 | 9.94 | 1,070.55 |
| Finolex Industries Limited | 2,831.41 | 10.00 | 23.25 | 24.06 | 559.40 |

*Source: www.bseindia.com

- The figures of Fusion Industries Limited are based on the Restated results for the year ended March 31, 2018.
- The figures for the Peer group are based on Audited results for the Year ended March 31, 2018.
- Current Market Price (CMP) is the closing prices of respective scrips as on July 17, 2018.

The Company in consultation with the Lead Manager and after considering various valuation fundamentals including Book Value and other relevant factors believes that the issue price of Rs. 40/-per share for the Public Issue is justified in view of the above parameters. The investors may also want to pursue the “Risk Factors” beginning on page 19 and Financials of the company as set out in the “Financial Statements” beginning on page 156 to have more informed view about the investment proposition. The Face Value of the Equity Shares is Rs. 40/- per share and the Issue Price is 4.0 times of the face value i.e. Rs. 40/-per share.

For further details see “Risk Factors” beginning on page 19 and the financials of the Company including profitability and return ratios, as set out in the “Financial Statements” beginning on page 156 for a more informed view.

STATEMENT OF TAX BENEFITS

Statement of possible tax benefits available to the company and its shareholders

To
The Board of Directors,
Fusion Industries Limited
(formerly known as Fusion Industries Private Limited)
SSI Plot No. 4, Block-H, NH-2,
(Opp. F.C.I. Godown), N.I.T. Faridabad,
Haryana – 121 001, India.

Dear Sirs,

Subject: Statement of Possible Tax Benefits ('The Statement') available to Fusion Industries Limited ('The Company') and its shareholders prepared in accordance with the requirement in SCHEDULE VIII-CLAUSE (VII) (L) of Securities and Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations 2009, as amended ('The Regulation')

We refer to proposed issue of the shares of **Fusion Industries Limited**, formerly known as Fusion Industries Private Limited ('the Company'). We enclose herewith the statement showing the possible tax benefits available to the Company and the shareholders of the Company under the Income - Tax Act, 1961 ('Act'), as applicable and presently in force in India.

Some of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Income-tax Act 1961. Hence, the ability of the Company or its shareholders to derive these direct tax benefits is dependent upon their fulfilling such conditions, which is based on the business imperatives, the company or its shareholders may or may not choose to fulfil.

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

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

- the Company or its shareholders will continue to obtain these benefits in future;
- the conditions prescribed for availing the benefits, where applicable have been/would be met;
- the revenue authorizes/courts will concur with the views expressed herein.

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

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

For **Satish Gupta & Associates**
Chartered Accountants
F.R.N. 002984N

Satish Kumar Gupta
Proprietor
M. No. 081841

Date: June 25, 2018
Place: Faridabad, Haryana

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO FUSION INDUSTRIES LIMITED (“THE COMPANY”) AND IT’S SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

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

1. Special Tax Benefits available to the Company

The Company has set up a manufacturing unit in Roorkee, Distt. Haridwar, Uttarakhand (Industrial undertaking) and commenced its manufacturing operations from June 25, 2007 i.e. Financial Year 2007-08. Accordingly, the company is eligible to claim excise exemption under Notification No. 50/2003 dated 10.06.2003 and same is continued as refund under GST vide Notification F. No 10(1)/2017-DBA-II/NER dated 05.10.2017 and same is available up to Assessment Year 2020-21.

2. Special Tax Benefits available to the shareholders of the Company

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

SECTION IV - ABOUT THE COMPANY

OUR INDUSTRY

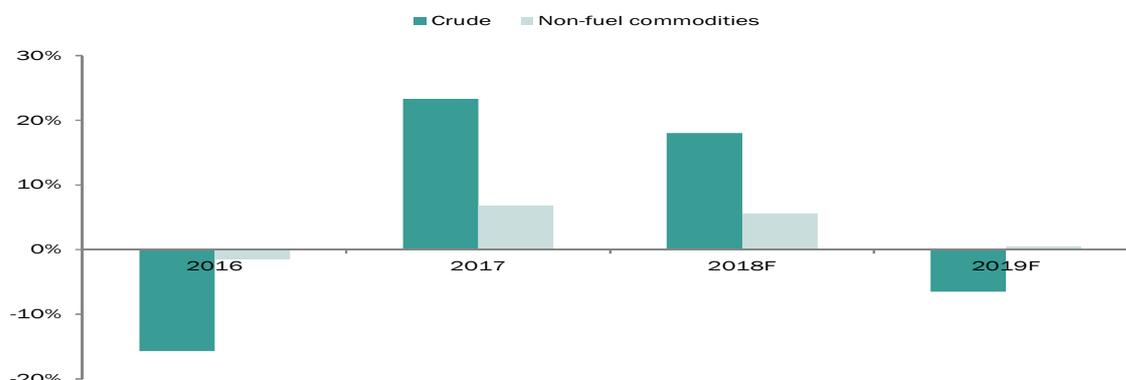
The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and other sources of which link are mentioned (as available on public domain). So, all the Information Shared is believed to be accurate and reliable. None of the Company, the LM or any other person connected with the Issue has independently verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on or base their investment decision on this information. The information in this section must be read in conjunction with the sections titled “Risk Factors” and “Our Business” beginning on pages 19 and 96, respectively.

GLOBAL ECONOMIC OVERVIEW

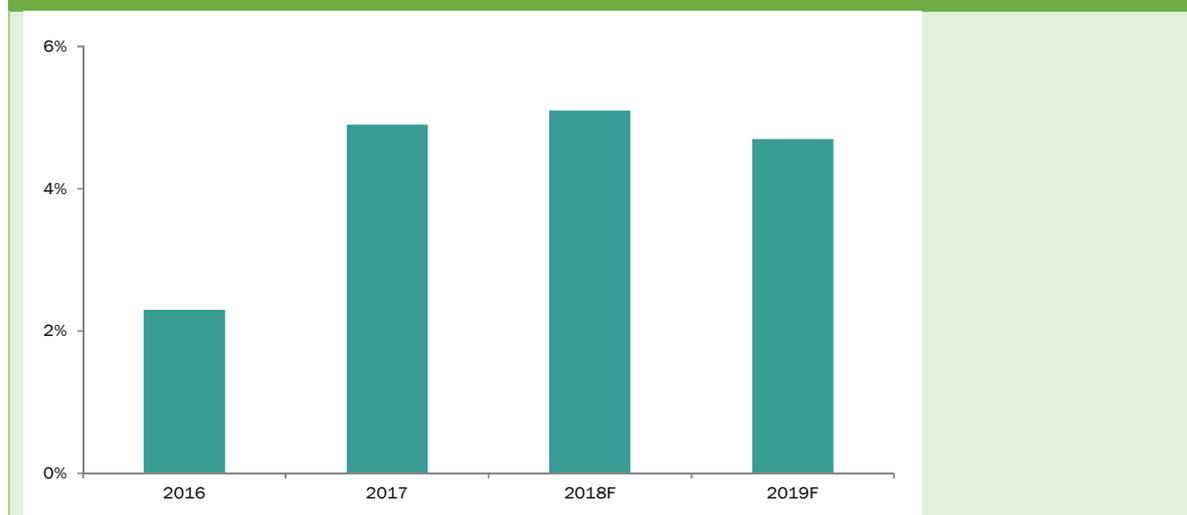
The global economy is witnessing a broad-based revival with the cyclical upswing that started in mid-2016 gaining strength, aided by policy stimulus and characterized by a pickup in investments, growth in international trade and employment gains. This is the strongest synchronized global growth upturn since 2010 with GDP growth in two-thirds of countries collectively contributing 75% of the global GDP accelerating in 2017. The growth rate in the second half of 2017 was above 4%, taking the full-year growth to 3.8%. Consumer confidence indicators signal healthy end-market demand while purchasing managers’ indices point towards brisk manufacturing activity going forward. Global trade flows have seen a healthy improvement in the last few months driven by a pickup in investment, especially in advanced economies, strong manufacturing growth in Asia, and a recovery in commodity exporting economies.

The advanced economies grew 2.3% in 2017 (+60 bps) on the back of acceleration in investment expenditure. The recovery in the capex cycle reflected higher capacity utilization, favourable financing conditions and strengthening of balance sheets, translating into stronger business sentiments. The revival of investments led to job gains supporting growth in consumer spending. A turnaround in global commodities trade and a pick-up in private consumption led to higher GDP growth in the emerging market and developing economies (EMDEs) in 2017 (4.8%, +40 bps). While China benefitted from a recovery in exports, India’s growth was consumption-driven. Commodity exporters going through a recession such as Brazil and Russia as well as South Africa (witnessing a severe slowdown) benefitted from the bottoming out of the commodity cycle and the consequent revival of export earnings and resurgence in investments. Crude price, after witnessing a sharp decline of 15.7% in 2016, increased 23.3% in 2017. Non-fuel commodity prices expanded 6.8% after falling 1.5% in 2016. The upturn in commodity prices helped global trade volumes accelerate to 4.9% in 2017 after growing 2.3% during the previous year.

Change in Commodity Prices



Global Trade Volume Growth



Source: World Economic Outlook, April 2018, IMF

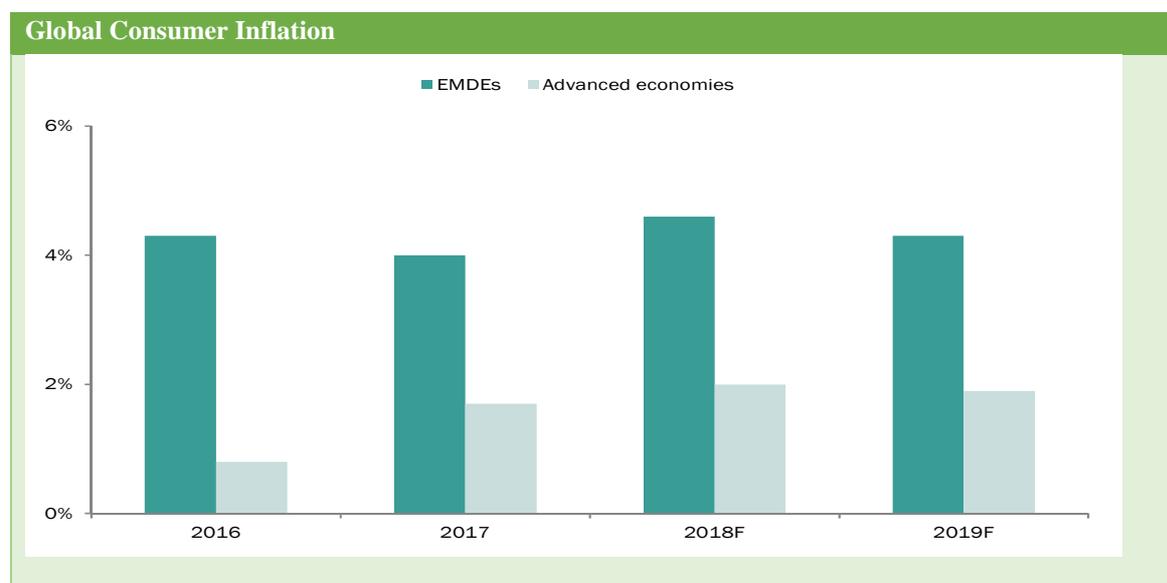
Commodity prices are expected to accelerate further through 2018, aiding a further strengthening of international trade. Oil is expected to be expensive by 18% while non-fuel commodity prices are projected to increase by 5.6% in 2018. 2019 will see some moderation in crude price (-6.5%) while non-fuel commodity prices are expected to remain flat. The advanced economies are expected to remain steady on their growth path with their combined GDP increasing by 2.5% and 2.2% in 2018 and 2019, respectively. The US is expected to be the principal driver of growth within the group, expanding 2.9% and 2.7% over this period compared to the Euro Area's 2.4% and 2%. US GDP growth is seen to accelerate from 2017 levels of 2.3% in spite of the normalization of monetary policy, driven by an expanding job market, an increase in inflation rates from sub-target levels, and output and profitability gains. Growth in the Euro Area will marginally increase from 2.3% in 2017 in spite of anticipated monetary tightening by the European Central Bank (ECB). Post-Brexit, the UK's growth is expected to moderate to 1.6% and 1.5% in 2018 and 2019, respectively (from 1.8% in 2017). Japanese growth too is expected to decelerate to 1.2% in 2018 and 0.9% in 2019 after expanding 1.7% in 2017. International trade volumes are projected to grow 5.1% in 2018 and 4.7% in 2019.⁷

⁷ World Economic Outlook, IMF

Growth at the EMDEs is forecast to increase to 5.1% in 2019 (from 4.9% in 2017 and 2018F). India is seen to lead the EMDE pack with a growth rate of 7.4% and 7.8% in 2018 and 2019, respectively (2017: 6.7%), followed by China's 6.6% and 6.4% (2017: 6.9%). Brazil is expected to accelerate strongly from 1% in 2017 to 2.3% in 2018 and 2.5% in 2019.

The US Federal Reserve has already embarked on its journey of gradually reducing the size of its balance sheet and raising rates. The Fed has raised interest rates twice so far in 2018, first in March and subsequently in June, and has forecast two further rates hikes this year. The benchmark overnight lending rate was hiked by 25 bps on each occasion and currently stands in a range of 1.75% to 2%. While the tone of the central bank became relatively hawkish in June, it also means that the economy is growing strongly. The monetary policy committee acknowledged that the economy is expanding at a solid rate and household expenditure has picked up. The Fed expects inflation to hover around 2.1% in 2018 through 2020, marginally over its target of 2%. The policy rate is seen to increase to 3.1% by 2019-end and subsequently touch 3.4% by 2020. The central bank expects a GDP growth of 2.8% this year, an upward revision from its March estimate of 2.7%. Thereafter, it expects the economy to expand by 2.4% in 2019 and 2% in 2020. Since the financial crisis of the last decade, the US economy grew at an average annual rate of 2.2% between 2009 and 2017. The US\$ 1.5 tn in tax cuts and planned increase in federal spending by US\$ 320 bn over the next decade are expected to provide further thrust to the economy, leading to accelerated expansion.

The European Central Bank (ECB) is expected to reduce its monthly asset purchases during 2018. A faster-than-expected bounce-back in inflation rates could result in an early end to the ECB's asset purchase programme. Monetary policy is expected to moderately tighten in the G7 as output gaps close out and inflation expectations stabilize. Policy stance of the Bank of Japan (BoJ) is expected to remain largely unchanged though.



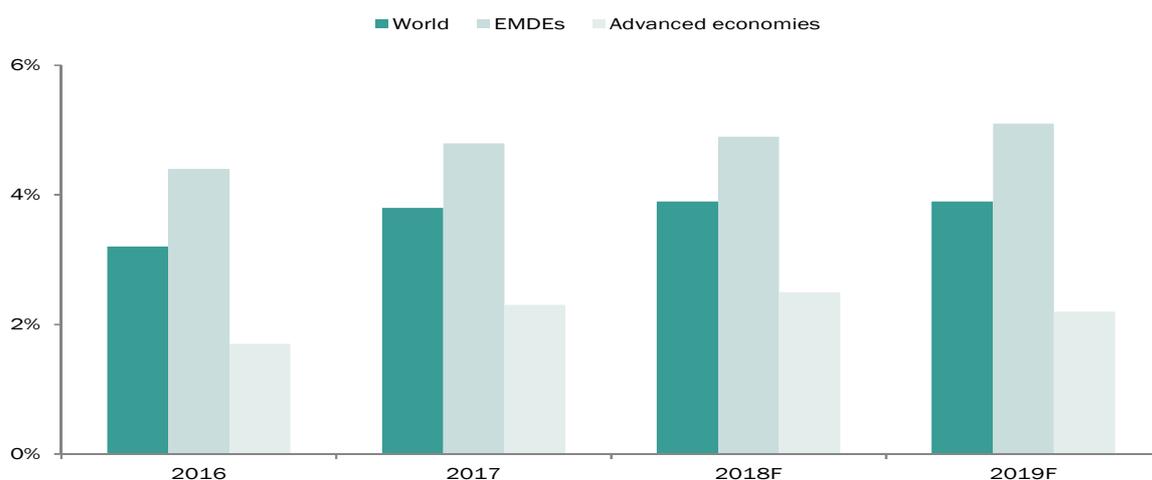
Source: World Economic Outlook, April 2018, IMF

INDIAN ECONOMIC OVERVIEW

A revival of rural demand aided by a normal monsoon and the implementation of the 7th Pay Commission recommendations helped drive an expansion in public and private consumption during 1H FY18. However, overall demand lagged with investments remaining weak. Output growth witnessed a slowdown except for the agriculture sector with the most affected sectors being construction, real estate and manufacturing. Following 5 consecutive quarters of deceleration from 1Q FY17 to 1Q FY18, India's GDP growth bottomed out to start

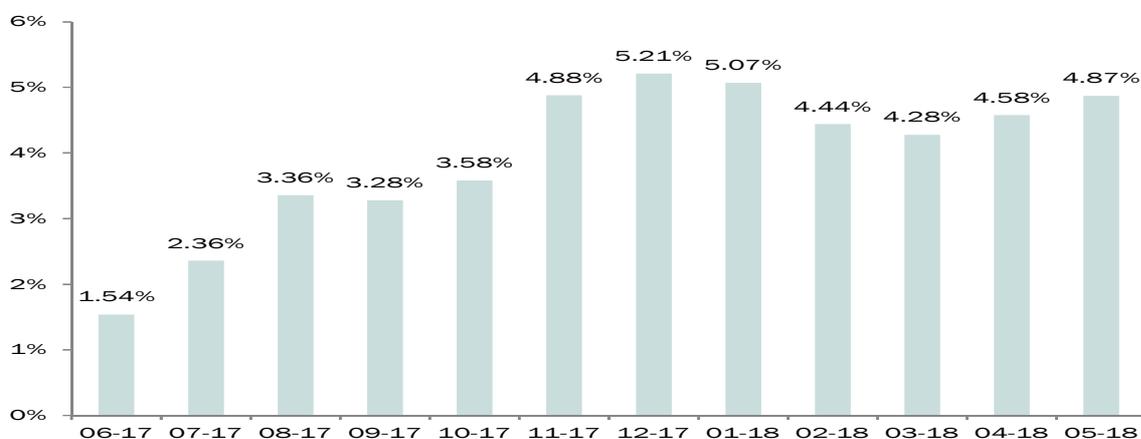
rebounding in 2Q FY18, posting a rate of 6.3%. In the third quarter, real GDP expanded by 7%, surpassing China's 6.8% growth and restoring India to the coveted position of the fastest growing big economy. Subsequently, growth rate improved further to 7.7% in 4Q FY18 as the economy expanded by 6.7% during the fiscal year (FY17: 7.1%). The strong resurgence in the fourth quarter was driven by the construction (11.5%), manufacturing (9.1%), and agriculture (4.5%) sectors. Manufacturing activities continue to expand with the Nikkei India Manufacturing Purchasing Managers' Index (PMI) staying above 50 for 10 consecutive months to May 2018. The trend suggests that the sector has come out of the slowdown caused by demonetization and GST implementation. Gross fixed capital formation expanded 14.4% in 4Q FY18, signalling a revival of investment activities while government spending grew 13.3%. The IMF forecasts the Indian economy growing by 7.4% and 7.8% in FY19 and FY20, respectively.

Global GDP Growth



Retail inflation as measured by the Consumer Price Index (CPI) increased in April and May after declining through the last quarter of FY18. May CPI inflation stood at 4.87% compared to 4.58% in April and 4.28% in March. After recording a multi-year low of 1.54% in June 2017, retail inflation rates witnessed a secular uptrend from June to December. The Reserve Bank of India (RBI) hiked the key policy rate by 25 bps to 6.25% in June 2018 after a gap of four and a half years while reiterating a GDP growth forecast of 7.4% for FY19 in line with IMF's projection.

India CPI Inflation



India Key Policy (Repo) Rate



Source: www.tradingeconomics.com

Exports expanded 9.8% during FY18, the highest growth rate in 6 years, after growing 4.5% in FY17. Previously, FY16 had seen a decline in exports by 5.3%. The robust growth in FY18 was driven by a reversal in commodity prices and improved global trade flows. India's trade prospects are expected to thrive with improvements in logistics, integration of investments in the global supply chain, infrastructure development, and an improved business environment.

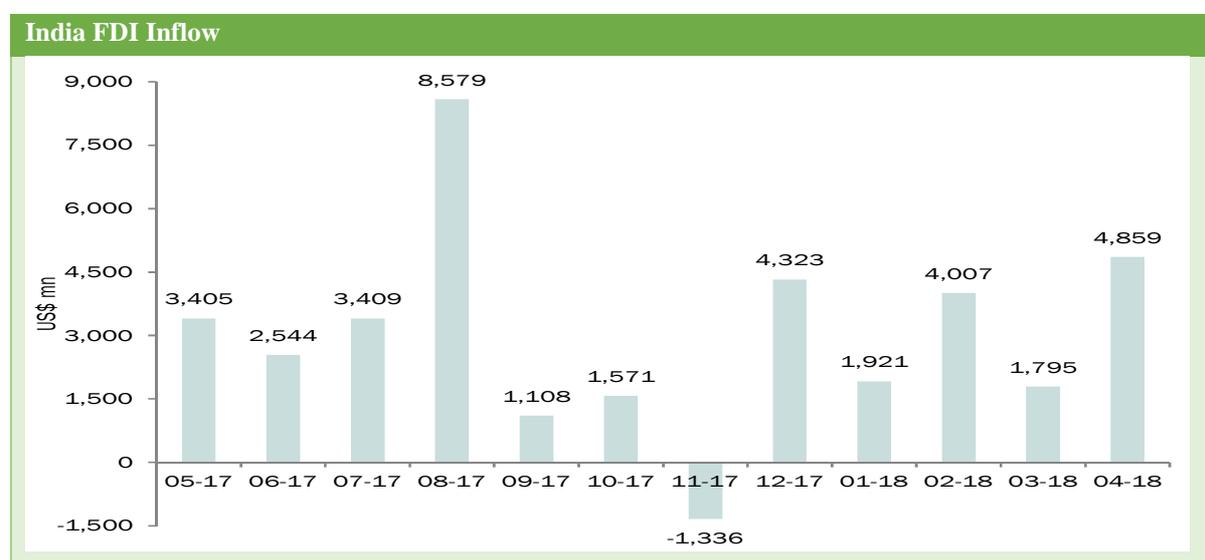
With an eye to boost exports, the Indian government released the Foreign Trade Policy (FTP) 2015-20 in April 2015. The policy framework, besides aiming to increase exports of goods and services, seeks to generate employment and increase value addition in the exports sector in line with the 'Make in India' programme. It introduced two new schemes: (a) Merchandise Exports from India Scheme (MEIS), an export promotion scheme promoting the export of notified goods produced in India; (b) Services Exports from India Scheme (SEIS), an incentive scheme for export of eligible services. The FTP envisages the creation of a stable and sustainable policy environment for foreign trade while promoting the diversification of exports. Further, the policy seeks to increasing the demand for Indian products and contributing to the Make in India initiative with the objective of rationalizing imports and reducing the trade imbalance.

India Export



This year's Budget announcements for the export sector included an increase in allocation from Rs 1,100 crore to Rs 2,000 crore for the Interest Equalisation Scheme (IES) for FY18 and Rs 2,500 crore for FY19. Further, the allocation for Remission of State Levies (ROSL) has been enhanced from Rs 1,555 crore to Rs 1,855 crore for 2018 FY and Rs 2,164 crore for FY 2019. ROSL compensates exporters for state levies while under IES, exporter get loans at lower interest rates. The increased allocations for the programmes will be helpful for both merchandise and service exporters, particularly labour-intensive sectors.

FDI inflows in 2017 amounted to US\$ 40 bn (2016: US\$ 44 bn) aided by ease in FDI policies and continued global liquidity. Forex reserves rose to an all-time high of US\$ 426 bn on 13 April 2018, equivalent to 11 months of imports. This is still lower than pre-global financial crisis level of 14 months. India's forex reserve has seen a healthy rise over the past year. It touched US\$ 400 bn for the first time on 8 September 2017. The rupee appreciated approximately 6% in 2017 in sync with many other emerging economies, partly due to US dollar weakening. The strong FDI as well as FPI inflows helped the Indian currency gain against the greenback. Net FPI inflows stood at Rs 1.45 tn during FY18. The rupee, however, is witnessing some pressure on account of rising oil prices and the US's pressure on India to stop importing oil from Iran.



Fiscal deficit stood at 3.5% of GDP in FY18 as the government targets a deficit of 3.3% in FY19. Global ratings agency Moody's has expressed its confidence about the Indian government's ability to meet the fiscal deficit target. Overall, government expenditure has generally shifted towards productive infrastructure spending in recent years which has acted as a growth catalyst.

Direct tax collections increased 18% during FY18 to Rs 10.02 lakh crore, broadly in line with the government's revised estimate and higher than its initial estimate of Rs. 9.80 lakh crore. GST collection has clocked a monthly run rate of Rs 89,000 on average since its inception in July 2017 through April 2018. The union government estimates GST collection of Rs 7.46 lakh crore excluding SGST collection by state governments in FY19. Going forward, GST collections are expected to increase due to improved compliance.

The upgrade of India's sovereign rating from Baa3 (lowest investment grade) to Baa2 by international ratings agency Moody's is positive from both a market sentiments point of view as well as in terms of cost of overseas borrowing by the government and businesses. Importantly, this is India's first ratings upgrade in 14 years indicating approval of the country's reform measures by the international community as well as an overall improvement of economic prospects.

India's advancement in the ease of doing business ranking from 130 to 100 in the World Bank's Doing Business 2018 report showcases the effectiveness of reforms undertaken to provide an enabling environment for starting and conducting business in the country. The area where India has improved the most is its ability to handle insolvency cases, climbing 33 places to secure a rank of 103. The new bankruptcy law is expected to discourage wilful defaulters and have a positive impact on banks' asset quality and overall economic growth. The multilateral agency also recognized India's reforms push by highlighting that the country has implemented reforms in 8 out of the 10 Doing Business areas. The government's intent to go ahead with bold reforms and an overall growth-centric stance (in terms of both policy-making and implementation) suggest a strong growth bias in policy going forward.

The recapitalization of public sector banks will not only help the government-owned banks raise regulatory capital and provide for bad loans but it will also supply them growth capital which will eventually drive the real economy through increased lending. While recapitalization through the issuance of bonds by the government will increase the sovereign debt, the fiscal implication of incremental interest expenses for the government will be partially offset by higher dividend income. Overall, as the recapitalization boosts economic activity, incremental tax revenue will be a positive outcome. Further, the RBI's revised framework for faster time-bound resolution of non-performing loans should help the banking system manage NPAs more effectively. Growth acceleration coupled with increased revenue generation by the government should also support India's sovereign rating outlook.

India has achieved significant gains in poverty reduction with poverty levels declining since FY05. However, demonetization and depressed food prices could have moderated the pace of decline in poverty in the short term. With demonetization affecting the informal sector most, demand for social security schemes such as MGNREGA increased.

Global Plastic Pipes Market

Plastic pipes are used in the transportation of potable water, waste water, chemicals, heating and cooling fluids, foodstuff, ultra-pure liquids, slurries and gases, as well as in compressed air and vacuum system applications. Properties of thermoplastic pipes include strength, flexibility, strong chemical resistance, low installation and maintenance cost, superior flow characteristics, high mechanical damage resistance, and operability at high temperatures, which make them suitable for applications in the oil & gas, chemicals, mining & dredging, and water transportation sectors. Plastic pipes are also resistant to rusting and are easier to install than metal pipes which make them ideal for drilling purposes.

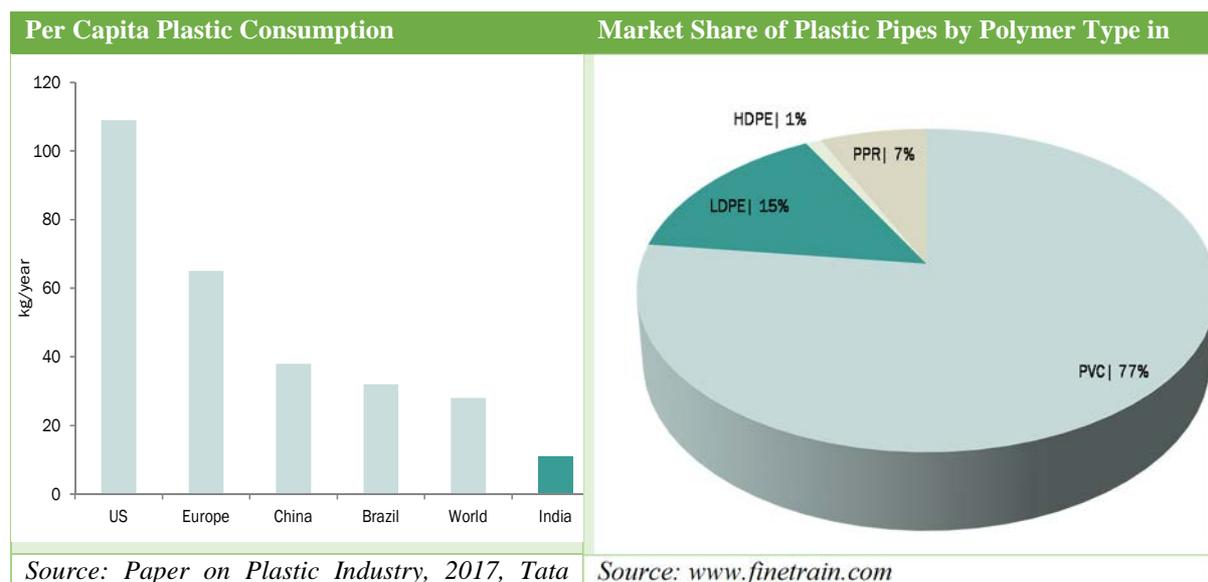
The plastic pipe market is segmented on the basis of polymer type and application. Polymer-type segments include polyethylene (PE), polypropylene (PP), polyvinyl chloride (PVC), polyamides (PA), polyvinylidene fluoride (PVDF) and acrylonitrile butadiene styrene (ABS). PP and PE are types of polyolefin (PO). PO pipes are primarily used for water and gas distribution, sewage and wastewater disposal. The use of PP and PE pipes in industrial and mining applications is also increasing. PE and PP pipelines are increasingly replacing metal pipe systems due to their resistance to corrosion, abrasion and chemical attack. For instance, the wear rate of PE is 4-6x lower than steel. Application segments include chemical, oil & gas, mining & dredging and municipal. Oil & gas and municipal applications are further segmented into flexible pipes umbilical application, water & wastewater application and coiled tubing application.

Globally, thermoplastic pipe application in the oil & gas industry is expected to witness the fastest growth going forward, followed by the municipal segment with strong demand coming in from the Asia Pacific region. Besides these, the chemical and mining & dredging sectors will also drive demand for thermoplastic pipes in the coming years. Within the oil & gas segment, increased offshore drilling activities, especially deep water and ultra-deep water applications will boost demand for thermoplastic pipes. Increasing adoption of engineering thermoplastic materials and developments in large diameter pipe applications are also expected to contribute towards incremental demand for thermoplastic pipes.

The global thermoplastic pipe market is dominated by Asia Pacific, followed by North America and Europe. The big developing economies of China, India and Brazil are expected to be key demand-driving markets in the coming years while increasing oil & gas exploration activities in the Middle East & Africa and Central & South America regions will boost demand for thermoplastic pipes. Demand in Asia Pacific is expected to be led by municipal applications while the chemicals segment too will play an important role in global demand. Global thermoplastic pipe manufacturers rely heavily on R&D with the objective of introducing new and improved products. Product innovation, introduction of new technologies, quality enhancement, product line expansion, and capacity addition are amongst the key strategies employed by leading plastic pipe companies to cater to the increasing demand and expand their market share in a competitive global marketplace.⁸

Indian Plastic Pipes & Fittings Industry

The annual capacity of the Indian plastic pipes industry is estimated to be 2.5 million tonnes. The industry value stands at around Rs 22,000 crore with PVC pipes accounting for 70% of the market. The market is fragmented with about 600 manufacturers where the top 20 players command a 60% market share.⁹ The plastic pipes market in India is forecast to grow by 10.4% CAGR from 2016 to 2021 with government infrastructural spending, residential and commercial construction, industrial production, irrigation, and replacement of aging pipelines being the key growth drivers. Out of these markets, agriculture and wastewater applications are expected to record above-average growth during the forecast period with agriculture remaining the largest segment.¹⁰ The Indian plastic pipes industry primarily comprises PVC, PP and PE pipes (including different variants of these polymers).



PVC is an industrial plastic and one of its primary uses is in the manufacture of water pipes and plumbing fittings. Approximately 70% of Indian PVC consumption goes into the manufacturing of pipes and fittings. The segment has seen strong growth over the last few years, primarily driven by the irrigation sector, especially due to uncertainties surrounding annual monsoon rains.¹¹

The Indian PVC pipes and fittings industry serves different end markets such as irrigation, water supply, sewerage, plumbing, chemical, oil & gas and others. An ever-increasing population and the consequent growth in demand for farm produce and water & sanitary management drive the sale of PVC pipes and fittings in agriculture, infrastructure, real estate and construction sectors. Due to their lower cost and higher durability, PVC pipes are becoming increasingly popular and substituting conventional pipes. Production capacity of CPVC pipes are

⁸ <https://www.grandviewresearch.com/industry-analysis/thermoplastic-pipe-market>

⁹ www.finetrain.com

¹⁰ <http://www.lucintel.com/indian-plastic-pipe-market-2016-2021.aspx>

¹¹ Ken Research

expected to grow faster going forward due to its relatively higher demand over galvanized and PVC pipes. Further, the organized players are expected to see higher growth as the demand shifts towards branded products for their superior quality and reliability as well as due to GST.

The PVC pipes & fittings industry too is quite fragmented with a large number of organized and unorganized players operating in the market. After growing by 13.4% CAGR between FY10 and FY15, the PVC pipes & fittings market is projected to grow by a double-digit CAGR over FY15-FY20, reaching Rs 32,700 crore and increased penetration, aided by expansion of distribution network, new product launches, growth in real estate, and government initiatives in the development of irrigation.¹²

There are different kinds of PVC pipes such as regular PVC, rigid PVC (RPVC), flexible PVC (FPVC), chlorinated PVC (CPVC) and unplasticized PVC (uPVC) pipes. RPVC is converted into FPVC through the addition of plasticizers. RPVC pipes are primarily used in agriculture and construction while FPVC pipes have applications in plumbing. The installation of a RPVC pipe system is more complex and labour intensive compared to FPVC. RPVC pipes are, however, cheaper than FPVC pipes and are also available in a wider range of sizes varying from 20mm to 400mm. FPVC pipes, on the other hand, are not available in larger diameters. CPVC is a thermoplastic produced by chlorination of polyvinyl chloride resin. The CPVC resin technology enables enrichment of the chlorine content in PVC by chlorination. CPVC piping is employed in residential, commercial and industrial plumbing systems. CPVC pipes are ideal for the transportation of all types of water from hot and cold potable to acidic water.¹³

Plastic Storage Tanks Plastic storage tanks, usually made from PE plastic, can be employed in a wide variety of applications in the industrial, agriculture and household segments. They can be used to store water, foodstuff, animal feed, fertilizer and other chemicals as well as in sewage applications. The agriculture and rural markets are amongst its key end markets while it has utilization in industrial processes as well. Plastic storage tanks are manufactured using two processes, viz. rotational (or roto) moulding and blow moulding. Roto-moulded tanks are usually made from linear low density PE (LLDPE) while the blow moulding technology uses high density PE (HDPE) as raw material. Blow-moulded tanks can be produced relatively inexpensively, thereby catering to the mass market. Three-layer tanks are structurally stronger while they prevent the penetration of UV rays into the tank. These tanks command a 37% share of the overall plastic water tank market in India. Three-layer tanks manufactured using the blow-moulding technology are a value-added yet cost-effective product. The key growth drivers of plastic storage tanks include the agriculture & irrigation, general industrial, and rural/semi-urban household segments.

¹² Ken Research

¹³ Ken Research

Agriculture: The agriculture end market is a very important one for the plastic pipes and fittings industry. Approximately 70% of PVC pipes and fittings sale comes from the agriculture sector. The FY19 budgetary allocation for the agriculture sector was increased 13% to Rs 63,836 crore. The allocation for agriculture and rural development taken together is over Rs 2 lakh crore. The government allocated Rs 2,600 crore to the *Har Khet Ko Pani* ground water irrigation scheme under Prime Minister Krishi Sinchai Yojna (PMKSY) for 96 deprived irrigation districts where less than 30% of land holdings gets assured irrigation. The allocation for PMKSY was increased 19% to Rs 3,178 crore while the budget for the water resources ministry has gone up by 15% to Rs 1,200 crore. The government is expected to maintain a strong focus on irrigation as deficient rainfall can severely impact farm output/income and the livelihood of farmers while changing rainfall patterns along with the lack of a strong irrigation infrastructure could pose a threat to food security.

Infrastructure: The plastic pipes & fittings industry directly benefit from the development of infrastructure projects, particularly in the areas of water supply, sewage and sanitation. While government programmes in infrastructure development will be a key driver of demand for plastic pipes in this end market, interventions in sanitation and water management under corporate social responsibility (CSR) and by development finance institutions (DFIs) will provide further impetus for the industry. Flagship government programmes in water, sanitation and urban development such as Swachh Bharat Mission, Atal Mission for Rejuvenation and Urban Transformation (AMRUT), and Smart Cities Mission will have a strong positive impact on the plastic pipes & fittings industry. Plastic pipes are also used extensively in major infrastructure projects such as roads and highways in plumbing and drainage systems. The Government of India has allocated a budget of close to Rs 6 lakh crore towards infrastructure spend in FY19, up from just under Rs 5 lakh crore last fiscal.

Real Estate & Building Construction: Real estate is another important end market for the plastic pipes & fittings industry. Plastic pipes and fittings are used in the construction of water supply, sanitation and drainage systems

Prime Minister Krishi Sinchai Yojna

PMKSY was launched in 2015 for providing end-to-end solutions in the irrigation supply chain, which comprises water sources, distribution network and farm level applications. Besides looking to create sources for assured irrigation, PMKSY focuses on creating protective irrigation by harnessing rainwater at the micro level. The programme also aims to popularize micro-irrigation. The total outlay for PMKSY amounts up to Rs 50,000 for the period of FY16 to FY20 while it drives private investments in irrigation. The programme includes different components with specific goals, each implemented by a nodal ministry.

Accelerated Irrigation Benefit Programme: AIBP focuses on expedited completion of ongoing major and medium irrigation projects including national projects. It is implemented by the Ministry of Water Resources, RD & GR.

PMKSY (Har Khet Ko Pani): Includes source augmentation, distribution, ground water development, lift irrigation, diversion of water from areas with excess water to those facing scarcity, supplementing rainwater harvesting, and the repair, restoration and renovation of traditional water bodies. The Ministry of Water Resources, RD & GR is the implementing body.

PMKSY (Watershed): This component, implemented by the Department of Land Resources, includes ridge area treatment, drainage line treatment, soil and moisture conservation, water harvesting structure, livelihood support activities, and other watershed works.

PMKSY (Per Drop More Crop): Implemented by the Department of Agriculture Cooperation & Farmers' Welfare, the component includes two sub-components, viz. micro irrigation and other interventions. It supports micro-level storage structures, efficient water conveyance and application, precision irrigation systems, topping up of input cost outside of MGNREGA limits, and the creation of secondary storage and water lifting devices.

in buildings. The real estate sector's contribution to India's GDP is expected to increase from a little over 6% in 2016 to close to 13% in 2025.¹⁴ The Indian construction industry ranks third amongst 14 major economic sectors with respect to direct, indirect and induced effects across the economy. The annual real estate supply in India is projected to increase from 3.6 billion sq. ft. in 2013 to 8.2 billion sq. ft. in 2025.¹⁵ By 2020, the Indian real estate market is projected to reach US\$ 180 bn with the residential segment contributing 11% of GDP. Between FY08 and FY20, the residential market is estimated to grow by 11% CAGR.¹⁶ The commercial, retail and hospitality segments too are expected to witness strong growth going forward, driven by an accelerating economy and rapid urbanization. The Indian government's 'Housing for All' initiative as well as the Smart Cities Mission will contribute to the growth of the real estate and building construction sector. On the policy front, the Real Estate (Regulation and Development) Act, 2016 or RERA brings in increased transparency and efficiency in the real estate sector, thereby encouraging buyers into the market. With the real estate and building construction sector poised to witness robust growth, it will be one of the fastest growing end markets for plastic pipes and fittings going forward.

¹⁴ CREDAI-CBRE research

¹⁵ CREDAI-CBRE research

¹⁶ IBEF

OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section “Forward-Looking Statements” for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the Twelve-month period ended March 31 of that year. In this section, a reference to the “Company” or “we”, “us” or “our” means Fusion Industries Limited.

All financial information included herein is based on the Chapter titled “Financial Statements of the Company” on page 156.

OVERVIEW OF OUR BUSINESS

Our Company was incorporated as Yeekay Technocrat Private Limited under the provisions of the Companies Act, 1956 vide certificate of incorporation dated December 12, 2002 in NCT of Delhi & Haryana. Further, pursuant to Shareholders Resolution dated November 02, 2012, our Company changed its name to “Fusion Industries Private Limited” vide a fresh Certificate of Incorporation dated December 11, 2012 having CIN U34300HR2002PTC035006. Subsequently, upon conversion into a Public Limited Company pursuant to Shareholders Resolution dated December 20, 2012, the name of our Company was changed to “Fusion Industries Limited” and a fresh Certificate of Incorporation dated January 23, 2013 having CIN U34300HR2002PLC035006 issued by the Registrar of Companies, NCT of Delhi & Haryana.

Fusion is an ISO 9001:2008 recognized company. In our industry we are recognized for delivering Quality Products and bringing Innovative Products in the Market. We market our products under our registered brand name - ‘fusion’[®]. Due to our comprehensive product range, we are positioned as an end-to-end Air and Water Piping System Solution Provider. We have over 14 years of experience in manufacturing.

Our company was started by Mr. Trilok Chand Chandana and Mrs. Tarun Chandna in the year 2002. After seeing the growth in our trading of pipes we decided to manufacture PPR Pipes and due to technical know-how of Mr. Trilok Chand Chandana we became one of the few manufacturers of PPR pipes in the year 2004.

We currently manufacture polymer pipes and fittings using four different polymers: PVC; CPVC; PPR; and PP. We also manufacture Blow Water Storage Tanks using Polymer HDPE and Roto Water Storage Water Tanks using Polymer LLDPE. As at June 30, 2018, we have a product range of more than 4,000 SKUs. Our products are used for varied applications in Air, Plumbing, Irrigation, Sewage disposal & Water Storage. Our product range meets the requirements of both the rural and urban markets for domestic and industrial puposes.

We distribute our products from our plants only. We have three strategically located manufacturing plants, which has enabled us to develop a strong presence in Northern, Central and Southern India. Our plants are located at the following locations: Roorkee (Uttarakhand), Malanpur (Gwalior, Madhya Pradesh), Bangalore (Karnataka). The total installed capacity of our three existing plants is 22581 tonnes per annum as at June 30, 2018. We plan to increase capacities by 2100 tonnes per annum at our existing manufacturing plant at Roorkee.

We currently sell our products to distributors who then resell them to wholesalers, retailers, and consumers. As at June 30, 2018, we had 296 distributors spread across India.

COMPETITIVE STRENGTHS

Since its inception, our company has worked earnestly towards providing the best quality and hence has acquired the following strengths in the industry:

1. Strong brand in the pipes, fittings & tank segment with over 14 years of experience and focus on quality

We have a strong legacy of more than a decade in the pipes & fittings segment. We market our products under single brand name: i.e. 'fusion[®]', since 2004. We believe in providing Quality products in the market. Our slogan is "think of Quality, think of fusion". We have an advantage of being one of the leading organized players in this highly fragmented market. We believe our strong brand enable us to increase our penetration in the market. We are an ISO 9001:2008 certified manufacturing company. We have checks and testing systems in place, from the procurement of raw material to the manufactured product, for ensuring the quality of our products

2. Comprehensive product portfolio across polymers serving diverse end-use applications

Owing to our comprehensive product portfolio, we are positioned not just as a pipe manufacturer but also as an end-to-end piping systems supplier. We currently manufacture pipes and fittings using four different polymers: PVC; CPVC; PPR; and PP. We have different SKUs for different products under each polymer type. Our products are used for varied applications in the field of plumbing, irrigation, and sewage disposal.

We have a product development team, which is responsible for expanding our product portfolio. Our product development team regularly interacts with the plumbing consultants and contractors to understand the demand for new products. Our SKUs increased from 2800 as at March 31, 2017 to 4000 as at March 31, 2018, representing an increase of 43%.

3. Strategically located manufacturing facilities with a core focus on customer satisfaction

Due to the size of pipes & tanks, an important factor in their cost is transportation cost. Therefore, it is a competitive advantage to manufacture pipes as close as possible to the ultimate consumers.

We have established three manufacturing facilities, which are in: Roorkee (Uttarakhand), Malanpur (Gwalior, Madhya Pradesh), Bangalore (Karnataka). The multi-location facilities have assisted in market penetration and developing a strong presence in North, Center and South India. For Fiscal 2018, our sales in North, East, West, Center, South India represented 51%, 5%, 11%, 12% and 18% of our total sales revenue, respectively.

4. Large and growing distribution network

We have a pan-India network of distributors. We had 296 distributors as at June 30, 2018 compared to 254 distributors as at March 31, 2016, a 16.54% increase in 15 months.

5. Experienced promoters and management with long track record of operation

The company was promoted by Mr Trilok Chand Chandana and Mr Tarun Chandna, who collectively look after the production and after sales activities. Mr Trilok Chand Chandana is a qualified mechanical diploma holder with more than 3 decades of experience in manufacturing sector. Furthermore, both directors are supported by Mr Yunik Chandna & Mr. Karan Chandna. Mr Yunik Chandna, a qualified mechanical diploma holder, has a decade of experience in Plastic industry. He looks after the production. Mr Karan Chandna, a qualified B.Tech MBA, collectively look after the marketing and sales of our Company. Mr. Aditya Gupta, our Chief Financial Officer, has more than two decades experience in accounting, finance, and taxation. Ms. Vinita Matta, our Company Secretary & Compliance Officer, has approximately 5 years of experience in the field of secretarial and compliance functions.

BUSINESS STRATEGY

1. Continue to optimize our product mix to improve margins

We will continue to actively manage our product mix at each of our plants to ensure maximizing our profit margins. Our plumbing products have higher gross margins than our other products. Our fittings have higher margins than our pipes and we endeavor to optimize our mix of pipes and fittings to maximize our margins.

2. Increase our focus on building our brands

Company has started to organize Joint Foreign Tour every year for its Distributors to develop close relations among Company's Distributors with the Company and amongst themselves also to give a feeling of association as a Fusion Family.

During April 2018, in order to connect with and reward our distributors, retailers, wholesalers, and plumbers we had organized a joint Tour to Malaysia. During this Tour, Distributors were given rewards for their performance and association with the Company.

We plan to spend the majority of our advertising budget on activities such as dealer meets, plumber meets, buying merchandise, branding in trade rural activation, new product launch meets, media event sponsorship and exhibitions, customer loyalty programs, industrial projects and digital marketing. We also plan to spend on advertisement through print and electronic media.

3. Expansion

We plan to purchase 3 different machinery for manufacturing CPVC Pipes, PPR Pipes and CPVC Fittings which will increase the production capacity by 1,927 mt.pa., 170 mt.pa., and 169 mt.pa., respectively. We also plan to purchase support machines & moulds and construct a shed with mezzanine floor at our manufacturing facility – Unit-1 located in Roorkee, Uttarakhand for a total expected cost of Rs. 451.00 Lakhs. The support machinery will enhance the efficiency of our current installed machinery and the mezzanine floor will be used for storing of finished goods. For further details, please see “*Our Objects*” beginning on page 73.

4. Increasing Operational efficiency

We continue to invest in increasing our operational efficiency throughout the organization. We are addressing the increase in operational output through continuous process improvement, customer service, consistent quality and technology development. Alignment of our people to ‘process improvement’ through change management and upgrading of skills as required for customer satisfaction is a continuous activity.

5. Increase sales of our products by reaching out to more retailers and expanding our distribution network both in new areas as well as in areas where we already have a strong presence

We plan to increase sales of our products by increasing the number of retailers who stock our products. We plan to expand the sale of our products into cities where our products are not currently sold as well as consolidating our position in areas where we already have a strong presence. Our strategy is to focus on increasing the width and depth of our distribution network by increasing the number of distributors, and the frequency and quantity of our products purchased by retailers through our distributors.

As at June 30, 2018, we had a sales and marketing team of 112 persons. Our salespersons meet with retailers who do not currently stock our products to encourage them to do so. As we do not sell our products directly to retailers, we connect each new retailer that wants to sell our products to one of our existing distributors. Our salespersons also meet with distributors in areas where we do not have a distributor to encourage them to stock our products.

We also encourage our existing distributors to meet with their existing retailers to encourage them to stock a wider range of our products.

6. Fusion House Concept to tap bigger market share and Brand Building

Company has formulated a Concept of “Fusion House” wherein, Company appoints its existing and new Distributors as “Fusion House”. In this concept, the Distributor is required to submit Security Deposit of Rs. 25 lakh with the Company and Distributor has to open a New GST Registered Firm in the name of “Fusion House” under their own ownership. Distributor should have Sales Office in relevant main market area and should have minimum 1000 square meter of warehouse space. Appointed distributor becomes the sole distributor for one or more than one District area. Under this concept, Company save on multiple location dispatch and freight costs and also reduces risk of sale recovery.

Company has further refined and added concept for opening “Fusion India” by allowing on security deposit of Rs. 15 lakh with distribution area within one District and Concept of “Fusion World” by allowing on security deposit of Rs. 50 lakh with distribution area for multiple districts / larger part of a State. Further, none of the “Fusion House”, “Fusion India” or “Fusion World” are related to the Company.

As a result, our Company had gained sales momentum during last three year – on - year sales as per comparative details below:

| Year | No of Fusion House | Sale (Rs. In Lakh) | % of Total Sale |
|---------|--------------------|--------------------|-----------------|
| 2017-18 | 18 | 1569 | 17.37% |
| 2016-17 | 11 | 707 | 7.79% |
| 2015-16 | 7 | 333 | 3.94% |

Presently, our company is having 17 such distributors that have generated considerable amount of Sales in three months (April to Jun ‘18). Our Company is targeting to reach 20 such distributors by the end of this fiscal year.

7. Focus on special product development for Exports:

Our Company has developed special Electrical and Plumbing Items for Exports to Canada. The Development & Clearances took almost 4 long years and now Company is expecting regular orders in this fiscal and coming years. Company has also appointed a Distributor in Kathmandu, Nepal for sale of its Products. Our Company is expecting to good response in Nepal too by the end of coming year. Our Company’s export revenue increased from Rs. 57 Lakhs in 2016-17 to Rs. 243 Lakhs in 2017-18.

LOCATION OF MANUFACTURING UNITS

Our Company has 3 manufacturing units located at:

Unit-I – Uttarakhand

Khasra No. 356, Gagal Hedi Road, Raipur Industrial Area, Bhagwanpur, Roorkee – 247 667, Distt. Haridwar, Uttarakhand.

Unit-II – Madhya Pradesh

Plot No. 78, Industrial Area, Malanpur, Distt. Bhind, Gwalior – 474 011, Madhya Pradesh.

Unit-III – Karnataka

No. 2-E Dobaspet, 1st Phase, Sompura KIADB Industrial Area, Hobli Nelamanga, Bangalore- 562 111, Karnataka.

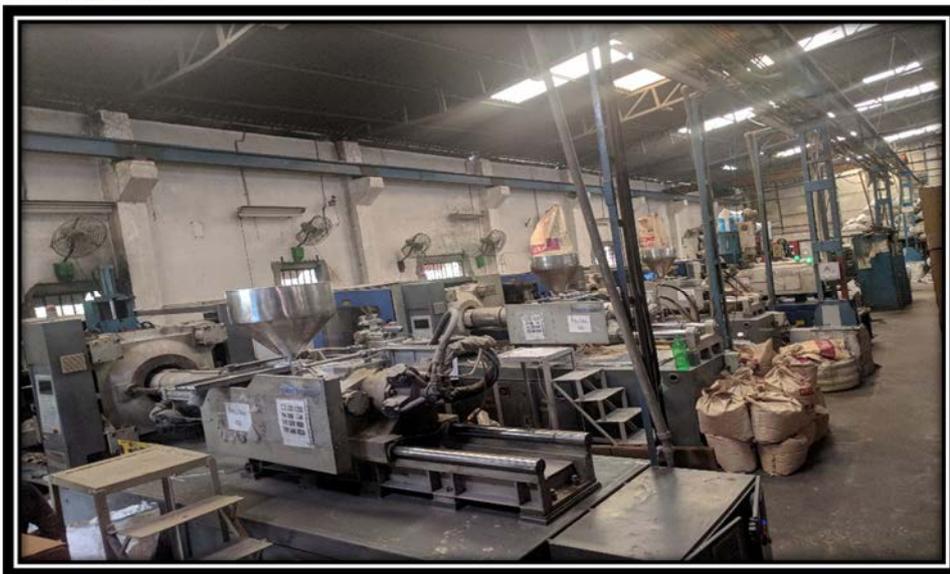
Our Company has 3 manufacturing units spanning a cumulative area of approximately 21,806 Sq. Mts in 3 different states situated geographically at North, Central and South of India to serve our clientele from multiple regions. Out of the total area, 30.20 % of it is covered to serve the production, remaining area is used for offices and storage. Our Company has both domestic as well as imported machinery for manufacturing.

Following is the list of major machineries used by us in manufacturing process:

| Sr. No. | Machinery (Unit I) | Machinery (Unit II) | Machinery (Unit III) |
|---------|-----------------------------------|---|---|
| 1. | PPR Molding Machine CN-50 | 3-Layer Blow Mold Machine | 3-Layer Tank Blow Mold Machine |
| 2. | PPR Molding Machine BA-50 | Distribution Panel Board | Distribution Panel Board |
| 3. | PPR Molding Machine CN-75 | Cooling Tower | Roto Mold Machine |
| 4. | PPR Molding Machine EPM-80 | ASK 32 8 OBER SCB Compressor | Cooling Tower |
| 5. | PPR Molding Machine CN-100 | 10 mt Hot Crone Single Grinder | ASK 32-8 Ober SCB Compressor |
| 6. | PPR Molding Machine BA-100 | 5 mt hot Crone Single Grinder | NEP 150A Weighing Scale |
| 7. | PPR Molding Machine EPM-140 | PPM-8005 Shredder Machine 40 Hp Motor and Panel with Extra Tray | 10mt Hot Crone Single Grinder |
| 8. | PPR Molding Machine NN-220 | Weighing Machine Electronic & Counting Weighing Machine | 5mt Hot Crone Single Grinder |
| 9. | Tank Cover Molding Machine HT-380 | 750 kva Automatic Voltage Controller | 10 Ton Hot Gantry Crane |
| 10. | Molding Machine PVC-320 | Load Pannel Distribution | PPM-8005 Shredder Machine 40 hp Motor and Panel With Extra Tray |
| 11. | Molding Machine PVC-260 | 750 kva 11 KV/433V Cu Wound Transformer | 4-Layer Tank Blow Mold Machine |
| 12. | Molding Machine PVC-220 | Tank Wrapping Machine | Electronic Weighing Machine & Counting Weighing Machine |
| 13. | Molding Machine CPVC-200 | Grinder Machine | 750 kva Automatic Voltage Controller |
| 14. | Molding Machine CPVC-160 | Purchase Welding Machine | Load Panel Distribution |
| 15. | Molding Machine CPVC-110 | Roto Mold Machine | 750 kva 11 KV/433V CU Wound Transformer |
| 16. | Molding Machine PVC 200 | Extruder | Air Receiver 3 M3 Vert |
| 17. | PPR Extruder 3-Layer Ext-1 | Pulvisure | 3hp Vacuum Motor |
| 18. | PPR Extruder 3-Layer Ext-2 | Dana Cutter Machine | Tank Wrapping Machine |
| 19. | PPR Extruder 3-Layer Ext-3 | | Grinder Machine |
| 20. | Mixture- 1 ABS | | Screw Air Compressor |
| 21. | Scrap Cutter PPR C1-01 | | |
| 22. | EXT Dana Machine | | |
| 23. | Scrap Cutter ABS CT-2 | | |
| 24. | Tank Machine | | |

| | | | |
|-----|--------------------------|--|--|
| 25. | ARA Machine AR-1 Tank | | |
| 26. | PPR Scrap Cutter Molding | | |
| 27. | PVC EXT KTS450 | | |
| 28. | CPVC EXT- TC-65 | | |
| 29. | EXT-1 PVC KTS -300 | | |
| 30. | EXT-2 PVC KTS-200 | | |
| 31. | Mixture PVC J-01 | | |
| 32. | Mixture PVC J-02 | | |
| 33. | Pulvizer JP-01 | | |
| 34. | Grinder PVC JG-01 | | |
| 35. | Mixture 300 | | |
| 36. | Mixture 200 | | |
| 37. | Mixture 450 | | |
| 38. | Pulvizer CPVC | | |
| 39. | Lathe Machine | | |
| 40. | Milling Machine | | |
| 41. | Surface Grinder | | |
| 42. | EDM Machine | | |
| 43. | CPVC Scrap Cutter | | |
| 44. | PVC Scrap Cutter | | |
| 45. | Transformer 1250 kva | | |
| 46. | Chiller CH -1 | | |
| 47. | Chiller CH -2 | | |
| 48. | Chiller CH -3 | | |
| 49. | Screw Compressor 100 CFM | | |
| 50. | Screw Compressor 150 CFM | | |

Apart from the above machinery we have DG Sets, Moulds, Compressors, Computer Systems and other necessary equipment at our plants.



Fittings Machinery



PPR Pipe Extruder



CPVC Pipe Extruder



PVC, SWR & uPVC Pipe Extruder

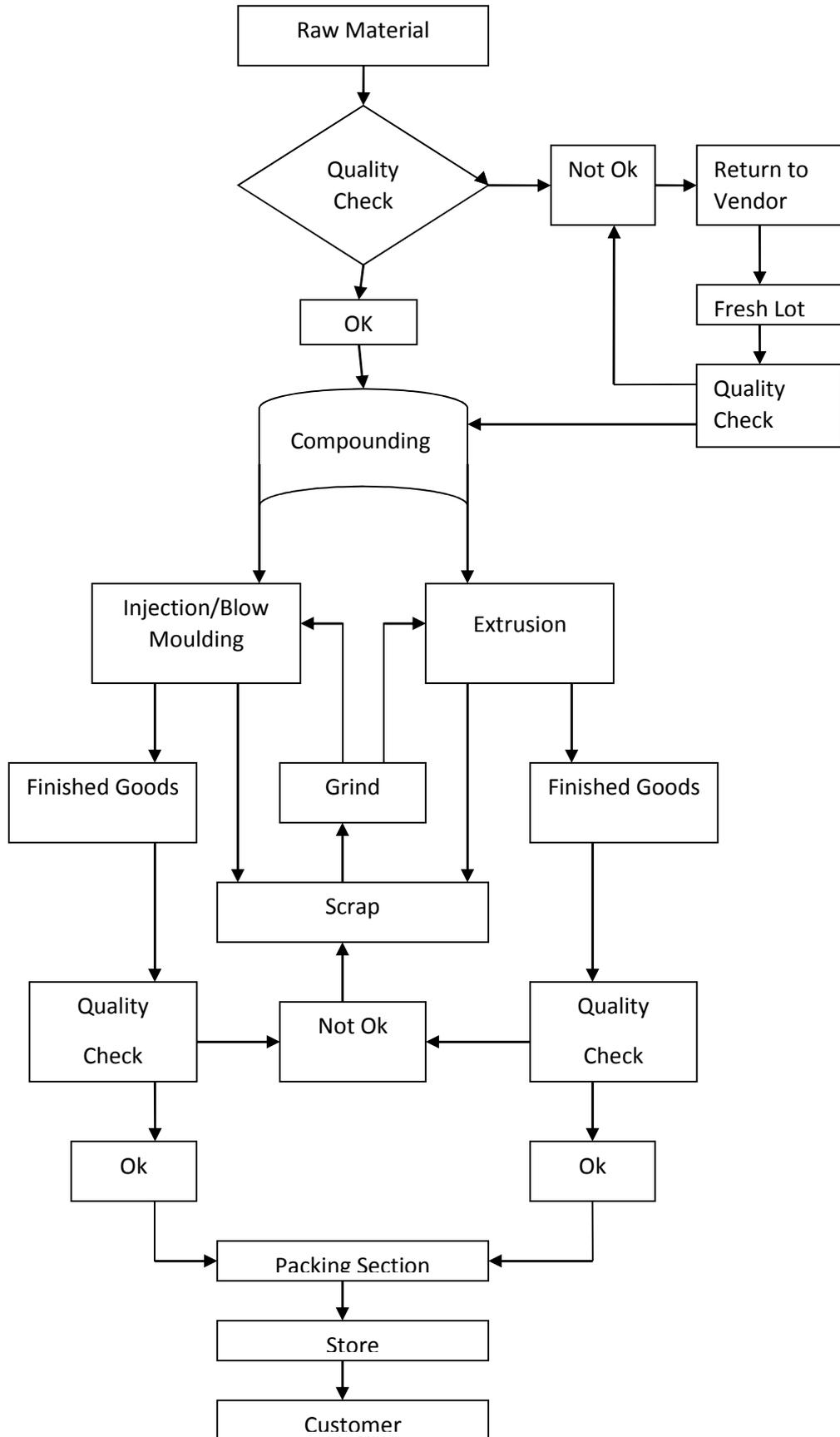


Quality Testing Facility

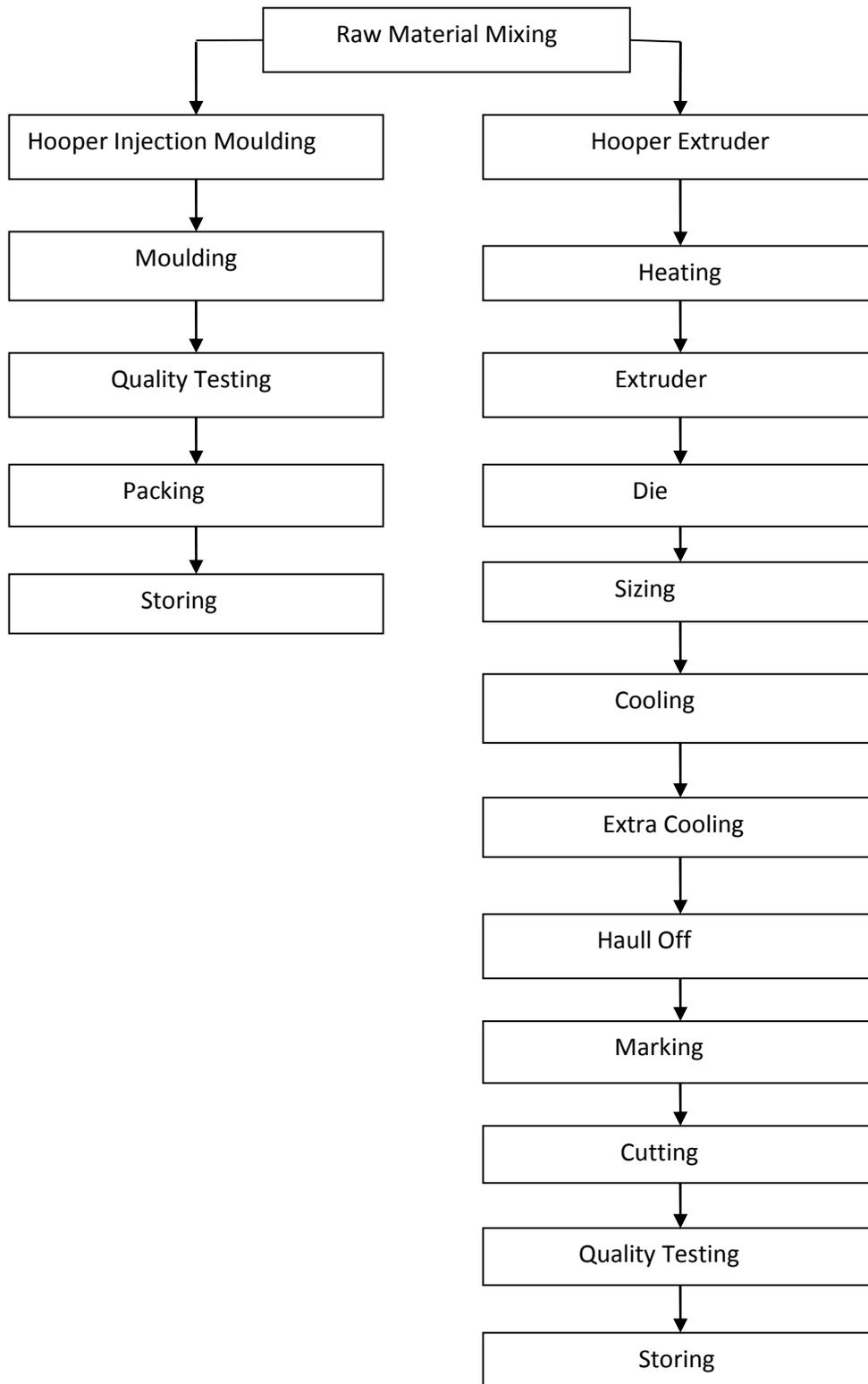
MANUFACTURING PROCESS

Hi-tech international machinery and equipment are used to manufacture our products. As much of the process is automated as possible. As heavy parts are dealt with, cranes are employed extensively. Quality control and security measures are ensured at each production stage. Technicians are trained as per customer requirements for each order. Our Company goes out of its way to ensure that customers' needs are met.

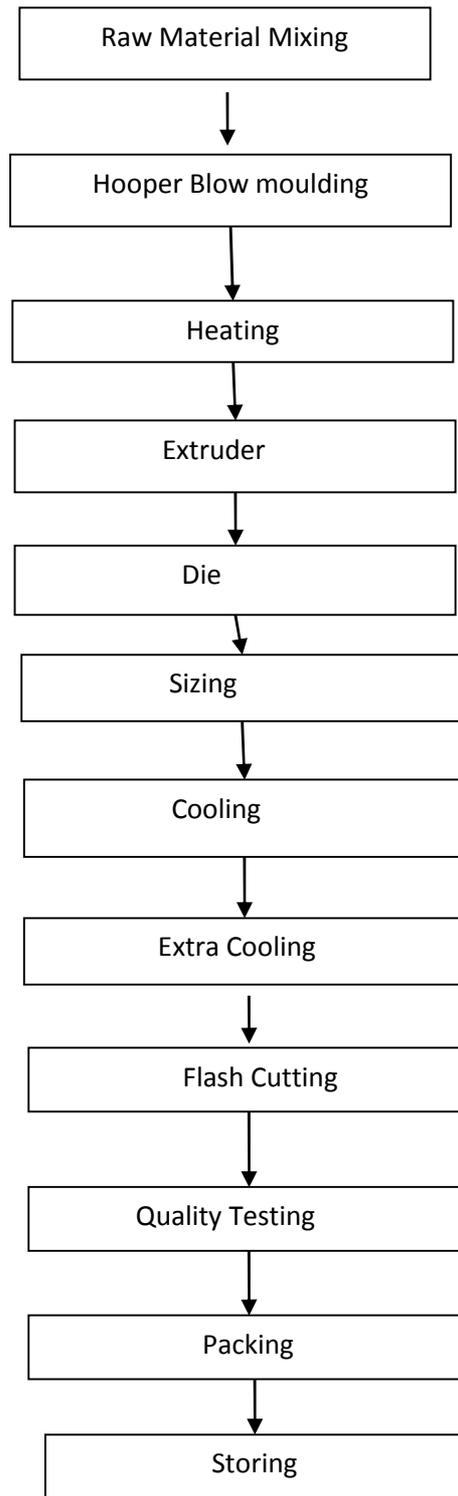
PROCESS FLOW CHART OF BLOW & INJECTION MOLDING



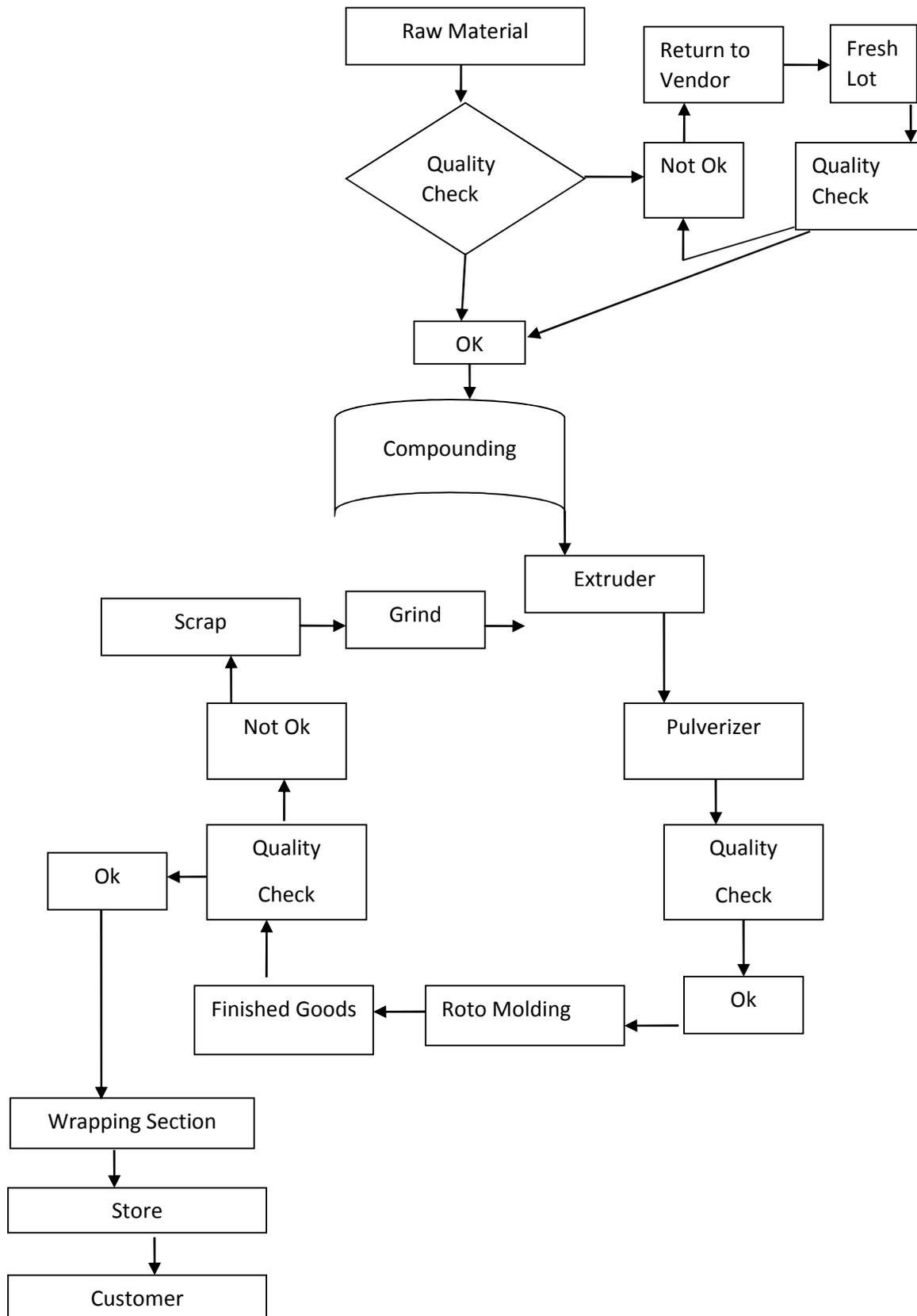
PROCESS FLOW CHART OF PIPE EXTRUSION



PROCESS FLOW CHART OF BLOW TANK



PROCESS FLOW CHART OF ROTO TANK



We have certification marks licenses from the Bureau of Indian Standards (BIS) for our range of products that adhere to IS standards. The table below shows our products and the standards they adhere to.

| Products | Certifications |
|---------------------|---|
| IS 15801:2008 | Polypropylene-random copolymer pipes for hot and cold water supplies |
| IS 7834: Part1:1987 | Injection moulded PVC socket fittings with solvent cement joints for water supplies, Part 1: General requirements |
| IS 4985:2000 | Unplasticized PVC Pipes for potable water supplies |
| IS 15778:2007 | Chlorinated Polyvinyl Chloride (CPVC) Pipes for Potable Hot and Cold Water Distribution Supplies |

UTILITIES & INFRASTRUCTURE FACILITIES

Our manufacturing units are equipped with computer systems, servers, relevant softwares such as ERP (Enterprise Resource Planning) and other communication equipment, power supply, internet connectivity, security and other facilities, which are required for our business operations to function smoothly.

Power

The total power requirement for our manufacturing units situated in Uttarakhand, Karnataka and Madhya Pradesh is 900 KVA, 600 KVA and 225 KVA respectively, which is fulfilled by Uttarakhand Power Corporation Ltd, Bangalore Electricity Supply Company and M.P. Madhya Kshetra Vidyut Vitaran Co. Ltd. respectively which is sufficient to meet our plant requirement. We also have adequate power back-up supported with D.G. sets for emergency power requirement.

LPG

We use LPG for rotational moulded tanks which we procure from LPG dealers. We have entered into MoUs with the suppliers for fulfilling our 100% of LPG requirements to Unit-II (Madhya Pradesh) and Unit-III (Karnataka) respectively.

Water

The water required for our manufacturing process is procured from the present bore wells and/or external water supply agencies operating in the local area where our existing facilities are situated.

Procurement of Raw Material

Our primary raw materials include various polymers such as PVC, CPVC, PPR, HDPE, etc. In addition, we also use various other raw materials including other polymers, impact modifier, colouring pigments, brass inserts, adhesives, aluminium and packing items. We buy our indigenous raw materials from Indian Oil Corporation Limited, Reliance Industries Limited, Haldia Petrochemicals Ltd, Gail (India) Limited & buy imported raw materials from Osho Polymers, Gourishanker Polymers, AVR Overseas Pvt Ltd, etc. We also buy from local vendors. We typically enter into yearly MoUs with our key raw material suppliers, to ensure consistent supply and volume based discounts. Under the terms of these MoUs, while the minimum contracted quantities of raw materials to be purchased from each key raw material supplier are fixed for availing volume discounts, the cost of procurement is determined by the prevailing market price at the time of placement of each purchase order, quantity and availability of raw material. Price of certain of our raw materials change periodically and are based on crude prices, demand-supply, exchange rates and availability of material in domestic and international market. Our raw material procurement function is centralized at our Registered office located in Faridabad, Haryana. We seek to maintain uniformity of quality and to maximize discounts through volume procurement.

We are not heavily dependent on a single supplier. Following is the list of top 5 suppliers of our company in previous 3 financial years:

| Sr. No. | Name of Suppliers | Amount (Rs. in Lakhs) |
|-------------------|------------------------------------|-----------------------|
| FY 2017-18 | | |
| 1 | AVR Overseas Pvt Ltd. | 820 |
| 2 | Osho Polymers | 736 |
| 3 | Indian Oil Corporation Ltd. | 577 |
| 4 | Haldia Petrochemicals Limited | 571 |
| 5 | Gouri Shanker Polymers | 440 |
| FY 2016-17 | | |
| 1 | Osho Polymers | 948 |
| 2 | Haldia Petrochemicals Limited | 897 |
| 3 | AVR Overseas Pvt Ltd | 775 |
| 4 | Indian Oil Corporation Ltd. | 462 |
| 5 | Gouri Shankar Polymers | 430 |
| FY 2015-16 | | |
| 1 | Osho Polymers | 832 |
| 2 | Indian Oil Corporation Ltd. | 801 |
| 3 | Haldia Petrochemicals Limited | 725 |
| 4 | Basil Prompt Vinyl Private Limited | 548 |
| 5 | Gouri Shanker Polymers | 473 |

PRODUCT PORTFOLIO

A. PPR Range of Pipe & Fittings

PPR is known for being one of the best carrier of Potable water for both Hot & Cold in domestic as well as in Industrial application. Fusion was amongst the first few to obtain ISI of PPR-C pipes in India. It has advantages such as low bacterial growth, high durability with 50 years of life span, smooth interior surface results in no friction and high flow, taste and odor neutral, heat preservation and energy saving, resistant to high temperature (95°C), less Insulation required.

Field of Application:

- Potable water pipe networks for Cold & Hot water installation i.e. in residential buildings, hospitals, hotels, offices & school buildings, ship buildings etc.
- Pipe Networks for rainwater utilization Systems
- Pipe Networks for Compressed – Air Plants
- Pipe Networks for Swimming pool facilities
- Pipe Networks for Solar Plants
- Pipe Networks in Agriculture and Horticulture
- Heating Pipes for Residential House



B. Submersible Pipes (Sub-Category of PPR Pipes) :

Our submersible flange joint piping system is an innovation in the history of PPR pipes. Keeping in mind all the short-coming of the existing GI and Aluminium pipes for submersible pump. We have innovated an ultimate PPR C submersible piping system.

Advantages

- Long life span – 50 to 100 years as per DIN-8077/78.
- Fusion PPR-Pipe is Food Grade and Hygienic.
- Easy Installation – conventional jointing system.
- Low cost.
- Low electric consumption due to more out-put and less pumping hours.
- Resistance to chemicals – Even with higher temperature up to 100 C as per ISO – 7471

Range Of PPR Submersible Flange Pipes And Coil Pipes

The below mentioned are the dimension available in 3 mtrs length welded with flange socket with MS- Ring on the end of both sides.

C. PVC Agri Range of Pipe & Fittings :

Fusion had ventured into PVC Pipe segment in year 2013 and since then expanded and increased its capacities three fold. PVC Pipes are best suited for plumbing purpose in Agriculture, Domestic purpose and Industries.



D. CPVC Range of Pipe & Fittings:

Fusion manufactures CPVC pipes and fittings for Hot and Cold water application keeping up with modern innovations & technology involved in producing the best quality at competitive cost. CPVC pipes and fittings are most advanced for hot and cold water plumbing system giving numerous advantages like corrosion resistance, chemical resistance, fire resistance, low thermal expansion, safety for drinking water, freedom from leakages and wall dampening, lowest bacterial growth besides easy installation and cost affectivity.



E. UPVC Range of Pipe & Fittings :

In the year 2017, we added UPVC range of Pipe and Fittings to our portfolio. Since its launch, our company has received great response from market. UPVC range of Pipe and Fittings are also suitable for Hot & Cold applications under Domestic and Industrial use.



F. PVC SWR Range of Pipe & Fittings (Sub-Category of PVC):

Our Company started manufacturing SWR range of PVC pipe and fittings in the year 2017. SWR drainage system is designed for quick and efficient removal of waste without leakage. It is highly resilient, tough and durable with high tensile and impact strength. Moreover, it is free from scale formation, rusting, weathering and chemical action. It is virtually immune to attack by bacteria, fungi, micro-organisms and insects. Thus, the system is a long-term solution for building drainage with estimated life over 50 years. In addition to the various benefits, it is more cost effective than any conventional drainage system.



G. Fusion Fibertherm PPRC Composite Pipes (Sub-Category of PPR Pipes):

We have developed and introduced PPR-C fusion fibertherm Glass filed Air Pipes and fittings. Fibertherm range will be used in Compressed Air, Pneumatic Control, Instrumental Line, Vacuum Line and Nitrogen Line, etc for applications of Air

fusion[®] FIBERTHERM
Unique 3 layer Pipe reinforced with glass fiber, made from the next generation PPRC-FR Composite. An unrivalled Product

Applications :

- Compressed Air
- Pneumatic Control
- Instrumental Line
- Vacuum Line
- Nitrogen Air Line

H. Blow Molding Water Storage Tanks :

Our Company is one of the few starters to manufacture 3 Layer Blow Mold Water Storage Tanks in India. Company has capacity to manufacture Water Tanks having capacity ranging from 200 to 2000 litres. Company is manufacturing White, Black & Yellow Water Tanks in both 3 Layer and 4 Layer Range.

The ultra-modern Blow Mould Technology has defied traditional boundaries of Roto – mould. We sell Blow Water Tanks under our brand 'fusion[®]' and / or in various trade names, such as “Water Plus”, “Jupiter”, “Neo”, etc. The whole transformation of low Density Polyethylene to High Density Polyethylene and from rotomoulding to blowmoulding has revolutionized the tank industry. Water Plus Tanks are strong, stylish and feels gentle and welcoming. These tanks are more strong, hygienic, keeps water fresh and have uniform wall thickness.



I. Roto Mold Water Storage Tanks:

Our Company expanded its portfolio into manufacture of traditional Roto Mold Water Storage Tanks in the year 2018 after looking at markets demands for Roto Mold Tanks as we value the needs of our customers.



DETAILS OF INSTALLED CAPACITY

The following table illustrates the production & utilization capacity in the last three financial years:

(Unit- MTPA)

| Products | 2017-18 | | 2016-17 | | 2015-16 | |
|------------------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|
| | Installed Capacity | Utilisation | Installed Capacity | Utilisation | Installed Capacity | Utilisation |
| PPR Pipes & Fittings | 2775 | 26.63% | 2775 | 22.36% | 2775 | 23.36% |
| PVC Pipes & Fittings | 4078 | 41.31% | 4078 | 43.82% | 1487 | 99.75% |
| UPVC Pipes & Fittings | 1402 | 42.97% | 1402 | 25.11% | 230 | 91.21% |
| CPVC Pipes & Fittings | 1425 | 64.72% | 1425 | 43.33% | 868 | 60.54% |
| Other Pipes & Fittings | 240 | 55.71% | 240 | 63.91% | 240 | 47.07% |
| Blow Water Tanks | 3960 | 47.51% | 3960 | 59.73% | 3960 | 60.44% |
| Roto Water Tanks* | 23 | 54.05% | - | - | - | - |

Note: Production of ROTO Water Tanks in our Unit-II (Madhya Pradesh) and Unit-III (Karnataka) was started on June 06, 2018 and March 01, 2018 respectively.

MARKETING AND DISTRIBUTION

We have developed a marketing network across various states in the country. Our marketing team is led by our Director Mr. Karan Chandna who is responsible for the overall marketing strategies. We have a Sales & Marketing office located at Sarita Vihar, New Delhi completely dedicated towards Marketing & Sales. The team also comprises of managers which lead the sub-departments of private sector/ dealer liaising, government sector liaising and special products. Our marketing team is also assisted by a technical team. The marketing team taps the various entities through the direct marketing approach by identifying their requirements and showcasing our ability to provide customized products.

Clients & Markets

Our Company has a strong customer and distributor profile. Some of its major customers and distributors are Avichal Distributor, Fusion House (UP), Sabharwal Marble & Sanitary Store, Vansh Tubes, Arham Impex Private Limited, Matal Trading Corporation, Anand Tubes, etc. Further, we are not dependent on a few customers as none of our customer represents more than 5% of our Total Revenue in previous 3 FYs. We have a large customer base.

Following is the list of top 5 Customers in each product category for the last 3 financial years:

FOR FY 2017-18

(Amount in Rs. In Lakhs)

| Product Type | Sr. No. | Name of Customers | Amount as on March 31, 2018 | % of Total Sales (product-wise) |
|----------------------|---------|--------------------------|-----------------------------|---------------------------------|
| PPR Pipes & Fittings | 1 | Avichal Distributor | 195.82 | 12.86% |
| | 2 | Fusion House (Najafgarh) | 90.62 | 5.95% |
| | 3 | T.I. Agencies | 74.08 | 4.86% |
| | 4 | Vansh Tubes | 59.14 | 3.88% |
| | 5 | R.R. & Sons | 52.19 | 3.43% |

| | | | | |
|-----------------------|---|--|--------|-------|
| CPVC Pipes & Fittings | 1 | Arham Impex Pvt Ltd | 179.51 | 7.62% |
| | 2 | Fusion House (UP) | 125.85 | 5.34% |
| | 3 | Mahesh & Company | 75.22 | 3.19% |
| | 4 | Fusion House (Malout, Punjab) | 60.42 | 2.57% |
| | 5 | Mangal Sain Ram Sarup | 59.49 | 2.53% |
| PVC Pipes & Fittings | 1 | Fusion House (UP) | 80.63 | 5.43% |
| | 2 | Mahadev Trading Co. | 70.27 | 4.74% |
| | 3 | Fusion House (Malout, Punjab) | 62.14 | 4.19% |
| | 4 | Fusion House (HP) | 57.68 | 3.89% |
| | 5 | Vansh Tubes | 53.10 | 3.58% |
| UPVC Pipes & Fittings | 1 | Shanti Traders | 49.42 | 6.85% |
| | 2 | Fusion House (UP) | 47.62 | 6.60% |
| | 3 | Fusion World Bihar | 38.30 | 5.31% |
| | 4 | Sabharwal Marble & Sanitary Store | 29.44 | 4.08% |
| | 5 | Bharat Pump & Hardware | 26.28 | 3.64% |
| Tanks | 1 | Decoplast Marketing And Services | 114.08 | 3.45% |
| | 2 | Fusion House (UP) | 104.22 | 3.15% |
| | 3 | Karnataka Pipe Corporation | 96.51 | 2.91% |
| | 4 | Krishna Enterprises (Gwalior, MP) | 83.17 | 2.51% |
| | 5 | Ravi Enterprises (Sulibele, Karnataka) | 74.05 | 2.24% |

FOR FY 2016-17

(Amount in Rs. In Lakhs)

| Product Type | Sr. No. | Name of Customers | Amount as on March 31, 2017 | % of Total Sales (product-wise) |
|-----------------------|---------|---------------------------|-----------------------------|---------------------------------|
| PPR Pipes & Fittings | 1 | Avichal Distributor | 190.60 | 12.03% |
| | 2 | T.I. Agencies | 77.13 | 4.87% |
| | 3 | Airmen Engineers | 69.99 | 4.42% |
| | 4 | R.R. & Sons | 63.46 | 4.00% |
| | 5 | Anand Tubes | 56.45 | 3.56% |
| CPVC Pipes & Fittings | 1 | Fusion House (UP) | 135.87 | 7.21% |
| | 2 | Shanti Traders | 87.87 | 4.66% |
| | 3 | Mangal Sain Ram Sarup | 83.46 | 4.43% |
| | 4 | Mahesh & Company | 82.81 | 4.39% |
| | 5 | Avichal Distributor | 70.21 | 3.72% |
| PVC Pipes & Fittings | 1 | Amar Building Material | 73.85 | 4.82% |
| | 2 | Fusion House (UP) | 65.39 | 4.27% |
| | 3 | Triveni Sales Corporation | 65.22 | 4.25% |
| | 4 | Anand Tubes | 53.37 | 3.48% |
| | 5 | Pardeep Trading Company | 52.24 | 3.41% |
| UPVC Pipes & Fittings | 1 | Bharat Pump & Hardware | 28.02 | 9.31% |
| | 2 | Shanti Traders | 24.82 | 8.25% |
| | 3 | Batra Sales Corporation | 13.55 | 4.50% |
| | 4 | B.M. Sanitation | 12.27 | 4.08% |

| | | | | |
|-------|---|----------------------------------|--------|-------|
| | 5 | Fusion House (UP) | 10.96 | 3.64% |
| Tanks | 1 | Karnataka Pipe Corporation | 144.61 | 3.72% |
| | 2 | Fusion House (UP) | 131.65 | 3.39% |
| | 3 | Ravi Enterprises (SULIBELE) | 128.80 | 3.31% |
| | 4 | Decoplast Marketing And Services | 121.88 | 3.14% |
| | 5 | Krishna Enterprises (GWALIOR) | 120.19 | 3.09% |

FOR FY 2015-16

(Amount in Rs. In Lakhs)

| Product Type | Sr. No. | Name of Customers | Amount as on March 31, 2016 | % of Total Sales (product-wise) |
|-----------------------|---------|--|-----------------------------|---------------------------------|
| PPR Pipes & Fittings | 1 | Anand Tubes | 130.07 | 7.67% |
| | 2 | R.R. & Sons | 95.93 | 5.66% |
| | 3 | Vijay Traders | 93.12 | 5.49% |
| | 4 | Mangal Sain Ram Sarup | 86.73 | 5.12% |
| | 5 | S.R Traders | 78.77 | 4.65% |
| CPVC Pipes & Fittings | 1 | Avichal Distributor | 74.81 | 5.05% |
| | 2 | Mahesh & Company | 66.97 | 4.52% |
| | 3 | Girish Enterprises | 62.00 | 4.18% |
| | 4 | Anand Tubes | 42.79 | 2.89% |
| | 5 | Fusion House (UP) | 40.44 | 2.73% |
| PVC Pipes & Fittings | 1 | Anand Tubes | 57.99 | 4.55% |
| | 2 | Avichal Distributor | 44.54 | 3.49% |
| | 3 | New Modi Iron | 44.26 | 3.47% |
| | 4 | S.R Traders | 44.05 | 3.45% |
| | 5 | Metro pipe store | 37.73 | 2.96% |
| UPVC Pipes & Fittings | 1 | Jain Pipe Store | 9.63 | 6.13% |
| | 2 | Batra Sales Corporation | 9.25 | 5.89% |
| | 3 | Varanasi Hardware | 9.14 | 5.82% |
| | 4 | Avichal Distributor | 6.86 | 4.37% |
| | 5 | Jindal Trading Company | 6.74 | 4.29% |
| Tanks | 1 | Karnataka Pipe Corporation | 198.36 | 5.00% |
| | 2 | Ravi Enterprises (Sulibele, Karnataka) | 120.98 | 3.05% |
| | 3 | Decoplast Marketing And Services | 81.92 | 2.07% |
| | 4 | New Modi Iron | 67.24 | 1.70% |
| | 5 | Shankar Baba Senetary Wears | 57.85 | 1.46% |

Further, our Company has exports specially made electrical and plumbing items for exports to Canada. Our Company's export revenue increased from Rs. 57 Lakhs in 2016-17 to Rs. 243 Lakhs in 2017-18. For further details please see "Business Strategy" above.

BRIEF FINANCIALS OF THE COMPANY

Brief financials as per the restated statement for the last 3 financial years are as under:

(Rs. In Lakhs)

| Particulars | As on March 31, | | |
|--|-----------------|-----------------|-----------------|
| | 2018 | 2017 | 2016 |
| Share Capital | 734.82 | 400.00 | 400.00 |
| Reserve & Surplus | 1,146.49 | 1,202.80 | 980.28 |
| Net Worth | 1,881.31 | 1,602.80 | 1,380.28 |
| YoY Growth in Net Worth | 17.38% | 16.12% | 14.42% |
| Net Revenue from Operations | 9,033.85 | 9,071.65 | 8,472.54 |
| Other Income | 153.33 | 25.96 | 30.59 |
| Total Revenue | 9,187.19 | 9,097.61 | 8,503.13 |
| YoY Growth in Total Revenue | 0.98% | 6.99% | 26.54% |
| Total Expenses | 8,892.72 | 8,892.01 | 8,236.90 |
| YoY Growth in Total Expenses | 0.01% | 7.95% | 26.45% |
| Profit Before Tax | 294.47 | 205.59 | 266.23 |
| Tax Expenses (Incl. Deferred Tax) | 50.96 | (16.93) | 92.32 |
| Profit After Tax | 243.51 | 222.52 | 173.91 |
| YoY Growth in Profit After Tax | 9.43% | 27.95% | 2.48% |
| Basic Earnings Per Share (EPS) (In Rs.) | 3.31 | 3.09 | 2.42 |
| Diluted Earnings Per Share (EPS) (In Rs.) | 3.31 | 3.09 | 2.42 |
| Return on Net Worth (%) | 12.94% | 13.88% | 12.60% |
| Net assets value per share of Rs. 10 each (In Rs.) | 25.60 | 22.26 | 19.17 |

Product wise revenue of our Company:

(Rs. In Lakhs)

| Sr. No. | Product | March 31, 2018 | | March 31, 2017 | | March 31, 2016 | |
|---------|-----------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | Amount | (%) | Amount | (%) | Amount | (%) |
| 1 | PPR Pipes & Fittings | 1523.2 | 16.86% | 1585.35 | 17.48% | 1695.2 | 20.01% |
| 2 | CPVC Pipes & Fittings | 2355.55 | 26.07% | 1885.47 | 20.78% | 1481.95 | 17.49% |
| 3 | PVC Pipes & Fittings | 1484.51 | 16.43% | 1533.33 | 16.90% | 1275.27 | 15.05% |
| 4 | UPVC Pipes & Fittings | 721.49 | 7.99% | 301.39 | 3.32% | 156.96 | 1.85% |
| 5 | Tanks | 2949.11 | 32.65% | 3766.11 | 41.52% | 3863.16 | 45.60% |
| | Total | 9033.86 | 100.00% | 9071.65 | 100.00% | 8472.54 | 100.00% |

HUMAN RESOURCES

Our Company believes that a motivated and empowered employee base is key to its operations and business strategy, and has developed a large pool of skilled and experienced personnel overtime. Its employee policies have always aimed to recruit a talented and qualified work force, facilitate their integration and encourage development of their skills in order to facilitate both the growth of its operations and its employees. Our Company is committed towards ensuring an empowering environment that motivates and facilitates growth and contribution.

The following table illustrates the department wise numbers of our employees as June 30, 2018.

| Department | Number of Employees |
|------------------------------------|---------------------|
| Management | 10 |
| Administration | 12 |
| Accounts & Finance | 06 |
| Human Resources and Administration | 5 |
| Production | 37 |
| Commercial | 11 |
| Sales & Marketing | 112 |
| IT | 03 |
| Casual / Daily Wagers | 278 |
| TOTAL | 463 |

Currently, we have qualified engineers and skilled technicians having significant experience in the Engineering and Design fields. A large number of daily wagers, mostly local, are engaged regularly depending on the production requirements. The number varies from time to time based on the nature and extent of work involved.

COMPETITION

The market for our products is highly competitive and fragmented, and we face competition from various domestic manufacturers as follows –

| PPR | CPVC | PVC | UPVC | SWR | SUBMERSIBLE | BLOW-TANKS | ROTO-TANKS |
|--|--|--------------------------------|------|-----|-----------------------------------|---|--|
| Vectus Industries Limited | | | | | Prince Pipes And Fittings Limited | Vectus Industries Limited | |
| Savoir Faire Manufacturing Co. Pvt. Ltd (SFMC) | | | | | Astral Pipes Limited | Savoir Faire Manufacturing Co. Pvt. Ltd (SFMC) | |
| Prince SWR Systems Pvt. Ltd. | | | | | Ashirvad Pipes Pvt Ltd | The Supreme Industries Limited | |
| Prince Pipes And Fittings Limited | | | | | - | Prabh Dayal Om Prakash Infrastructure Private Limited (Sheetal) | |
| The Supreme Industries Limited | R C Plasto Tanks and Pipes Private Limited | The Supreme Industries Limited | | | - | Spectra Piping Solutions | R C Plasto Tanks and Pipes Private Limited |

| | | | | | |
|--|----------------------------|---|---|---|---|
| Prabh Dayal Om Prakash Infrastructure Private Limited (Sheetal) | Kisan Mouldings Ltd. | R C Plasto Tanks and Pipes Private Limited | - | - | - |
|--|----------------------------|---|---|---|---|

In order to counter the competition, our focus would be to provide products that would be in consonance with technical and quality requirements of our customer as well as by trying to offer a competitive pricing model without compromise on the quality.

Our competition depends on the products being offered by various companies in the organized segment besides several other factors like quality, price and capacity to deliver. Competition emerges not only from organized sector but also from the unorganized sector and from both small and big players. We believe that we are able to compete effectively with them due to our product portfolio, strong marketing network, customized and quality processing services. We expect that our commitment to quality, past record of timely execution and transparency will provide us with an edge over our competitors.

INTELLECTUAL PROPERTY

We have applied for the following Trademarks under the Trademarks Act, 1999 –

| Sr. No. | Trademark/Logo | Date of Application | Application No. | Class | Current Status |
|---------|---|---------------------|-----------------|-------|----------------|
| 1. |  | January 8, 2004 | 1259859 | 17 | Registered |
| 2. |  | February 14, 2011 | 2099555 | 20 | Registered |
| 3. |  | September 16, 2005 | 1385093 | 17 | Registered |

LAND & PROPERTIES

The following table sets for the significant properties owned by us:

| Sr. No. | Description of Land/Property | Date of Purchase | Use | Title |
|---------|---|-------------------|---------|----------------------------|
| 1. | Khasra no.-348, Gagal Hedi Road, Raipur Industrial Area, Bhagwanpur, Roorkee, Distt. Haridwar, Uttarakhand-247667 | June 07, 2012 | Factory | Mortgaged to Bank of India |
| 2. | Khasra No. 356, Gagal Hedi Road, Raipur Industrial Area, Bhagwanpur, Roorkee, Distt. Haridwar, Uttarakhand-247667 | February 23, 2006 | Factory | Mortgaged to Bank of India |

Following table sets forth the properties taken on lease / rent by us:

| Sr. No. | Location of the property | Document and Date | Lease Rent/ License Fee (in Rs.) | Lease/License period | | Use |
|---------|---|---|--|----------------------|----------------------------|---|
| | | | | From | To | |
| 1. | No. 2-E Dobaspet, 1st Phase, Sompura KIADB Industrial Area, Hobli Nelamanga, Bangalore- 562 111, Karnataka, India | Lease Agreement dated March 23, 2013 | Rs.11/-per sq.ft. for build-up area and Rs.2/-per sq.ft. for open land (Total Area – 50,572 Sq. Ft.) | March 23, 2013 | March 22, 2024 (11 years)* | Manufacturing Unit and its ancillary purposes |
| 2. | Plot no. 78, I/A Malanpur, Tehsil Gohad, District Bhind , Gwalior – 474011, Madhya Pradesh, India | Lease Agreement dated February 28, 2012 | Rs. 6.90 p Sq. mtr. (Total Area – 16,682 Sq. Mtr) | February 28, 2012 | August 27, 2089 | Manufacturing Unit and its ancillary purposes |
| 3. | 9, Local Shopping Centre, H & J Blocks, 2 nd Floor Sarita Vihar, New Delhi – 110076, India | Lease Deed and April 01, 2011 | Rs. 45,000 pm for first 3 years, Rs. 51,750 pm for next 3 years & Rs.62,100 for next 3 years. | April 01, 2011 | March 31, 2020 | Sales & Marketing Office |

| Sr. No. | Location of the property | Document and Date | Lease Rent/ License Fee (in Rs.) | Lease/License period | | Use |
|---------|---|---|----------------------------------|----------------------|-------------------|--------------------------------------|
| | | | | From | To | |
| 4. | Plot no 1 & 4, Block H, NH-2 (Opp. FCI Godown) NIT, Faridabad, Haryana – 121001, India | Rent Agreement and April 1, 2018 | Rs. 1,20,000 per month | April 01, 2018 | March 31, 2021 | Registered Office & Corporate Office |
| 5. | Ground Floor Door no. 1, Srinidhi Towers, NH-4, T.Dasarahalli, Bangalore – 560058, Karnataka, India | Rent Agreement and July 04, 2014 | Rs. 10,000 per month | July 04, 2014 | July 03, 2020 | Sales & Marketing office |
| 6. | *Flat no. D2-2062, Sobha Ruby Platinum, Nagasandra Village, Hobli, Tumkur Road, Bangalore North, Bangalore – 560073, Karnataka, India | Licence Agreement and February 16, 2016 | Rs. 18,900 per month | January 12, 2016 | December 11, 2016 | Residential purpose |
| 7. | Raipur, Bhagwanpur, Haridwar, Uttarakhand, India | Lease Deed and June 19, 2017 | Rs. 47,368 per month | June 19, 2017 | May 28, 2019 | Factory and Warehouse |

*Note: We are in the process of renewal of the rent agreement.

INSURANCE

The Insurance policies covered by our Company are:

| Sr. No. | Insured's Address | Name of the Policy | Policy No. | Insurance Company | Coverage (Rs. in Lakhs) | Expiry Date |
|---------|--|--------------------|-------------------------------------|------------------------------------|-------------------------|--------------------|
| 1. | Plot no.-78 Managalpur District, Gwalior, Madhya | Burglary B.P. | Policy No. 354300/46/17 /7500000156 | National Insurance Company Limited | 200.00 | September 09, 2018 |

| | | | | | | |
|----|---|--|-------------------------------------|------------------------------------|---------|--------------------|
| | Pradesh- 474001, India | | | | | |
| 2. | Plot no.-384 Gagal Hedi, Raipur Industrial Area, Bhagwanpur, Roorkee, Haridwar, Uttarakhand – 249401, India | Burglary B.P. | Policy No. 354300/46/17 /7500000157 | National Insurance Company Limited | 600.00 | September 11, 2018 |
| 3. | Plot no.-356 Gagal Hedi, Raipur Industrial Area, Bhagwanpur, Roorkee, Haridwar, Uttarakhand – 249401, India | Burglary B.P. | Policy No. 354300/46/17 /7500000155 | National Insurance Company Limited | 1500.00 | September 11, 2018 |
| 4. | No. 2-E, Dobaspeta, 1st Phase, Sompura KIADB Industrial Area, Hobli Relannga Banglore, Bengaluru, Karnataka – 560002, India | Burglary B.P. | Policy No. 354300/46/17 /7500000154 | National Insurance Company Limited | 425.00 | September 03, 2018 |
| 5. | Plot no.-384 Gagal Hedi, Raipur Industrial Area, Bhagwanpur, Roorkee, Haridwar, Uttarakhand – 249401, India | Standard Fire and Special Perils Policy. | Policy No. 354300/11/17 /3300000340 | National Insurance Company Limited | 600.00 | September 03, 2018 |
| 6. | Plot no.-78 Managalpur District, Gwalior, Madhya Pradesh- 474001, India | Standard Fire and Special Perils Policy. | Policy No. 354300/11/17 /3100000339 | National Insurance Company Limited | 355.00 | September 03, 2018 |
| 7. | No. 2-E, Dobaspeta, 1st Phase, Sompura KIADB Industrial Area, Hobli Relannga Banglore, Bengaluru, Karnataka – 560001, India | Standard Fire and Special Perils Policy. | Policy No. 354300/11/17 /3300000338 | National Insurance Company Limited | 950.00 | September 03, 2018 |
| 8. | Plot no.-356 Gagal Hedi, Raipur Industrial Area, Bhagwanpur, Roorkee, Haridwar, Uttarakhand – 249401, India | Standard Fire and Special Perils Policy. | Policy No. 354300/11/17 /3300000337 | National Insurance Company Limited | 2335.00 | September 02, 2018 |

| | | | | | | |
|-----|---|--|-------------------------------------|------------------------------------|--------|--------------------|
| 9. | Industrial Sheed Plot no. 1&4, N.I.T., Faridabad, Haryana – 121001, India | Marine Cargo (Open policy) | Policy No. 354300/21/17 /4400000133 | National Insurance Company Limited | 200.00 | September 01, 2018 |
| 10. | 3-E-22A, B.P, N.I.T, Faridabad, Haryana – 121001, India | Standard Fire and Special Perils Policy. | Policy No. 354300/11/17 /3100000342 | National Insurance Company Limited | 65.00 | September 13, 2018 |
| 11. | Plot no.-4, NH-2, N.I.T, Faridabad, Haryana – 121001, India | Standard Fire and Special Perils Policy. | Policy No. 354300/11/17 /3100000341 | National Insurance Company Limited | 38.00 | September 13, 2018 |

KEY INDUSTRY REGULATIONS AND POLICIES

The following description is a summary of various sector-specific laws and regulations in India, which are applicable to our Company. The information below has been obtained from publications in the public domain. It may not be exhaustive and is only intended to provide general information and is neither designed nor intended to substitute for professional legal advice.

The statements below are based on current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. For details of government approvals obtained by us, see the chapter titled "Government and other statutory Approvals" beginning on page 215.

The following is an overview of some of the important laws and regulations, which are relevant to our industry.

BUSINESS RELATED REGULATION

The Micro, Small and Medium Enterprises Development Act, 2006

In order to promote and enhance the competitiveness of Micro, Small and Medium Enterprise (MSME) the act is enacted. A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and regulation) Act, 1951 as —micro enterprise, where the investment in plant and machinery does not exceed twenty five lakh rupees; —Small enterprisel, where the investment in plant and machinery is more than twenty-five lakh rupees but does not exceed five crore rupees; or a medium enterprise , where the investment in plant and machinery is more than five crore but does not exceed ten crore rupees and in the case of the enterprise engaged in the services, —Micro – enterprisel , where the investment in equipment does not exceed ten lakh rupees, —Small Enterprise where the investment in equipment is more than ten lakh rupees but does not exceed two crore rupees, or — Medium Enterprisel where the investment in equipment is more than two crore rupees but does not exceed five crore rupee.

LAWS RELATING TO EMPLOYMENT AND LABOUR

MINIMUM WAGES ACT, 1948

This Act aims to make provisions for statutory fixation of minimum rates of wages in scheduled employment wherein labour is not organized. It seeks to prevent the exploitation of workers and protect their interest in the 'sweated industries'. Wage fixing authorities have been guided by the norms prescribed by the Fair Wage Committee in the settlement of issues relating to wage fixation in organized industries. The Act contemplates the minimum wage rates must ensure not only the mere physical needs of a worker which keeps them just above starvation level, but must ensure for him and his family's subsistence, and also to preserve his efficiency as a worker.

FACTORIES ACT, 1948

This Act came into force on April 01, 1949 and extends to the whole of India, including Jammu and Kashmir. It has been enacted to regulate working conditions in factories and to ensure the provision of the basic minimum requirements for safety, health and welfare of the workers as well as to regulate the working hours, leave, holidays, employment of children, women, etc. It ensures annual leaves with wages, provides additional protection from hazardous processes, additional protection to women workers and prohibition of employment of children.

PAYMENT OF GRATUITY ACT, 1972

The Payment of Gratuity Act, 1972 ("Act") was enacted with the objective to regulate the payment of gratuity, to an employee who has rendered for his long and meritorious service, at the time of termination of his services. A terminal Lump sum benefit paid to a worker when he or she leaves employment after having worked for the employer for a prescribed minimum number of years is referred to as "gratuity." The provisions of the Act are applicable to all the factories. The Act provides that within 30 days of opening of the establishment, it has to

notify the controlling authority in Form A and thereafter whenever there is any change in the name, address or change in the nature of the business of the establishment a notice in Form B has to be filed with the authority. The Employer is also required to display an abstract of the Act and the rules made there-under in Form U to be affixed at the or near the main entrance. Further, every employer has to obtain insurance for his Liability towards gratuity payment to be made under Payment of Gratuity Act 1972, with Life Insurance Corporation or any other approved insurance fund.

PAYMENT OF BONUS ACT, 1965

The Payment of Bonus Act, 1965 is applicable to every establishment employing 20 or more employees. The said Act provides for payment of the minimum bonus to the employees specified under the Act. It further requires the maintenance of certain books and registers such as the register showing computation of the allocable surplus; the register showing the set on & set off of the allocable surplus and register showing the details of the amount of Bonus due to the employees. Further it also requires for the submission of Annual Return in the prescribed form (Form D) to be submitted by the employer within 30 days of payment of the bonus to the Inspector appointed under the Act.

CHILD LABOUR (PROHIBITION AND REGULATION) ACT, 1986

This statute prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Under this Act the employment of child labour in the building and construction industry is prohibited.

INDUSTRIAL DISPUTES ACT 1947

The Industrial Disputes Act 1947 lays down the machinery and procedure for investigation, settlement and resolution of Industrial disputes in what situations a strike or lock-out becomes illegal and what are the requirements for laying off or retrenching the employees or closing down the establishment. When a dispute exists or is apprehended, the appropriate Government may refer the dispute to a labour court, tribunal or arbitrator, to prevent the occurrence or continuance of the dispute, or a strike or lock-out while a proceeding is pending. The labour courts and tribunals may grant appropriate relief including ordering modification of contracts of employment or reinstatement of workmen.

WORKMEN'S COMPENSATION ACT 1923

This Act came into force on April 01, 1924. It aims at providing financial protection to workmen and their dependents in case of accidental injury by means of payment of compensation by the employers. However, here the employer shall not be liable in respect of any injury that does not result in the total or partial disablement of the workmen for a period exceeding 3 days in respect of any injury not resulting in death, caused by an accident which was due to the reason that workman was under the influence of drugs, or due to his willful disobedience of an order expressly given to him, or a willful removal or disregard of any safety device by the workmen, or when the employee has contracted a disease which is not directly attributable to a specific injury caused by the accident or to the occupation.

THE EMPLOYEES PROVIDENT FUNDS AND MISCELLANEOUS PROVISIONS ACT, 1952

The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 is a social welfare legislation to provide for the institution of Provident Fund, Pension Fund and Deposit Linked Insurance Fund for employees working in factories and other establishments. The Act aims at providing social security and timely monetary assistance to industrial employees and their families when they are in distress.

The Act is administered by the Government of India through the Employees' Provident Fund Organization (EPFO). The following three schemes have been framed under the Act by the Central Government:

- (a) The Employees' Provident Fund Schemes, 1952;
- (b) The Employees' Pension Scheme, 1995; and
- (c) The Employees' Deposit-Linked Insurance Scheme; 1976.

The Central Government has been constituted Employees' Provident Funds Appellate Tribunal to exercise the powers and discharge the functions conferred on such by Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

EMPLOYEES STATE INSURANCE ACT, 1948

The promulgation of Employees' State Insurance Act, 1948 (ESI Act), by the Parliament was the first major legislation on social Security for workers in independent India. It was a time when the industry was still in a nascent stage and the country was heavily dependent on an assortment of imported goods from the developed or fast developing countries. The deployment of manpower in manufacturing processes was limited to a few select industries such as jute, textile, chemicals etc. The legislation on creation and development of a fool proof multi-dimensional Social Security system, when the country's economy was in a very fledgling state was obviously a remarkable gesture towards the socio-economic amelioration of a workforce though limited in number and geographic distribution. India, notwithstanding, thus, took the lead in providing organized social protection to the working class through statutory provisions.

THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 ("SHWW ACT")

The SHWW Act provides for the protection of women at work place and prevention of sexual harassment at work place. The SHWW Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the following acts or behaviour namely, physical contact and advances or a demand or request for sexual favour 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 Rs. 50,000/- (Rupees Fifty Thousand Only).

ENVIRONMENTAL LAWS

ENVIRONMENT (PROTECTION) ACT, 1986

The main objective of this Act is to provide the protection and improvement of environment (which includes water, air, land, human being, other living creatures, plants, micro-organism and properties) and for matters connected therewith. The Act provide power to make rules to regulate environmental pollution, to notify standards and maximum limits of pollutants of air, water, and soil for various areas and purposes, prohibition and restriction on the handling of hazardous substances and location of industries.

The Central Government is empowered to constitute authority or authorities for the purpose of exercising of performing such of the powers and functions, appoint a person for inspection, for analysis or samples and for selection or notification of environmental laboratories. Such person or agency has power to inspect or can enter in the premises or can take samples for analysis.

THE WATER (PREVENTION AND CONTROL OF POLLUTION) ACT, 1974 (“Water Act”)

The Water Act aims to prevent and control water pollution as well as restore water quality by establishing and empowering the Central Pollution Control Board and the State Pollution Control Boards. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, use of any new or altered outlet for the discharge of sewage or new discharge of sewage, must obtain the consent of the relevant State Pollution Control Board, which is empowered to establish standards and conditions that are required to be complied with. In certain cases, the State Pollution Control Board may cause the local Magistrates to restrain the activities of such person who is likely to cause pollution. Penalty for the contravention of the provisions of the Water Act include imposition of fines or imprisonment or both.

The Central Pollution Control Board has powers, inter alia, to specify and modify standards for streams and wells, while the State Pollution Control Boards have powers, inter alia, to inspect any sewage or trade effluents, and to review plans, specifications or other data relating to plants set up for treatment of water, to evolve efficient methods of disposal of sewage and trade effluents on land, to advise the State Government with respect to the suitability of any premises or location for carrying on any industry likely to pollute a stream or a well, to specify standards for treatment of sewage and trade effluents, to specify effluent standards to be complied with by persons while causing discharge of sewage, to obtain information from any industry and to take emergency measures in case of pollution of any stream or well. A central water laboratory and a state water laboratory have been established under the Water Act.

THE AIR (PREVENTION AND CONTROL OF POLLUTION) ACT, 1981 (“Air Act”)

Pursuant to the provisions of the Air Act, any person, establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant State Pollution Control Board prior to establishing or operating such industrial plant. The State Pollution Control Board is required to grant consent within a period of four months of receipt of an application, but may impose conditions relating to pollution control equipment to be installed at the facilities. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the State Pollution Control Board. The penalties for the failure to comply with the above requirements include imprisonment of up to six years and the payment of a fine as may be deemed appropriate. Under the Air Act, the Central Board for the Prevention and Control of Water Pollution has powers, inter alia, to specify standards for quality of air, while the State Board for the Prevention and Control of Water Pollution have powers, inter alia, to inspect any control equipment, industrial plant or manufacturing process, to advise the State Government with respect to the suitability of any premises or location for carrying on any industry and to obtain information from any industry.

INTELLECTUAL PROPERTY LAWS

TRADEMARKS ACT, 1999

A trademark is used in relation to goods so as to indicate a connection in the course of trade between the goods and a person having the right as proprietor or user to use the mark. The Trademarks Act, 1999, (Trademarks Act) governs the registration, acquisition, transfer and infringement of trademarks and remedies available to a registered proprietor or user of a trademark. Registration is valid for a period of 10 years but can be renewed in accordance with the specified procedure.

As per the Trademarks (Amendment) Bill, 2009, Registrar of Trade Marks is empowered to deal with international applications originating from India as well as those received from the International Bureau and maintain a record of international registrations. It also removes the discretion of the Registrar to extend the time.

TAXATION & DUTY LAWS

THE CENTRAL GOODS AND SERVICES TAX ACT, 2017

The Government of India proposed a comprehensive national goods and services tax ("GST") regime that would combine taxes and levies by the Central and State Governments into a unified rate structure. In this regard, the Constitution (101 Amendment) Act 2016, which received presidential assent on September 8, 2016, enabled the Government of India and State Government to introduce GST. Accordingly, GST was enacted to make a provision for levy and collection of tax on supply of goods or services or both and was made effective from July 1, 2017. GST is a destination based tax levied on supply of goods and services. GST is levied on all transactions such as sale, transfer, purchase, barter, lease, or import of goods and/or services. India adopted a dual GST model, meaning that taxation is administered by both the Union and State Governments. Transactions made within a single state are levied with Central GST (CGST) by the Central Government and State GST (SGST) by the Government of that State. For inter-State transactions and imported goods or services, an Integrated GST (IGST) is levied by the Central Government. GST will be levied on all stages of the supply chain till the final sale to consumers, providing ITC the supply chain. There will be four tax rates namely 5%, 12%, 18% and 28%. The rates of GST applied are subject to variations based on the goods and services.

INCOME TAX ACT, 1961

The government of India imposes an income tax on taxable income of all *persons* including individuals, Hindu Undivided Families (HUFs), companies, firms, association of persons, body of individuals, local authority and any other artificial judicial person. Levy of tax is separate on each of the persons. The levy is governed by the Indian Income Tax Act, 1961. The Indian Income Tax Department is governed by CBDT and is part of the Department of Revenue under the Ministry of Finance, Govt. of India. Income tax is a key source of funds that the government uses to fund its activities and serve the public. The quantum of tax determined as per the statutory provisions is payable as: a) Advance Tax; b) Self-Assessment Tax; c) Tax Deducted at Source (TDS); d) Tax Collected at Source (TCS); e) Tax on Regular Assessment.

IN GENERAL

THE COMPANIES ACT, 2013

The Companies Act, 2013 ("CA 2013") has been introduced to replace the existing Companies Act, 1956 in a phased manner. The CA 2013 primarily regulates the formation, financing, functioning and winding up of companies. The CA 2013 prescribes regulatory mechanism regarding all relevant aspects, including organizational, financial and managerial aspects of the company. It plays a fundamental role in protecting the investors and the shareholders and balances it with different aspects of company autonomy. The Ministry of Corporate Affairs has also issued Rules complementary to the Act, establishing the procedure to be followed by the companies in order to comply with the substantive provisions of the CA 2013.

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.

BUREAU OF INDIAN STANDARDS ACT, 2016 ("BIS ACT")

The BIS Act provides for the establishment of the Bureau of Indian Standards ("BIS") for the development of activities of standardisation, conformity assessment and quality certification of goods, articles, processes, systems and services. The BIS Act provides for the functions of the BIS which includes, among others (a) to publish, establish, promote and review Indian standards; (b) to adopt as Indian standard, any standard, established by any other institution in India or elsewhere, in relation to goods, articles, processes, systems or services; (c) to carry

out functions necessary for promotion, monitoring and management of the quality of goods, articles, processes, systems and services and to protect the interests of consumers and other stake holders; and (d) undertake, support and promote research necessary for formulation of Indian standards. The BIS Act empowers the Central Government to order compulsory use of standard mark for any goods or article if it finds it expedient to do so in public interest, national security, protection of human, animal or plant health, safety of environment or prevention of unfair trade practices. The BIS Act also provides the penalties in case there is a contravention of the provisions of the BIS Act.

THE CONSUMER PROTECTION ACT, 1986

The Consumer Protection Act ("COPRA") aims at providing better protection to the interests of consumers and for that purpose makes provisions for the establishment of authorities for the settlement of consumer disputes. The COPRA provides a mechanism for the consumer to file a complaint against a trader or service provider in cases of unfair trade practices, restrictive trade practices, defects in goods, deficiency in services; price charged being unlawful and goods being hazardous to life and safety when used. The COPRA provided for a three tier consumer grievance redressal mechanism at the national, state and district levels.

THE TRANSFER OF PROPERTY ACT, 1882

The Transfer of Property Act, 1882 ("TP Act") as amended, establishes the general principles relating to transfer of property in India. It forms a basis for 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 contingencies and vested interest in the property. It also provides for the rights and liabilities of the vendor and purchaser in a transaction of sale of land.

THE ARBITRATION AND CONCILIATION ACT, 2015

The Arbitration and Conciliation Act ("Arbitration Act") was enacted to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law relating to conciliation and for matters connected therewith or incidental thereto. The Act provides for the arbitral tribunal to give reasons for its arbitral award, to ensure that the arbitral tribunal remains within the limits of its jurisdiction and thus minimizing the supervisory role of courts in the arbitral process. There are many provisions that also permit an arbitral tribunal to use mediation, conciliation or other procedures during the arbitral proceedings to encourage settlement of disputes, to provide that every final arbitral award is enforced in the same manner as if it were a decree of the court, to provide that a settlement agreement reached by the parties as a result of conciliation proceedings will have the same status and effect as an arbitral award on agreed terms on the substance of the dispute rendered by an arbitral tribunal and to provide that, for purposes of enforcement of foreign awards, every arbitral award made in a country to which one of the two International Conventions relating to foreign arbitral awards to which India is a party applies, will be treated as a foreign award.

NEGOTIABLE INSTRUMENTS ACT, 1881

In India, cheques are governed by the Negotiable Instruments Act, 1881, which is largely a codification of the English Law on the subject. The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honoured by their bankers and returned unpaid. Section 138 of the Act, creates statutory offence in the matter of dishonour of cheques on the ground of insufficiency of funds in the account maintained by a person with the banker which is punishable with imprisonment for a term which may extend to two year, or with fine which may extend to twice the amount of the cheque, or with both.

OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

BRIEF HISTORY OF OUR COMPANY

Our Company was incorporated as Yeekay Technocrat Private Limited under the provisions of the Companies Act, 1956 vide certificate of incorporation dated December 12, 2002 in NCT of Delhi & Haryana. Further, pursuant to Shareholders Resolution dated November 02, 2012, our Company changed its name to “Fusion Industries Private Limited” vide a fresh Certificate of Incorporation dated December 11, 2012 having CIN U34300HR2002PTC035006. Subsequently, upon conversion into a Public Limited Company pursuant to Shareholders Resolution dated December 20, 2012, the name of our Company was changed to “Fusion Industries Limited” and a fresh Certificate of Incorporation dated January 23, 2013 having CIN U34300HR2002PLC035006 issued by the Registrar of Companies, NCT of Delhi & Haryana.

The registered office of our company is situated at SSI Plot NO-4 Block –H, NH-2 Opp. FCI Godown, NIT Faridabad, Haryana-121001, India.

Initial subscribers to the Memorandum of Association of our Company

1. Mr. Trilok Chand Chandana
2. Mrs. Tarun Chandna

Current promoters of our Company

1. Mr. Trilok Chand Chandana
2. Mrs. Tarun Chandna

BUSINESS AND MANAGEMENT

For a description of our activities, products, market segments, the growth of our Company, the standing of our Company with reference to prominent competitors in connection with our products, management, environmental issues, regional geographical segment etc., see “Our Business”, “Industry Overview”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Government and Other Approvals” on pages 96, 85, 195 and 215 respectively. For details of the management of our Company and its managerial competence, see “Our Management” on page 134.

CHANGE IN REGISTERED OFFICE

There has been no change in our Registered Office since inception till the date of this Draft Prospectus.

KEY EVENTS AND MILESTONES IN THE HISTORY OF OUR COMPANY

| Year | Event |
|------|--|
| 2002 | Our Company was incorporated as Yeekay Technocrat Private Limited. The Company was carrying out trade primarily in PPR Fittings including imported PPR Fittings. |
| 2004 | Our Company applied for registration of its brand “ fusion ”. Further, we bought its first Extruder Machine and started manufacturing of PPR Pipes at our Faridabad location. |
| 2007 | Our Company shifted its manufacturing facility from Faridabad, Haryana to newly bought land in Roorkee, Uttarakhand to setup its manufacturing facility to claim excise exemption under Notification No. 50/2003 dated June 10, 2003 and started manufacturing Pipes & Fittings as well. |
| 2008 | Our Company was amongst the first to Introduce PPR-C Submersible Pipes in year 2008 in India. |
| 2009 | Our Company was amongst the first to get ISI/BIS certificate in year 2009 in PPR-C Pipes in India. Further, our Company received a major order from Uttar Pradesh Rajkiya Nirman |

| | |
|------|---|
| | <p>Nigam for supply of PPR Pipes & Fittings worth Rs. 12 Crores. Also,</p> <ul style="list-style-type: none"> • We introduced ABS and Airline range of Pipe and Fittings; • Our Company was amongst the first to develop and introduce Mechanical Coupling for higher diameter PPR pipes in India; • Our Company was amongst the first to develop and introduce PPR-C pipe upto size 315mm (12”) in India. |
| 2011 | Our Company expanded its machine line in Roorkee, Uttarakhand for manufacturing tanks and we were amongst the first to launch 3-Layer Blow Mold Water Storage Tanks in India. |
| 2012 | Our Company further expanded its machine line in Roorkee for manufacturing PVC and C-PVC. We also installed a unit in Bhind - Gwalior, Madhya Pradesh for Water Tank manufacturing. Our Company changed its name from “Yeekay Technocrat Private Limited” to “Fusion Industries Private Limited”. |
| 2013 | Our Company got certified as an ISO 9001:2008 compliant company. We also installed a unit in Bangalore, Karnataka for Water Tank manufacturing. Further, Our Company was converted into a Public Limited Company with name “Fusion Industries Private Limited”. |
| 2015 | Our Company installed added new manufacturing machine in Bangalore, Karnataka for manufacturing of 4- Layer Blow Mold Water Storage Tanks. |
| 2016 | Our Company got quality test Certified & Approved by CCW - All India Radio for supplying products in all Departments of Ministry of Information & Broadcasting, Public Sector Banks and Deposit works of all Ministries of Government of India. Further, we started production of uPVC range of Pipes. |
| 2017 | Our Company started production of uPVC Fittings and SWR range of Pipes. Further, we got quality test certified by CSIR for PPR Pipes for hot and cold water supply application |
| 2018 | Our Company added Roto Water Tank Machines at its Bangalore and Gwalior Plant. Company also started production of Glass filled Fibertherm PPRC-GF Composite Pipe. Moreover, recently our Company got approval on quality by Northern Railways as Registered Large Scale Supplier for their requirements of PVC Pipes. |

OUR MAIN OBJECT(S)

The main object(s) of our Company, as contained in our Memorandum of Association, are as set forth below:

1. To manufacture & trading, Import & Export of pipes, fittings, water storage tank and all sanitation goods and plastic & rubber components of automobiles, electric supply meters and electronic components.
2. To carry on the business as manufactures, traders, dealers, importers, exporters & specially moulders of any type or kind of sanitation items, automobiles part, components, products or goods used in different vehicles such as bumpers, dash board, steering, facia/ grills, flaps, seats, covers, lights rubber auto parts by using all type of pet plastics, thermoplastics, latex, synthetic resins, plastomers, bakellits and other rubbers, synthetic rubber, including reclaimed rubbers by employing the process of rotational injection moulding vacuum forming, extruding and any other similar process.
3. To import, export, purchase, buy, sell or otherwise deal in all kinds of sanitation items, tyres, semityres, tubes, flaps, auto accessories, wrist watches, electric & electronic components made of rubber & plastic, auto spares and accessories required in automobiles industry.

AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION

Since incorporation, the following changes have been made to our Memorandum of Association:

| Date of Shareholders' Approval | Amendment |
|--------------------------------|--|
| November 02, 2012 | Our Company changed its name to "Fusion Industries Private Limited" from "Yeekay Technocrat Private Limited" vide a fresh Certificate of Incorporation dated December 11, 2012 having CIN U34300HR2002PTC035006. |
| December 20, 2012 | Our Company altered the clauses in its Main Objects to make the company eligible for doing business in Pipes, Fittings, storage tanks and all kinds of sanitation products. |
| December 20, 2012 | Our Company got converted into a Public Limited Company vide a fresh Certificate of Incorporation dated January 23, 2013 having CIN U34300HR2002PLC035006. |
| June 06, 2017 | Our Company adopted new set of Articles of Association of the Company in pursuance to Companies Act, 2013. |

For details on change in Authorised Share Capital, see "Capital Structure" on page 57.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

| Date of Shareholders' Approval | Amendment |
|--------------------------------|---|
| November 15, 2011 | Our Company altered the Articles and inserted Article 9C for Capitalisation of Profits. |
| November 02, 2012 | Change of the Name of the Company from "Yeekay Technocrat Private Limited" to "Fusion Industries Private Limited" vide a fresh Certificate of Incorporation dated December 11, 2012 having CIN U34300HR2002PTC035006. |
| January 23, 2013 | Our Company adopted new set of Articles of Association of the Company in pursuance to a public limited company. |
| June 06, 2017 | Our Company adopted new set of Articles of Association of the Company in pursuance to Companies Act, 2013. |
| March 31, 2018 | Our Company adopted new set of Articles of Association. |

HOLDING COMPANY OF OUR COMPANY

Our Company has no holding company as on the date of filing of this Draft Prospectus.

SUBSIDIARY COMPANY OF OUR COMPANY

Our Company has no subsidiary company as on the date of filing of this Draft Prospectus.

ASSOCIATE COMPANIES

Our Company has no associate company as on the date of filing of this Draft Prospectus.

DETAILS OF MERGERS AND ACQUISITIONS

Our Company acquired proprietary concern M/s. Yeekay International on a going concern basis w.e.f. April 01, 2003 and allotted 1,60,000 Equity Shares each at par as consideration to Mrs. Tarun Chandna (Proprietor). For further details on the allotment, see “Capital Structure” on page 57. There has been no further merger or acquisitions of businesses or undertakings in the history of the Company.

JOINT VENTURES OF OUR COMPANY

Our Company does not have joint ventures as on the date of this Draft Prospectus.

INJUNCTIONS OR RESTRAINING ORDERS

Except as stated in the section titled “Outstanding Litigation and Material Developments” on page 219 there are no injunctions or restraining orders against our Company or Associate Companies.

REVALUATION OF ASSETS

Our Company has not revalued its assets since incorporation.

CHANGES IN ACTIVITIES OF OUR COMPANY DURING THE LAST FIVE (5) YEARS

There has not been any change in the activities of Our Company during the last five years. For details in relation to our activities, refer to section titled “Our Business” beginning on page 96.

TECHNOLOGY, MARKET COMPETENCE AND CAPACITY BUILD-UP

For details on the technology, market competence and capacity build-up of our Company, please refer to the chapter titled "Our Business" beginning on page 96.

DETAILS OF PAST PERFORMANCE

For details in relation to our financial performance in the previous five financial years, including details of non-recurring items of income, refer to section titled “Financial Statements” beginning on page 156.

COLLABORATION AGREEMENTS

Our Company is not a party to any collaboration agreements.

MATERIAL AGREEMENT

Our Company has not entered into any material agreement.

EXCLUSIVE AGREEMENT

As on date of this Draft Prospectus, Our Company has not entered into an exclusive agreement.

NON COMPETE AGREEMENT

Our Company has not entered into any Non- compete Agreement as on the date of filing of this Draft Prospectus.

SHAREHOLDERS AGREEMENTS

Our Company has not entered into any shareholder’s agreement as on date of filing of this Draft Prospectus.

OTHER AGREEMENTS

Our Company has not entered into any specific or special agreements except that have been entered into in ordinary course of business the following as on the date of filing of this Draft Prospectus:

1. Agreement dated April 01, 2018 with Managing Director for his appointment.

For detail information about the profile, remuneration, terms & conditions and tenure, please see the chapter “Our Management” beginning on page 134.

GUARANTEES GIVEN BY OUR COMPANY

Our Company has not provided any guarantee as on date of filing this Draft Prospectus.

RESTRICTIVE COVENANTS IN LOAN AGREEMENTS

For details in relation to Restrictive Covenants in Loan Agreements, please see the chapters “Financial Indebtedness Structure” beginning on page 204.

UNSECURED LOANS

For details in relation to Restrictive Covenants in Loan Agreements, please see the chapters “Financial Indebtedness Structure” beginning on page 204.

STRATEGIC/ FINANCIAL PARTNERS

Our Company has no strategic and financial partners as on the date of filing of this Draft Prospectus.

CONVERSION OF LOANS INTO EQUITY SHARES

There has been no incident of conversion of loans availed from Banks into equity shares as on the date of filing of this Draft Prospectus.

CAPITAL RAISING ACTIVITIES THROUGH EQUITY

For details in relation to our capital raising activities through Equity, please see the chapters “Capital Structure” beginning on page 57.

STRIKE AND LOCK-OUTS

We have not faced any strikes or lock-outs in our operations since our incorporation.

CHANGES IN THE MANAGEMENT

For details of change in Management, please see chapter titled “Our Management” on page 134.

RATING

Credit Rating: Our Company has received “Double B Plus; Outlook: Stable” rating on Long term Bank Facilities and “A Four Plus” rating on Short term Bank Facilities from CARE Ratings Ltd valid as on the date of this Draft Prospectus. For details of rating, please see chapter titled “Government and Other Statutory Approvals” on page 215.

DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS OR BANKS

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

NUMBER OF SHAREHOLDERS

Our Company has Seven (7) shareholders on date of this Draft Prospectus. For further details on the shareholding pattern of our Company, please refer to the chapter titled “Capital Structure” beginning on page 57.

OUR MANAGEMENT

BOARD OF DIRECTORS

In terms of our Articles of Association, our Company is required to have not less than 3 directors and not more than 15 directors. As on the date of this Draft Prospectus we have 6 (six) Directors on our Board.

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

| Sr. No. | Name, Father's/Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN | Date of Appointment / Change in Current Designation | Other Directorships |
|---------|---|--|---------------------|
| 1. | <p>Name: Mr. Trilok Chand Chandana Age: 61 years Father's Name: Mr. Bhanju Ram Chandna Designation: Managing Director Address: 3E-32A B.P N.I.T Faridabad, Haryana Term: 5 years Nationality: Indian Occupation: Business DIN: 00225184</p> | <p>Initial Appointment on December 12, 2002 Change in Designation as Managing Director on April 01, 2018</p> | Nil |
| 2. | <p>Name: Mr. Yunik Chandna Age: 36 years Father's name: Mr. Trilok Chand Chandana Designation: Executive Director Address: 3E-32A B.P N.I.T Faridabad, Haryana Term: Retire by Rotation Nationality: Indian Occupation: Business DIN: 00225203</p> | December 01, 2003 | Nil |
| 3. | <p>Name: Mr. Karan Chandna Age: 33 years Father's Name: Trilok Chand Chandana Designation: Executive Director</p> | December 01, 2003 | Nil |

| | | | |
|----|--|---------------|-----|
| | <p>Address: 3E-32A B.P N.I.T Faridabad, Haryana</p> <p>Term: Retire by Rotation</p> <p>Nationality: Indian</p> <p>Occupation: Business</p> <p>DIN: 00225207</p> | | |
| 4. | <p>Name: Mr. Ashish Ahuja</p> <p>Age: 24 years</p> <p>Father's Name: Mr. Vinod Kumar Ahuja</p> <p>Designation: Non-Executive & Independent Director</p> <p>Address: House No. 1K-35A, NIT Faridabad, Haryana -121001</p> <p>Term: 5 years</p> <p>Nationality: Indian</p> <p>Occupation: Service</p> <p>DIN: 08110974</p> | May 04, 2018 | Nil |
| 5. | <p>Name: Mr. Jagan Nath Chawla</p> <p>Age: 68 years</p> <p>Father's Name: Mr. Jamann Dass</p> <p>Designation: Non-Executive & Independent Director</p> <p>Address: House No. H-1/56-57, Ground Floor, Sector -11, Rohini New Delhi-110085</p> <p>Term: 5 years</p> <p>Nationality: Indian</p> <p>Occupation: Retired</p> <p>DIN: 08123870</p> | May 04, 2018 | Nil |
| 6. | <p>Name: Mrs. Veena Mitra</p> <p>Age: 58 years</p> <p>Father's Name: Mr. Ramji Lal</p> <p>Designation: Non-Executive & Independent Director</p> <p>Address: House No. 2258, Sector- 9 Faridabad Haryana -121001</p> <p>Term: 5 years</p> | June 25, 2018 | Nil |

| | | |
|----------------------------|--|--|
| Nationality: Indian | | |
| Occupation: Retired | | |
| DIN: 08160345 | | |

BRIEF BIOGRAPHIES OF OUR DIRECTORS



Mr. Trilok Chand Chandana, aged 61 years, is the Promoter and Managing Director of our Company. He is first-generation entrepreneur and founder of the Company. He did diploma from BIET in 1978. He holds 30 years of experience in plastic manufacture industry. He started his career as a service in Avery India Limited. After serving for 13 years, he ventured into Business as a sole proprietor. He started Business in the name and style of M/s Karan Industry in 1993 as manufacturer of plastic wrist watch straps and later manufactured and marketed complete wrist watches in the famous brand name “Yee Kay”. He did Business in wrist watches for 5 years.

During year 1997, Indian Markets were flooded with cheap Chinese plastics watches and most Indian watch Manufacturers could not face the competition with china and got closed.

He developed plastic components and supplied to OEM industries under name and style of Yeekay Internationals in year 1997 which later changed to Yeekay Technocrats Private Limited and further changed to Fusion Industries Limited.

He started import of PPR pipes and fittings and marketed in Northern India under own registered brand ‘fusion[®]’ in 2004. In 2006, he started Manufacture of PPR Pipe and PPR Fittings from Faridabad.

He decided to shift whole manufacturing set-up to Bhagwanpur, Roorkee (Distt – Haridwar) in Uttarakhand in 2007 to avail 10 years Tax benefits. At Roorkee, he added Blow Mold Water Storage Tanks in year 2011, PVC & CPVC Pipe & Fittings in year 2012. He looks after Finance and Administration of our Company.



Mr. Yunik Chandna aged 36 years, is the Executive Director of our company. He is a Diploma holder in Plastics Mould Technology in 2002 from Central Institute of Plastics Engineering & Technology, Chennai. He holds 15 years of experience in our industry. He looks after Production and Research & Development in the Company.



Mr. Karan Chandna aged 33 years, is the Executive Director of our company. He is qualified as B.Tech/MBA. He did his B.Tech (Mechanical) from Lingayas University, Haryana and MBA (Marketing & Sales) from Mudra Institute of Communications, Ahmedabad. He also underwent a 15 Months Post Graduate Diploma in Management (Communication & Entrepreneurship) from Mudra Institute of Communications, Ahmedabad.

He has good leadership qualities due to which he has developed everlasting relations with Key Customer Segments. It is upon his shoulders our Company could scale new heights by venturing into new territories and developing vast network of dealers and distributors. He heads Marketing & Sales and Commercial Operations of our Company since 2009.



Mr. Jagan Nath Chawla, aged 68 years, is the Non Executive & Independent Director of our company. He did his Higher Secondary Education in 1970. He joined as a Clerk in Indian Institute of Public Administration in 1973 and retired as a Superintendent in 2010 having total experience of 37 years.



Mrs. Veena Mitra, aged 58 years, is the Non Executive & Independent Director of our company. A self-directed, action-oriented professional in Education and Community service. She is a graduate in Mathematics and with additional degree of B.Ed makes her an able Teacher. She is skilled in adapting to students' diverse learning styles. She is Experienced in one-on-one tutoring and group instruction of students. She has rich experience of community service and has taught multiple underprivileged students at her tuition center.

She had taught in Esteem Modern school, Sector-17, Faridabad. She also hold position of a Vice Principal in school at Ballabgarh.



Mr. Ashish Ahuja, aged 24 years, is the Non Executive & Independent Director of our company. He completed his B. Tech in mechanical engineering from Maharshi Dayanand University, Rohtak. He is currently working at Nagpal Packaging Machinery Pvt. Ltd. as production engineer.

RELATIONSHIP BETWEEN OUR DIRECTORS

Except for the fact that Mr. Trilok Chand Chandana is related as a father to Mr. Yunik Chandna and Mr. Karan Chandna, none of the Directors of our Company are related to each other as per Companies Act and SEBI Regulations.

As on the date of this Draft Prospectus:

1. The Directors of our Company have not entered into any service contracts with our Company which provides for benefits upon termination of employment.
2. None of our Directors have been identified as a 'wilful defaulter' by any financial institution or bank, or a consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI.
3. Further, none of our Directors are or were directors of any Company whose shares were (a) suspended from trading by stock exchange(s) during the five years prior to the date of filing the Draft Prospectus or (b) delisted from the stock exchanges.
4. None of the Promoters, Persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoters, director or person in control of any other Company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority. For further details, refer Chapter titled "Outstanding Litigation and Material Developments" beginning on the page 209.

REMUNERATION / COMPENSATION OF DIRECTORS

Managing Director

Mr. Trilok Chand Chandana will be paid a remuneration of Rs. 24 Lakhs per annum which has been authorized pursuant to the resolution of his change in designation dated March 31, 2018.

Executive Directors

Mr. Yunik Chandna will be paid a remuneration of Rs. 12.00 Lakhs per annum which has been authorized pursuant to the board resolution dated 02nd April 2018.

Mr. Karan Chandna will be paid a remuneration of Rs.12.00 Lakhs per annum which has been authorized pursuant to the board resolution dated 02nd April 2018.

Non-Executive & Independent Director

Our Company will not be paying any remuneration to the Non-Executive & Independent Directors of our company except the applicable sitting fee and reimbursement of expenses as per the Companies Act, 2013.

SHAREHOLDING OF OUR DIRECTORS IN OUR COMPANY

As per the Articles of Association of our Company, a Director is not required to hold any qualification shares.

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

| Sr. No. | Name of the Director | No. of Equity Shares | % of Pre-Issue Equity Share Capital | % of Post Issue Equity Share Capital |
|---------|-----------------------|----------------------|-------------------------------------|--------------------------------------|
| 1. | Trilok Chand Chandana | 30,31,200 | 41.25% | 30.31% |
| 2. | Yunik Chandna | 7,27,200 | 9.90% | 7.27% |
| 3. | Karan Chandna | 6,91,200 | 9.41% | 6.91% |
| 4. | Ashish Ahuja | - | - | - |
| 5. | Jagan Nath Chawla | - | - | - |
| 6. | Veena Mitra | - | - | - |

INTERESTS OF DIRECTORS

All of our Directors may be deemed to be interested to the extent of fees payable, if any 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, if any to them under our Articles of Association, and/or to the extent of remuneration paid to them for services rendered as an officer or employee of our Company. Some of our Directors may be deemed to be interested to the extent of interest paid on any loan or advances provided to our company, any body corporate including companies and firms and trusts, in which they are interested as directors, members, partners or trustees.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by and allotted to the companies, firms, and trusts, if any, in which they are interested as directors, members, promoters, and /or trustees 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, if any.

None of our Directors has been appointed on our Board pursuant to any arrangement with our major shareholders, customers, suppliers or others.

Except as stated in the chapter “Our Management” and ‘Related Party Transactions’ beginning on page 134 and 154 respectively and described herein to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business.

Our Directors have no interest in any property acquired by our Company within two years of the date of this Draft Prospectus.

Our Directors are not interested in the appointment of or acting as Lead Manager, Registrar and Bankers to the Issue or any such intermediaries registered with SEBI.

Other than Mr. Trilok Chand Chandana and Mrs. Tarun Chandna, who are our Promoters and are interested as disclosed in “Promoters and Promoter Group” on page 148, none of our Directors have any interest in the promotion of our Company other than in the ordinary course of business.

Except as disclosed in this Draft Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Directors except the normal remuneration, interest on loan, lease rent for vehicles and reimbursement of expenses for services rendered as Directors and/or as Key Management Personnel.

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

PROPERTY INTEREST

Except as stated/referred to in the heading titled “Land & Properties” beginning on page 119, our Directors have not entered into any contract, agreement or arrangements during the preceding two years from the date of this Draft Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

CHANGES IN OUR BOARD OF DIRECTORS

The Changes in the Board of Directors of our Company in the three years preceding the date of this Draft Prospectus are as follows:

| Name | Date of event | Nature of event | Reason |
|-----------------------|----------------|-----------------------|---|
| Trilok Chand Chandana | April 01, 2018 | Change in Designation | Designation changed to Managing Director |
| Anushri Chandna | May 02, 2018 | Cessation | Due to personal reasons |
| Preeti Chandna | May 02, 2018 | Cessation | Due to personal reasons |
| Ashish Ahuja | May 04, 2018 | Appointment | Appointed as Non-Executive & Independent Director |
| Darpan Kukreja | May 04, 2018 | Appointment | Appointed as Non-Executive & Independent Director |
| Jagan Nath Chawla | May 04, 2018 | Appointment | Appointed as Non-Executive & Independent Director |
| Veena Mitra | June 25, 2018 | Appointment | Appointed as Non-Executive & Independent Director |
| Tarun Chandna | July 11, 2018 | Cessation | Due to personal reasons |
| Darpan Kukreja | July 11, 2018 | Cessation | Due to personal reasons |

BORROWING POWERS OF THE BOARD

Pursuant to a special resolution passed at Extra-Ordinary General Meeting of our Company held on March 31, 2018 consent of the members of our Company was accorded to the Board of Directors of our Company pursuant to Section 180 (1)(c) of the Companies Act, 2013 for borrowing, from time to time, any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business) may exceed in the aggregate, the paid-up capital of our Company and its free reserves, provided however, the total amount so borrowed in excess of the aggregate of the paid-up capital of our Company and its free reserves shall not at any time exceed Rs. 100 Crores.

CORPORATE GOVERNANCE

Our Company stands committed to good corporate governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting. The Corporate governance framework is based on an effective independent Board, the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law. We are in compliance with the requirements of the applicable regulations, including the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013 and the SEBI (ICDR) Regulations, 2009 in respect of corporate governance particularly in relation to constitution of the Board and committees thereof.

We have a Board constituted in compliance with the Companies Act, 2013 and as per the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 in accordance with the best practices in corporate governance. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our executive management provides the Board detailed reports on its performance periodically.

Our Board has been constituted in compliance with the Companies Act, 2013 and the SEBI Listing Regulations. Currently, our Board has 6(Six) Directors. We have 1 (One) Managing Director, 2 (Two) Executive Director, and 3(Three) Non- Executive & Independent Directors.

Committees of the Board

In addition to the committees of our Board detailed below, our Board may from time to time, constitute committees for various functions.

Following are the details of various committees of the Board:

- A. Audit Committee
- B. Stakeholders Relationship Committee
- C. Nomination and Remuneration Committee

A) Audit Committee

Our Company has constituted an audit committee (“**Audit Committee**”) as per the provisions of Section 177 of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 vide resolution passed in the meeting of the Board of Directors held on July 11, 2018.

The terms of reference of Audit Committee complies with the requirements of the Companies Act, 2013. The committee presently comprises the following three (3) directors.

Composition of Audit Committee:

| Name of the Director | Status | Nature of Directorship |
|---------------------------|----------|--------------------------------------|
| Mr. Jagan Nath Chawla | Chairman | Non-Executive & Independent Director |
| Mr. Ashish Ahuja | Member | Non-Executive & Independent Director |
| Mr. Trilok Chand Chandana | Member | Managing Director |

The Company Secretary of the Company acts as the Secretary to the Audit committee.

The terms of reference of the Audit Committee includes the following:

1. Overseeing the Company’s financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. 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.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required being included in the Directors 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.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly and annual financial statements before submission to the board for approval
6. 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.
7. Reviewing and monitoring the auditor’s independence and performance and effectiveness of audit process.
8. Approval of any transactions of the Company with Related Parties, including any subsequent modification thereof.
9. Scrutiny of inter-corporate loans and investments.

10. Valuation of undertakings or assets of the Company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
13. 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.
14. Discussion with internal auditors on any significant findings and follow up there on.
15. 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.
16. 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.
17. 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.
18. To review the functioning of the Whistle Blower mechanism, in case the same exists.
19. Approval of appointment of CFO or any other person heading the finance function or discharging that function after assessing the qualifications, experience & background, etc. of the candidate.
20. To overview the Vigil Mechanism of the Company and took appropriate actions in case of repeated frivolous complaints against any Director or Employee.

The Audit Committee shall mandatorily review the following information:

1. Management Discussion and Analysis of financial condition and results of operations.
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management.
3. Management letters / letters of internal control weaknesses issued by the statutory auditors.
4. Internal audit reports relating to internal control weaknesses.
5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
6. Statement of deviations:
 - a) Half-yearly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

Powers of the Audit Committee:

- Investigating any activity within its terms of reference;
- Seeking information from any employee;
- Obtaining outside legal or other professional advice; and
- Securing attendance of outsiders with relevant expertise, if it considers necessary.

B) Stakeholders Relationship Committee

Our Company has constituted a Stakeholder's Relationship Committee ("*Stakeholder's Relationship Committee*") to redress the complaints of the shareholders. The stakeholder's relationship committee was constituted as per the provisions of Section 178(5) of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 vide resolution passed at the meeting of the Board of Directors held on July 11, 2018.

Composition of Stakeholders Relationship Committee

| Name of the Director | Status | Nature of Directorship |
|-----------------------------|---------------|--------------------------------------|
| Mr. Ashish Ahuja | Chairman | Non-Executive & Independent Director |
| Ms. Veena Ahuja | Member | Non-Executive & Independent Director |
| Mr. Yunik Chandna | Member | Executive Director |

The Stakeholders Relationship Committee shall oversee all matters pertaining to investors of our Company. The terms of reference of the Stakeholders Relationship Committee include the following:

- Redressal of shareholders'/investors' complaints;
- Reviewing on a periodic basis the Approval of transfer or transmission of shares, debentures or any other securities made by the Registrar and Share Transfer Agent;
- Non-receipt of declared dividends, balance sheets of the Company; and
- Carrying out any other function as prescribed under the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013.

C) Nomination and Remuneration Committee

Our Company has constituted a Nomination and Remuneration Committee as per the provisions of Section 178 of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 vide resolution passed at the meeting of the Board of Directors held on July 11, 2018.

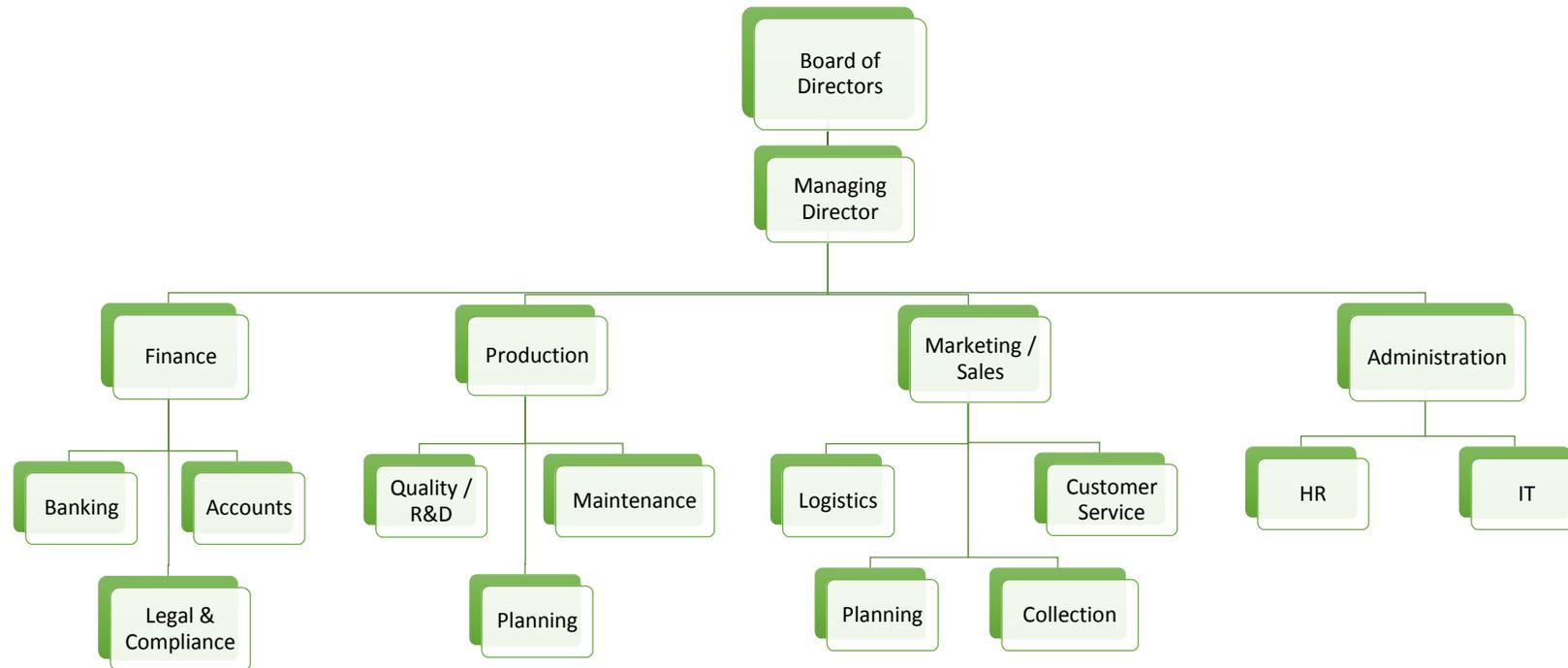
Composition of Nomination and Remuneration Committee

| Name of the Director | Status | Nature of Directorship |
|-----------------------------|---------------|--------------------------------------|
| Mr. Ashish Ahuja | Chairman | Non-Executive & Independent Director |
| Mr. Jagan Nath Chawla | Member | Non-Executive & Independent Director |
| Mrs. Veena Mitra | Member | Non-Executive & Independent Director |

Role of Nomination and Remuneration Committee are:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, Key Managerial Personnel and other employees.
2. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
3. Devising a policy on diversity of Board of Directors.
4. 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 of Directors their appointment and removal.
5. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
6. Carrying out any other function as prescribed under the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013.

ORGANISATIONAL STRUCTURE



KEY MANAGERIAL PERSONNEL

The details of the Key Management Personnel of our Company are as follows:



Mr. Trilok Chand Chandana, aged 61 years, is the Promoter and Managing Director of our Company. He is first-generation entrepreneur and founder of the Company. He did diploma from BIET in 1978. He holds 30 years of experience in plastic manufacture industry. He started his career as a service in Avery India Limited. After serving for 13 years, he ventured into Business as a sole proprietor. He started Business in the name and style of M/s Karan Industry in 1993 as manufacturer of plastic wrist watch straps and later manufactured and marketed complete wrist watches in the famous brand name “Yee Kay”. He did Business in wrist watches for 5 years.

During year 1997, Indian Markets were flooded with cheap Chinese plastics watches and most Indian watch Manufacturers could not face the competition with china and got closed.

He developed plastic components and supplied to OEM industries under name and style of Yeekay Internationals in year 1997 which later changed to Yeekay Technocrats Private Limited and further changed to Fusion Industries Limited.

He started import of PPR pipes and fittings and marketed in Northern India under own registered brand ‘fusion’[®] in 2004. In 2006, he started Manufacture of PPR Pipe and PPR Fittings from Faridabad.

He decided to shift whole manufacturing set-up to Bhagwanpur, Roorkee (Distt – Haridwar) in Uttarakhand in 2007 to avail 10 years Tax benefits. At Roorkee, he added Blow Mold Water Storage Tanks in year 2011, PVC & CPVC Pipe & Fittings in year 2012. He looks after Finance and Administration of our Company.



Aditya Gupta (Chief Financial Officer)

Mr. Aditya Gupta, aged 46 years, is the Chief Financial Officer of our Company. He is a Commerce Graduate from Maharshi Dayanand University, Rohtak. He has vast experience of 23 years in Finance & Accounts. Out of his long career, he had served with Nuchem Limited, Faridabad for 10 years and with Oriental Trimex Limited, Delhi for 5 years. He is associated with our Company for last 6 years.



Vinita Matta (Company Secretary & Compliance Officer)

Ms. Vinita Matta, aged 29 Years, is the Company Secretary and Compliance Officer of the Company. She is a Commerce Gradutate from Delhi University and Post Graduated from the Institute of Company Secretary of India. She also did LL.B from Dr. Bhim Rao Ambedkar University, Agra. She had Experience of 5 Years in Legal and Secretarial.

RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL

There is no family relationship between the Key Managerial Personnel of our Company.

FAMILY RELATIONSHIPS OF DIRECTORS WITH KEY MANAGERIAL PERSONNEL

There is no family relationship between the Key Managerial Personnel and Director of our Company and all of Key Managerial Personnel are permanent employees of our company.

ARRANGEMENT OR UNDERSTANDING WITH MAJOR SHAREHOLDERS, CUSTOMERS, SUPPLIERS OR OTHERS

There are no arrangements or understanding with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors or Key Management Personnel were selected as a Director or member of the senior management.

SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL

None of the KMPs hold any Equity shares of our Company as on the date of this Draft Prospectus except the following:

| Sr. No. | Name of the Shareholder | No. of Shares held |
|---------|---------------------------|--------------------|
| 1. | Mr. Trilok Chand Chandana | 30,31,200 |
| 2. | Mr. Aditya Gupta | Nil |
| 3. | Ms. Vinita Matta | Nil |

BONUS OR PROFIT SHARING PLAN OF THE KEY MANAGERIAL PERSONNEL

Our Company has not entered into any Bonus or Profit Sharing Plan with any of the Key Managerial Personnel.

LOANS TO KEY MANAGERIAL PERSONNEL

No loans and advances have been given to the Key Managerial Personnel as on the date of this Draft Prospectus.

INTEREST OF KEY MANAGERIAL PERSONNEL

The key managerial personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of Equity Shares held by them in our Company, if any.

Except as disclosed in this Draft Prospectus, none of our key managerial personnel have been paid any consideration of any nature from our Company, other than their remuneration, reimbursement of expenses, lease rent on vehicles and interest on loan.

Our Key Managerial Personnel have no interest in any property acquired by our Company within two years of the date of this Draft Prospectus.

CHANGES IN KEY MANAGERIAL PERSONNEL DURING LAST THREE (3) YEARS

The changes in the key managerial personnel in the last three years are as follows:

| Name of Managerial Personnel | Designation | Date of Event | Reason |
|------------------------------|--|----------------|---|
| Mr. Trilok Chand Chandana | Managing Director | April 01, 2018 | Designation changed to Managing Director |
| Mr. Aditya Gupta | Chief Financial Officer | April 02, 2018 | Appointment as Chief Financial Officer |
| Ms. Vinita Matta | Company Secretary & Compliance Officer | March 19, 2018 | Appointment as Company Secretary & Compliance Officer |

Other than the above changes, there have been no changes to the key managerial personnel of our Company that are not in the normal course of employment.

ESOP/ESPS SCHEME TO EMPLOYEES

Presently, our company does not have any ESOP/ESPS Scheme for employees.

PAYMENT OR BENEFIT TO OUR OFFICERS

Except as disclosed in the heading titled “Related Party Disclosure” in the section titled “Financial Statements beginning on page 156, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our officers except the normal remuneration for services rendered as officers or employees.

OUR PROMOTERS AND PROMOTER GROUP

OUR PROMOTERS

1. **Mr. Trilok Chand Chandana**
2. **Mrs. Tarun Chandna**

DETAILS OF OUR PROMOTERS

1. **Mr. Trilok Chand Chandana**



Mr. Trilok Chand Chandana, aged 61 years, is the Promoter and Managing Director of our Company. He is first-generation entrepreneur and founder of the Company. He did diploma from BIET in 1978. He holds 30 years of experience in plastic manufacture industry. He started his career as a service in Avery India Limited. After serving for 13 years, he ventured into Business as a sole proprietor. He started Business in the name and style of M/s Karan Industry in 1993 as manufacturer of plastic wrist watch straps and later manufactured and marketed complete wrist watches in the famous brand name “Yee Kay”. He did Business in wrist watches for 5 years.

During year 1997, Indian Markets were flooded with cheap Chinese plastics watches and most Indian watch Manufacturers could not face the competition with china and got closed.

He developed plastic components and supplied to OEM industries under name and style of Yeekay Internationals in year 1997 which later changed to Yeekay Technocrats Private Limited and further changed to Fusion Industries Limited.

He started import of PPR pipes and fittings and marketed in Northern India under own registered brand ‘**fusion**[®]’ in 2004. In 2006, he started Manufacture of PPR Pipe and PPR Fittings from Faridabad.

He decided to shift whole manufacturing set-up to Bhagwanpur, Roorkee (Distt – Haridwar) in Uttarakhand in 2007 to avail 10 years Tax benefits. At Roorkee, he added Blow Mold Water Storage Tanks in year 2011, PVC & CPVC Pipe & Fittings in year 2012. He looks after Finance and Administration of our Company.

| Particulars | Details |
|--------------------------|--|
| Permanent Account Number | ACRPC5847Q |
| Passport No. | Z2530277 |
| Bank Account Details | Bank of India Bungalow Plot, Faridabad - 121001 A/c No. 670010100009722 IFSC. BKID0006700 |

2. Mr. Tarun Chandna



Mrs. Tarun Chandna, aged 60 years, is the Promoter and Co-Founder of our company. She did her B.A. in 1979 from Maharishi Dayanand University, Rohtak. She has an experience of 16 years in our industry segment. Mrs. Tarun Chandna transferred her proprietary concern M/s. Yeekay International on a going concern basis in 2002 to our company and since then she was one of the directors of our company. She used to handle internal administration of our company. Mrs. Tarun Chandna has recently retired from her position of Director due to Personal reasons on July 11, 2018.

| Particulars | Details |
|--------------------------|--|
| Permanent Account Number | ACJPC7518A |
| Passport No. | P7665510 |
| Bank Account Details | Bank of India Bungalow Plot, Faridabad - 121001 A/c No. 670010100009722 IFSC. BKID0006700 |

OUR PROMOTER GROUP

Our Promoter Group in terms of Regulation 2(1)(zb) of SEBI (ICDR) Regulations includes the following persons:

a) Individual Promoters

The natural persons who are part of our Promoter Group (due to the relationship with our Promoters), other than the Promoters named above are as follows:

| Sr. No. | Relationship | Mr. Trilok Chand Chandana | Mrs. Tarun Chandna |
|---------|--------------|---|--|
| 1. | Father | Late Sh. Bhanju Ram Chandna | Sh. Chiman Lal Kukreja |
| 2. | Mother | Late Smt. Devi Bai | Smt. Rajwanti Kukreja |
| 3. | Spouse | Smt. Tarun Chandna | Sh. Trilok Chand Chandana |
| 4. | Brother | Late Sh. Bhim Sen Chandna Sh. Prabhu Dayal Chandna | Sh. Kishan Lal Kukreja Sh. Rattan Lal Kukreja |
| 5. | Sister | Smt. Laxmi Chawla Late Smt. Bhawani Arora Late Smt. Tikao Manchanda | Smt. Durga Lakhani Smt. Sarla Grover |
| 6. | Children | Sh. Yunik Chandna Sh. Karan Chandna | |

| | | | |
|-----|-------------------|--|---|
| 7. | Spouse Father | Sh. Chiman Lal Kukreja | Late Sh. Bhanju Ram Chandna |
| 8. | Spouse Mother | Smt. Rajwanti Kukreja | Late Smt. Devi Bai |
| 9. | Spouse Brother | Sh. Kishan Lal Kukreja Sh. Rattan Lal Kukreja | Late Sh. Bhim Sen Chandna Sh. Prabhu Dayal Chandna |
| 10. | Spouse Sister | Smt. Durga Lakhani Smt. Sarla Grover | Smt. Laxmi Chawla Late Smt. Bhawani Arora Late Smt. Tikao Manchanda |

b) Companies and proprietorship firms forming part of our Promoter Group are as follows:

| Relationship with promoters | Promoters | |
|---|---------------------------|--------------------------|
| | Mr. Trilok Chand Chandana | Mrs. Tarun Chandna |
| Any company in which 10% or more of the share capital is held by the promoters or an immediate relative of the promoters or a firm or HUF in which the promoters or any one or more of his immediate relative is a member | NA | NA |
| Any company in which a company (mentioned above) holds 10% of the total holding | NA | NA |
| Any HUF or firm in which the aggregate share of the promoters and his immediate relatives is equal to or more than 10% of the total holding | T.C. Chandna & Sons, HUF | T.C. Chandna & Sons, HUF |

OTHER UNDERTAKINGS AND CONFIRMATIONS

Our Company undertakes that the details of Permanent Account Number, Bank Account Number and Passport Number of the Promoter will be submitted to the Stock Exchange, where the securities of our Company are proposed to be listed at the time of submission of this Draft Prospectus.

INTEREST OF THE PROMOTERS

Interest in the promotion of our Company

Our Promoters may be deemed to be interested in the promotion of the Issuer to the extent of the Equity Shares held by him as well as his relatives and also to the extent of any dividend payable to him and other distributions in respect of the aforesaid Equity Shares. Further, our Promoters may also be interested to the extent of Equity Shares held by or that may be subscribed by and allotted to companies and firms in which our promoters are interested as a director, member or partner.

Interest in the property of our Company

Our Promoters do not have any interest in any property acquired by our Company in last two years or proposed to be acquired by our Company.

Interest as Member of our Company

As on the date of this Draft Prospectus, our Promoters hold together 55,44,000 Equity Shares of our Company and is therefore interested to the extent of his shareholding and the dividend declared, if any, by our Company. Except to the extent of shareholding of the Promoters in our Company.

Payment Amounts or Benefit to Our Promoters during the Last Two Years

No payment has been made or benefit given to our Promoters in the two years preceding the date of this Draft Prospectus except as mentioned / referred to in this chapter and in the section titled 'Our Management', 'Financial Statements' and 'Capital Structure' on pages 134, 156, 56 respectively. Further as on the date of this Draft Prospectus, there is no bonus or profit sharing plan for our Promoters.

DISASSOCIATION BY THE PROMOTERS IN THE LAST THREE YEARS

Our Promoters have not disassociated themselves from any of the companies/partnership firms during preceding three years except as follows: -

| Sr. No. | Name of the Promoter | Name of Concern | Date of Disassociation | Reason |
|---------|---------------------------|----------------------------------|------------------------|-------------------------|
| 1. | Mrs. Tarun Chandna | Fusion Industries Limited | July 11, 2018 | Due to personal reasons |
| 2. | | Yeekay Engineers Private Limited | January 12, 2017 | Due to personal reasons |
| 3. | Mr. Trilok Chand Chandana | Yeekay Engineers Private Limited | January 12, 2017 | Due to personal reasons |

CONFIRMATIONS

Our Promoters and their relatives have not been declared as Wilful Defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against them.

Our Promoters and members of our Promoter Group have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last five years preceding the date of this Draft Prospectus against our Promoters except as mentioned in the section titled "Outstanding Litigation and Material Developments" on page 209.

Our Promoters are not and have never been a promoter, director or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

RELATED PARTY TRANSACTIONS

Except as disclosed in the “Related Party Transactions” beginning on page 154, our Company has not entered into any related party transactions with our Promoters.

OUR GROUP ENTITIES

In accordance with the provisions of the SEBI (ICDR) Regulations, for the purpose of identification of “Group Entities”, our Company has considered companies as covered under the applicable accounting standards, i.e. Accounting Standard 18 issued by the Institute of Chartered Accountant of India and such other Entities as considered material by our Board. In the above mentioned scenario, our Company does not have any Group Entity.

RELATED PARTY TRANSACTIONS

For details of the related party transactions of our Company during the last five Fiscal Years, as per the requirements under Accounting Standard 18 “Related Party Disclosures”, see the sections titled “Financial Statements – Annexure XII – Restated Statement of Related Party Transactions” on page 189.

DIVIDEND POLICY

Under the Companies Act, an Indian company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the general meeting of our Company. The Article of Association of our Company give our shareholders, the right to decrease but not to increase the amount of dividend recommended by the Board of Directors. Under the Companies Act, dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous Years or out of both.

Our Company does not have a formal dividend policy. Any dividends to be declared shall be recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations and restrictions, the terms of the credit facilities and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors and approved by the Equity Shareholders at their discretion.

Dividends are payable within 30 days of approval by the Equity Shareholders at the Annual General Meeting of our Company. When dividends are declared, all the Equity Shareholders whose names appear in the register of members of our Company as on the “record date” are entitled to be paid the dividend declared by our Company. Any Equity Shareholder who ceases to be an Equity Shareholder prior to the record date, or who becomes an Equity Shareholder after the record date, will not be entitled to the dividend declared by Our Company.

We have not declared dividend in any Financial Year.

SECTION V-FINANCIAL INFORMATION

INDEPENDENT AUDITOR'S REPORT ON EXAMINATION OF RESTATED FINANCIAL INFORMATION

To,

The Board of Directors,

Fusion Industries Limited

(Formerly known as Fusion Industries Private Limited)

SSI Plot No-4, Block-H, NH-2, Opp. FCI Godown,

NIT Faridabad, Haryana – 121 001, India

Sub: Auditors' Report on Financial Information in connection with the proposed issue of equity shares of Fusion Industries Limited

Dear Sirs,

1. We have examined the attached Restated Financial Information of **Fusion Industries Limited** (Formerly Fusion Industries Private Limited and hereinafter referred to as “the Company”) as approved by the Board of Directors of the Company in their meeting on 12/06/2018, prepared by the management of the company in terms of requirement of Section 26 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rule 2014, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time (the ‘SEBI Regulations’), the Guidance Note on ‘Reports in Company’s Prospectus (Revised)’ issued by the Institute of Chartered Accountants of India (‘ICAI’) to the extent applicable (‘Guidance Note’), and in terms of our engagement agreed upon with you in accordance with our engagement letter dated 12/06/2018, in connection with the proposed Initial Public Offer (IPO) of the Company.
2. These Restated Financial Information (included in Annexure I to XIII) have been extracted by the Management of the Company from:
 - (a) The Company’s Audited Financial Statements for the years ended March 31, 2018, 2017, 2016, 2015 and 2014, which have been approved by the Board of Directors at their meeting held on 31st May, 2018, 31st August, 2017, 31st August, 2016, 31st August, 2015 and 06th September, 2014 respectively and books of accounts underlying those financial statements and other records of the Company, to the extent considered necessary for the preparation of the Restated Financial Information, are the responsibility of the Company’s Management. The Financial Statements of the Company for the financial year ended March 31, 2018, 2017, 2016, 2015 and 2014 have been audited by M/s Satish Gupta & Associates, Chartered Accountants as sole statutory auditors and had issued unqualified reports for these years.
3. In accordance with the requirement of Section 26 of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules 2014, the SEBI Regulations, the Guidance Note, as amended from time to time and in terms of our engagement agreed with you, we further report that:
 - (i) The Restated Statement of Assets and Liabilities as at March 31, 2018, 2017, 2016, 2015 and 2014, examined by us, as set out in Annexure – I (along with Annexures I to XVII) to this report, read with the ‘Basis of Preparation and Significant Accounting Policies of the Restated Financial Statements’ appearing in Annexure- IV are after making such adjustments and regrouping/re-classification as in our opinion were appropriate and are more fully described in the statement of Material Adjustments to the Financial Statements appearing in Annexure –XVII. As a result of these adjustments, the amounts reporting in the above mentioned statements are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial interim years.

- (ii) The Restated Statement of Profit and Loss of the Company for years ended March 31, 2018, 2017, 2016, 2015 and 2014, examined by us, as set out un Annexure – II (along with Annexures I to XVII) to this report, read with the ‘Basis of Preparation and Significant Accounting Policies of the Restated Financial Statements’ appearing in Annexure- IV are after making such adjustments and regrouping/re-classification as in our opinion were appropriate and are more fully described in the statement of Material Adjustments to the Financial Statements appearing in Annexure – XVII. As a result of these adjustments, the amounts reporting in the above mentioned statements are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial years.
 - (iii) The Restated Statement of Cash flows of the Company for the years ended March 31, 2018, 2017, 2016, 2015 and 2014, examined by us, as set out un Annexure – III (to this report, read with the ‘Basis of Preparation and Significant Accounting Policies of the Restated Financial Statements’ appearing in Annexure- IV are after making such adjustments and regrouping/re-classification as in our opinion were appropriate and are more fully described in the statement of Material Adjustments to the Financial Statements appearing in Annexure – XVII. As a result of these adjustments, the amounts reporting in the above mentioned statements are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial years.
4. Based on the above, and to the best of our information and according to the explanation given to us, we are of the opinion that Restated Financial Information:
- (a) have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policies for all the reporting periods based on the significant accounting policies adopted by the Company as at March 31, 2018;
 - (b) have been made after incorporating adjustments for prior period and other material amounts in the respective financial years to which they relate to; and;
 - (c) do not contain any extra ordinary items that need to be disclosed separately other than those presented in the Restated Financial Information and do not contain any qualification requiring adjustments.
5. We have also examined the following other Restated Financial Information as set out in the Annexures to this report and forming part of the Restated Financial Information, prepared by the management of the Company and approved by the Board of Directors on June 12, 2018, relating to the company for the years ended March 31, 2018, 2017, 2016, 2015 and 2014:
- i) Restated Statement of Assets and Liabilities included in Annexure – I;
 - ii) Restated Statement of Profit and Loss included in Annexure – II;
 - iii) Restated Statement of Cash flow from Restated Financial Statement included in Annexure III;
 - iv) Basis of Preparation and Significant Accounting Policies of the Restated Financial Statements as included in Annexure IV.
 - v) Notes to Restated Financial Statements, included in Annexure V.
 - vi) Restated Statement of Share Capital included in Annexure VI;
 - vii) Restated Statement of Long Term Borrowings included in Annexure VII;
 - viii) Restated Statement of Long Term & Short-Term Loans and Advances included in Annexure VIII;
 - ix) Restated Statement of Contingent Liabilities, included in Annexure IX;
 - x) Restated Statement of Accounting Ratios, included in Annexure X;
 - xi) Restated Statement of Capitalisation, included in Annexure XI;

- xii) Restated Statement of Related Party Transaction, included in Annexure XII;
 - xiii) Restated Statement of Tax Shelters, included in Annexure XIII;
 - xiv) Restated Statement of Financial Indebtedness, included in Annexure XIV.
 - xv) Restated Statement of Dividend, included in Annexure XV.
 - xvi) Restated Statement of Material Adjustments, included in Annexure XVI.
6. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as an opinion on any of the Financial Information referred to herein.
7. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
8. In our opinion, the above Restated Financial Information contained in Annexure I to XVII to this report read along with the Basis of Preparation and Significant Accounting policies (Refer Annexure – IV) after making adjustments and regrouping/re-classification as considered appropriate and have been prepared in accordance with the provisions of Section 26 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules 2014, to the extent applicable, the SEBI Regulations, the Guidance Note issued in this regard by the ICAI, as amended from time to time, and in terms of our engagement agreed with you.
9. Our report is intended solely for use of the Management and for inclusion in the offer documents in connection with the proposed issue of equity shares of the Company and is not to be used, referred to or distributed for any other purpose except with our prior written consent.

For SANMARKS & Associates
Chartered Accountants
(Firm's Registration Number: 003343N)

Santosh Kumar Agrawal
(Partner)
Membership No. 091127

Place: Faridabad
Date: 10/07/2018

ANNEXURE I: STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

(Rs. in Lakhs)

| Particulars | Note No. | As at March 31, | | | | |
|--|----------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | | 2018 | 2017 | 2016 | 2015 | 2014 |
| I Equity and Liabilities | | | | | | |
| 1 Shareholders' Funds | | | | | | |
| (a) Share Capital | 2.1 | 734.82 | 400.00 | 400.00 | 400.00 | 333.33 |
| (b) Reserves & Surplus | 2.2 | 1,146.49 | 1,202.80 | 980.28 | 806.37 | 703.34 |
| (c) Money received against share warrants | | | - | - | - | - |
| | | 1,881.31 | 1,602.80 | 1,380.28 | 1,206.37 | 1,036.67 |
| 2 Share application money pending allotment | | | - | - | - | - |
| 3 Non-Current Liabilities | | | | | | |
| (a) Long-term borrowings | 2.3 | 927.69 | 752.21 | 1,043.89 | 1,106.72 | 1,195.59 |
| (b) Deferred Tax Liabilities (Net) | 2.22 | - | - | 44.32 | 10.85 | 18.67 |
| (c) Other Long-Term Liabilities | 2.4 | 481.45 | 218.70 | 213.11 | 188.70 | 19.00 |
| | | 1,409.14 | 970.91 | 1,301.32 | 1,306.27 | 1,233.26 |
| 4 Current Liabilities | | | | | | |
| (a) Short Term Borrowings | 2.5 | 2,218.54 | 2,383.11 | 1,954.46 | 1,445.40 | 1,055.29 |
| (b) Trade Payables | 2.6 | 1,280.91 | 979.29 | 744.14 | 766.97 | 724.10 |
| (c) Other current Liabilities | 2.7 | 454.04 | 605.40 | 396.48 | 360.68 | 358.02 |
| (d) Short Term Provisions | 2.8 | 63.16 | 42.01 | 57.05 | 43.66 | 33.76 |
| | | 4,016.65 | 4,009.81 | 3,152.14 | 2,616.71 | 2,171.17 |
| Total | | 7,307.10 | 6,583.52 | 5,833.75 | 5,129.34 | 4,441.10 |
| II Assets | | | | | | |
| 1 Non-Current Assets | | | | | | |
| (a) Fixed Assets | | | - | - | - | - |
| (i) Tangible Assets | 2.9 | 1,605.74 | 1,641.94 | 1,711.67 | 1,756.11 | 1,699.97 |
| (ii) Intangible Assets | | - | - | - | - | - |
| (d) Deferred Tax Assets (Net) | 2.22 | 32.31 | 19.99 | - | - | - |
| (e) Other Non-Current Assets | 2.10 | 31.00 | 35.95 | 88.26 | 80.80 | 69.03 |
| | | 1,669.05 | 1,697.89 | 1,799.94 | 1,836.91 | 1,769.00 |
| 2 Current Assets | | | | | | |
| (a) Current investments | | | | - | - | - |
| (b) Inventories | 2.11 | 3,097.79 | 2,995.50 | 2,566.57 | 1,966.27 | 1,494.17 |

| | | | | | | | |
|--|-----------------------------------|-------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | (c) Trade Receivables | 2.12 | 1,732.47 | 1,335.28 | 1,042.58 | 782.03 | 681.84 |
| | (d) Cash and Cash Equivalents | 2.13 | 189.05 | 220.68 | 131.44 | 151.29 | 125.71 |
| | (e) Short-term loans and advances | 2.14 | 618.74 | 334.17 | 293.23 | 392.84 | 370.39 |
| | | | 5,638.05 | 4,885.63 | 4,033.82 | 3,292.42 | 2,672.10 |
| | | | | | | | |
| | Total | | 7,307.10 | 6,583.52 | 5,833.75 | 5,129.34 | 4,441.10 |

Note:

The above statement should be read with the Restated Statement of Significant Accounting Policies and Notes to Accounts in Annexure IV & IV.A, Restated Statement of Notes to Restated Summary Statements of the Company in Annexure V and the Restated Statement of Reconciliation of Restated Profit/ (Loss) to Profit/ (Loss) as per audited Financial Statements in Annexure XVI.

For SANMARKS & Associates

Chartered Accountants,

Firm Regn. No. 003343N

For and on behalf of Board of Directors

Santosh Kumar Agrawal

(Partner)

M.N. 091127

Trilok Chand Chandana

Managing Director

DIN: 00225184

Yunik Chandna

Director

DIN: 00225203

Place: Faridabad

Dated: 10/07/2018

Aditya Gupta

Chief Financial Officer

Vinita Matta

Company Secretary

ANNEXURE II: STATEMENT OF PROFIT AND LOSS AS RESTATED

(Rs. in Lakhs)

| Particulars | Notes No. | For the year ended | | | | |
|--|-------------|--------------------|-----------------|-----------------|-----------------|-----------------|
| | | March 31, 2018 | March 31, 2017 | March 31, 2016 | March 31, 2015 | March 31, 2014 |
| I Revenue: | | | | | | |
| Revenue from operations (net) | 2.15 | 9,033.85 | 9,071.65 | 8,472.54 | 6,704.19 | 4,512.36 |
| Other income | 2.16 | 153.33 | 25.96 | 30.59 | 15.32 | 8.91 |
| Total revenue | | 9,187.19 | 9,097.61 | 8,503.13 | 6,719.51 | 4,521.28 |
| II Expenses: | | | | | | |
| Cost of material Consumed | 2.17 | 6,445.48 | 6,904.00 | 5,912.85 | 4,771.32 | 3,269.70 |
| Purchases of Stock-in-Trade | | | | | | |
| Changes in inventories of Finished goods, work-in-progress, Stock in Trade | 2.18 | (57.89) | (446.84) | (75.08) | (295.58) | (451.04) |
| Employee benefit expenses | 2.19 | 725.21 | 615.82 | 549.33 | 461.83 | 386.48 |
| Finance costs | 2.20 | 398.23 | 407.91 | 369.41 | 335.98 | 275.06 |
| Depreciation and amortization expense | 2.9 | 290.82 | 301.54 | 297.72 | 296.72 | 218.19 |
| Other expenses | 2.21 | 1,090.88 | 1,109.59 | 1,182.67 | 943.62 | 670.12 |
| Total Expenses | | 8,892.72 | 8,892.01 | 8,236.90 | 6,513.89 | 4,368.51 |
| III Profit/(loss) before tax (I-II) | | 294.47 | 205.59 | 266.23 | 205.61 | 152.76 |
| IV Tax expense: | | | | | | |
| (i) Current tax | | 63.15 | 42.01 | 57.05 | 43.65 | 33.76 |
| (ii) Deferred Tax | | (12.32) | (64.31) | 33.47 | (7.83) | (0.10) |
| (iii) Earlier Years | | 0.13 | 5.37 | 1.80 | 0.09 | 0.62 |
| Profit/(loss) for the year (VII-VIII) | | 243.51 | 222.52 | 173.91 | 169.70 | 118.48 |
| V Earning per equity share in Rs.: | | | | | | |
| (1) Basic | | 3.31 | 3.09 | 2.42 | 2.36 | 1.97 |
| (2) Diluted | | 3.31 | 3.09 | 2.42 | 2.36 | 1.97 |

Note:

The above statement should be read with the Restated Statement of Significant Accounting Policies and Notes to Accounts in Annexure IV & IV.A, Restated Statement of Notes to Restated Summary Statements of the Company in Annexure V and the Restated Statement of Reconciliation of Restated Profit/ (Loss) to Profit/ (Loss) as per audited Financial Statements in Annexure XVI.

fusion[®]

PIPE-FITTINGS & WATER TANKS

For SANMARKS & Associates

Chartered Accountants,

Firm Regn. No. 003343N

For and on behalf of Board of Directors

Santosh Kumar Agrawal
(Partner)
M.N. 091127

Trilok Chand Chandana
Managing Director
DIN: 00225184

Yunik Chandna
Director
DIN: 00225203

Place: Faridabad
Dated: 10/07/2018

Aditya Gupta
Chief Financial Officer

Vinita Matta
Company Secretary

ANNEXURE III: STATEMENT OF CASH FLOW FROM RESTATED FINANCIAL STATEMENTS

(Rs. in Lakhs)

| Particulars | As at March, 31 | | | | |
|---|-------------------|-----------------|-----------------|-----------------|-----------------|
| | 2018 | 2017 | 2016 | 2015 | 2014 |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | | | |
| Profit/ (Loss) before tax | 294.47 | 205.59 | 266.23 | 205.61 | 152.76 |
| Adjustments for: | | | | | |
| Depreciation & amortization | 290.82 | 301.54 | 297.72 | 296.72 | 218.19 |
| Interest Expense | 398.23 | 407.91 | 369.41 | 335.98 | 275.06 |
| Other income | (153.33) | (25.96) | (30.59) | (15.32) | (8.91) |
| Operating profit before working capital changes | 841.89 | 913.44 | 919.40 | 835.36 | 660.59 |
| Movements in working capital: | | | | | |
| Increase/(decrease) in trade payables | 301.63 | 235.14 | (22.83) | 42.87 | 419.22 |
| Increase/(decrease) in loans and advances & Other Assets | (279.60) | 11.36 | 92.16 | (34.22) | 66.10 |
| Increase/(decrease) in provisions & other liabilities | 132.53 | 199.47 | 73.61 | 182.25 | 28.55 |
| Decrease/(increase) in trade receivable | (397.19) | (292.70) | (260.56) | (100.19) | 3.93 |
| Decrease/(increase) in inventories | (102.29) | (428.93) | (600.30) | (472.10) | (851.35) |
| Cash generated/used from operations | 496.97 | 637.78 | 201.48 | 453.97 | 327.04 |
| Income tax Refund/ (paid) during the year | 63.29 | 47.38 | 58.84 | 43.74 | 33.76 |
| Net cash from operating activities | A 421.97 | 566.04 | 126.02 | 397.86 | 269.79 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | | | |
| Purchase of Fixed assets | (254.61) | (231.80) | (253.27) | (352.86) | (355.95) |
| Other Income | 153.33 | 25.96 | 30.59 | 15.32 | 8.91 |
| Net cash from investing activities (B) | B (101.28) | (205.84) | (222.68) | (337.54) | (347.04) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | | | |
| Proceeds from Borrowings | 175.48 | 428.64 | 509.06 | 390.12 | 268.98 |
| Repayment of Borrowings | (164.57) | (291.69) | (62.84) | (88.87) | |
| Issue of Share Capital | 8.24 | | | - | 100.00 |
| Increase in Share Premium | 26.76 | | | | |
| Finance Cost | (398.23) | (407.91) | (369.41) | (335.98) | (275.06) |
| Net cash from financing activities (C) | C (352.32) | (270.96) | 76.81 | (34.73) | 93.92 |
| Net increase in cash and cash equivalents (A+B+C) | D (31.62) | 89.24 | (19.86) | 25.58 | 16.66 |
| Cash and cash equivalents at the beginning of the year | 220.68 | 131.44 | 151.29 | 125.71 | 109.05 |

| | | | | | | |
|---|--|---------------|---------------|---------------|---------------|---------------|
| Cash and cash equivalents at the end of the year | | 189.05 | 220.68 | 131.44 | 151.29 | 125.71 |
|---|--|---------------|---------------|---------------|---------------|---------------|

Note:

The above statement should be read with the Restated Statement of Significant Accounting Policies and Notes to Accounts in Annexure IV & IV.A, Restated Statement of Notes to Restated Summary Statements of the Company in Annexure V and the Restated Statement of Reconciliation of Restated Profit/ (Loss) to Profit/ (Loss) as per audited Financial Statements in Annexure XVI.

For SANMARKS & Associates

Chartered Accountants,

Firm Regn. No. 003343N

For and on behalf of Board of Directors

Santosh Kumar Agrawal
(Partner)
M.N. 091127

Trilok Chand Chandana
Managing Director
DIN: 00225184

Yunik Chandna
Director
DIN: 00225203

Place: Faridabad
Dated: 10/07/2018

Aditya Gupta
Chief Financial Officer

Vinita Matta
Company Secretary

ANNEXURE IV: BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICES OF THE RESTATED FINANCIAL STATEMENTS FOR THE YEARS ENDED MARCH 31, 2018, 2017, 2016, 2015 AND 2014.

1. Corporate Information

Fusion Industries Limited ('the company') (formerly known as Fusion Industries Private Limited) is a limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is engaged in the business of manufacturing and selling of plastic pipes, fittings and water storage tanks. Its comprehensive range includes PPR piping, CPVC Piping, PVC Pressure Plumbing, HDPE Piping, SWR piping, water storage tanks. The company has its Head Office at Faridabad and Works at:

1. Khasra No. 356, Galgal Hedi Road, Bhagwanpur, Roorkee, U.P. - 247667
2. Plot No. 78, Malanpur Industrial Area, Malanpur, Gwalior, M.P. - 474011
3. Plot No. 2E, 1st Phase, Sompura, Kiadb Industrial Area, Dabaspet, Nelmangla, Bengaluru, Karnataka - 562111

2. Basis of Preparation of Restated Summary Financial Information

i. The Restated Summary Statement of Assets and Liabilities of the Company as at March 31, 2018, 2017, 2016, 2015 and 2014 and the related Restated Summary Statement of Profit and Loss and Cash Flows for the year ended March 31, 2018, 2017, 2016, 2015 and 2014 (collectively referred to as the 'Restated Summary Financial Information') have been compiled by the management of the company from the Audited Financial Statements of the company for the years ended March 31, 2018, 2017, 2016, 2015 and 2014 and have been prepared specifically for the purpose of inclusion in the Offer Documents to be filed with the Securities and Exchange Board of India (SEBI) in connection with the proposed Initial Public Offering (hereinafter referred to as 'IPO').

ii. The Restated Summary Financial Information has been prepared by applying necessary adjustments to:
a. the financial statements ('financial statements') of the Company for the years ended March 31, 2018, 2017, 2016, 2015 and 2014, prepared and presented under the historical cost convention using the accrual system of accounting in accordance with the generally accepted accounting principles in India ('Indian GAAP'), the provisions of the Companies Act, 1956 (up to March 31, 2014), and notified sections, schedules and rules of the Companies Act, 2013 (with effect from 01 April, 2014), including the Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006 as per section 211(3C) of the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of Companies (Accounts) Rules, 2014), to the extent applicable and in the manner so required, and ;

iii. With effect from 1 April 2014, Schedule III notified under the Act, has become applicable to the Company for the preparation and presentation of its financial statements. Accordingly, previous years' figures have been regrouped/reclassified wherever applicable. Appropriate re-classifications/regrouping have been made in the Restated Summary Financial Information wherever required, to corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the presentation and recognition as per the audited financial statements of the Company and the requirement of SEBI Regulations. The financial statements are prepared in Indian rupees rounded off to the nearest lakhs.

iv. The Restated Summary Statement of the Assets and Liabilities, profits and losses and cash flows have been prepared to comply in all material respects with the requirement of Section 26(1)(b) of the Companies Act, 2013, read with rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (as amended from time to time).

3. Significant Accounting Policies:

a Use of Estimates

In preparing the Restated Summary Statements in conformity with accounting principles generally accepted in India, the management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the Restated Summary Statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. Any revision to accounting estimates is recognised in the period the same is determined. Examples of such estimates include estimated useful lives of fixed assets, provision for bad and doubtful debts, provision for discounts, income taxes, etc.

b Tangible Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price (net of Cenvat credit availed), borrowing costs if capitalisation criteria are met and any directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Restated Summary Statements of Profits and Losses when the asset is derecognised.

c Depreciation of Tangible Fixed Assets

Depreciation on tangible fixed assets has been provided as per Schedule II of the Companies Act, 2013 under which assets have been depreciated over their remaining life from 1st April, 2014 onwards. The total useful span of the assets being the one as prescribed under Schedule II of the Act.

No Depreciation is provided on land/ building under construction.

For the assets existing on 1st April 2014 and whose life from the date of their purchase has already exceeded the life prescribed under Schedule of the Act, 5% of their original cost is being carried forward as their residual value and no depreciation has been charged on them. Residual value is a part of closing WDV. The difference between their WDV as on 1st April, 2014 and their residual value has been adjusted through the profit & loss account for the year ending 31-03-2014.

For the assets existing on 1st April, 2014 which still have useful life as per the prescribed life, Depreciation has been provided on WDV basis on such rates so as to depreciate them up to 95% of their actual cost till their remaining life.

For the assets purchased after 1st April 2014, the depreciation is being provided at the prescribed WDV rates on prorata basis over their prescribed life till the time their WDV reaches their residual value i.e. 5% of their original cost.

d Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

e Impairment of Tangible and Intangible Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and the same is recognised in the Restated Summary Statement of Profits and Losses. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and the impairment is accordingly reversed in the Restated Summary Statement of Profits and Losses.

f Leases

Where the Company is the Lessee

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalised.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Restated Summary Statement of Profits and Losses on a straight-line basis over the lease term.

Where the Company is the Lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognised in the Restated Summary Statement of Profits and Losses on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the Restated Summary Statement of Profits and Losses. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Restated Summary Statement of Profits and Losses.

g Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the Restated Summary Statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost, however provision for diminution in value is made to recognise a decline, other than temporary, in the value of the investments. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Restated Summary Statement of Profits and Losses.

h Inventories

Inventories are valued as follows:

- i) **Raw materials, components and stores and spares:** At lower of cost and net realisable value. Cost represents purchase price and other direct costs and is determined on a moving weighted average cost basis. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

- ii) **Work-in-progress:** At lower of cost and net realisable value. Cost for this purpose includes material, labour and appropriate allocation of overheads including depreciation. Cost is determined on a moving weighted average basis.

- iii) **Finished Goods:**
 - a) **Manufactured-**At lower of cost and net realisable value. Cost for this purpose includes material, labour and appropriate allocation of overheads. Excise duty on inventory lying with the Company is added to the cost of the finished goods inventory. Cost is determined on a moving weighted average basis.

 - b) **Traded-** At lower of cost and net realisable value. Cost represents purchase price and other direct costs and is determined on a moving weighted average cost basis.

Net realisable 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. Provision for obsolescence is determined based on management's assessment and is charged to the Restated Summary Statement of Profits and Losses.

i Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

i) Sale of Products:

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the customer and are recorded inclusive of excise duty and net of sales tax, sales returns and trade discount.

ii) Interest:

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate

iii) Commission:

Commission income is recognised as per the agreed terms.

j Borrowing Costs

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

k Retirement and other Employee Benefits

- i) Contributions to the provident fund, a defined contribution scheme, are charged to the Restated Summary Statement of Profits and Losses for the year when the contributions are due.
- ii) Gratuity liability has not been accrued at the end of reporting period.
- iii) Accumulated leave, which is expected to be utilised within next twelve months, is treated as short term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are computed based on the actuarial valuation performed by an independent actuary using the projected unit credit method at the reporting period end.
- iv) Actuarial gains/losses are immediately taken to the Restated Summary Statement of Profits and Losses.

l Earnings/(loss) per share

Basic earnings/ (loss) 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. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings/(loss) 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.

m Provisions, contingent liabilities and contingent assets

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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 Group or a present obligation that is not recognised 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 recognised because it cannot be measured reliably.

Contingent assets are not recognised in the Restated Summary Statements.

n Cash and cash equivalents

Cash and cash equivalents for Restated Summary Statement of Cash Flows comprises cash at bank and in hand and short-term investments with an original maturity of three months or less.

o Income taxes

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Minimum Alternate Tax (“MAT”) credit is recognised as an asset only when and to the extent there is convincing evidence that the entity will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the Guidance Note issued by the Institute of Chartered Accountants of India,

the said asset is created by way of a credit to the Restated Summary Statement of Profits and Losses and is disclosed as MAT credit entitlement. The entity reviews this balance at each balance sheet date and writes down the carrying amount to the extent there is no longer convincing evidence that the entity will pay normal income tax during the specified period.

Deferred taxes

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the entity has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the entity re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The entity writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

ANNEXURE V: NOTES TO RESTATED FINANCIAL STATEMENTS

(Amounts in Lakh)

1.1 Contingent liabilities and commitments:

| Particulars | As at | | | | |
|---|---------------|---------------|---------------|---------------|---------------|
| | March 31,2018 | March 31,2017 | March 31,2016 | March 31,2015 | March 31,2014 |
| Guarantees issued on behalf of other companies | 19.40 | 19.40 | 18.76 | 17.77 | 9.20 |
| TDS Demand | 0.36 | 0.36 | 0.36 | 0.36 | 0.34 |
| Claims against the Company not acknowledged as debts (being contested): - | | | | | |
| - Excise and service tax | Nil | | | | |
| - Sales tax/entry tax | | | | | |
| - Income tax | | | | | |

1.2 Value of imports on CIF basis:

| Expenditure in Foreign Currency for the year ended | March 31,2018 | March 31,2017 | March 31,2016 | March 31,2015 | March 31,2014 |
|--|---------------|---------------|---------------|---------------|---------------|
| Raw materials | 26.74 | 27.88 | 30.04 | 21.90 | 81.86 |
| Capital Goods | 23.18 | 11.12 | 54.52 | 175.84 | 200.40 |
| Total | 49.92 | 39.00 | 84.56 | 197.74 | 282.26 |

1.3 Expenditure in Foreign Currency:

| Expenditure in Foreign Currency for the year ended | March 31,2018 | March 31,2017 | March 31,2016 | March 31,2015 | March 31,2014 |
|--|---------------|---------------|---------------|---------------|---------------|
| Tour & Travelling | 2.98 | 1.97 | 2.50 | 4.47 | 3.88 |

1.4 Earnings in foreign currency:

| Earnings in Foreign Currency for the year ended | March 31,2018 | March 31,2017 | March 31,2016 | March 31,2015 | March 31,2014 |
|---|---------------|---------------|---------------|---------------|---------------|
| Export of Goods on FOB basis | 242.77 | 56.80 | 0.82 | 24.96 | 47.97 |

- 1.5** The Company has taken various office and factory premises on operating leases. The lease agreements generally have a lock-in-period of 11 months and are cancellable at the option of the lessee thereafter. Majority of the leases have escalation terms after certain years and are extendable by mutual consent on expiry of the lease. The lease payments under operating leases have been recognised as an expense in the Restated Summary Statement of Profits and Losses.

| Particulars | As at | | | | |
|---------------|------------------|------------------|------------------|------------------|------------------|
| | March 31,2018 | March 31,2017 | March 31,2016 | March 31,2015 | March 31,2014 |
| Lease payment | 42.73 | 40.33 | 40.74 | 35.74 | 19.83 |

1.7 Payable to Micro, Small and Medium Enterprises

Amount payable to Micro, Small and Medium Enterprises as at March 31,2018 is Nil (March 31,2017: Nil, March 31,2016: Nil, March 31,2015: Nil, March 31,2014: Nil)

1.8 Segment information

The business activities of the Company predominantly fall within a single primary business and geographical segment, i.e., Manufacturing and Trading of steel and related products within India. Thus, there are no separate reportable businesses or geographical segments that meet the criteria prescribed in Accounting Standard (AS-17) on Segment Reporting.

ANNEXURE V: NOTES TO RESTATED FINANCIAL STATEMENTS

Note 2.1: Share Capital

(Rs. In Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 |
|---------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Authorized: | 1,100.00 | 500.00 | 500.00 | 500.00 | 500.00 |
| No. of Shares | 11000000 | 5000000 | 5000000 | 5000000 | 5000000 |
| | | | | | |
| Issued, Subscribed and Paid Up | 734.82 | 400.00 | 400.00 | 400.00 | 333.33 |
| No. of Shares | 7348230 | 4000000 | 4000000 | 4000000 | 3333333 |
| Grand Total | 734.82 | 400.00 | 400.00 | 400.00 | 333.33 |

Note 2.2: Reserves and Surplus

(Rs. In Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| A. Securities Premium Reserve | | | | | |
| Balance as at the beginning of the year | 98.17 | 98.17 | 98.17 | 98.17 | 31.50 |
| Add: Amount received during the year | 26.77 | - | - | - | 66.67 |
| Balance as at the end of the year | 124.94 | 98.17 | 98.17 | 98.17 | 98.17 |
| | | | | | |
| B. Balance in Statement of Profit & Loss | | | | | |
| Balance as at the beginning of the year | 1,104.64 | 882.12 | 708.20 | 605.17 | 486.69 |
| Add: Restated profit for the year | 243.51 | 222.52 | 173.91 | 169.70 | 118.48 |
| Less: Proposed dividend during the year | - | - | - | - | - |
| Less: Other Adjustments (Utilised for Bonus) | 326.59 | - | - | 66.67 | - |
| | 1,021.55 | 1,104.64 | 882.12 | 708.20 | 605.17 |
| | | | | | |
| Grand Total | 1,146.49 | 1,202.80 | 980.28 | 806.37 | 703.34 |

Note 2.3: Long Term Borrowings

(Rs. In Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 |
|-----------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Secured | | | | | |
| -From Banks | 392.34 | 423.41 | 721.29 | 711.35 | 798.29 |
| | | | | | |
| Unsecured | | | | | |
| -From other Parties | 327.27 | 151.84 | 170.16 | 227.61 | 239.87 |
| -From Related Parties | 208.08 | 176.96 | 152.44 | 167.76 | 157.43 |
| Grand Total | 927.69 | 752.21 | 1,043.89 | 1,106.72 | 1,195.59 |

Note 2.4: Other Long-Term Liabilities

(Rs. In Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Security Deposits from trade receivables | 481.45 | 218.70 | 213.11 | 188.70 | 19.00 |
| Grand Total | 481.45 | 218.70 | 213.11 | 188.70 | 19.00 |

Note 2.5: Short Term Borrowings

(Rs. In Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 |
|-----------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Working Capital Facilities | | | | | |
| From Banks - Secured | 2,218.54 | 2,383.11 | 1,954.46 | 1,445.40 | 1,055.29 |
| Grand Total | 2,218.54 | 2,383.11 | 1,954.46 | 1,445.40 | 1,055.29 |

Note 2.6: Trade Payables

(Rs. In Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Payable to Micro, small and medium enterprises | - | - | - | - | - |
| Payable to others | 1,280.91 | 979.29 | 744.14 | 766.97 | 724.10 |
| Grand Total | 1,280.91 | 979.29 | 744.14 | 766.97 | 724.10 |

Note 2.7: Other Current Liabilities

(Rs. In Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Current maturities of Long term Borrowings | 252.98 | 353.76 | 185.17 | 197.97 | 181.11 |
| Advance received from customers | 87.32 | 110.57 | 76.10 | 61.88 | 97.08 |
| Expenses payable | 113.74 | 141.07 | 135.21 | 100.82 | 79.83 |
| Grand Total | 454.04 | 605.40 | 396.48 | 360.68 | 358.02 |

Note 2.8: Short Term Provisions

(Rs. In Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Provision for Income Tax (net of advance tax) | 63.16 | 42.01 | 57.05 | 43.66 | 33.76 |
| Grand Total | 63.16 | 42.01 | 57.05 | 43.66 | 33.76 |

Note 2.9: Fixed Assets

(Rs. In Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 |
|-------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
|-------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|

| | | | | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Tangible Assets | | | | | |
| Land | | | | | |
| Gross Block | 167.38 | 167.38 | 142.38 | 142.38 | 142.38 |
| Less: Accumulated Depreciation | - | - | - | - | - |
| Net Block | 167.38 | 167.38 | 142.38 | 142.38 | 142.38 |
| Building | | | | | |
| Gross Block | 255.07 | 252.42 | 252.42 | 252.42 | 252.42 |
| Less: Accumulated Depreciation | 123.43 | 110.00 | 95.17 | 78.80 | 60.72 |
| Net Block | 131.63 | 142.42 | 157.25 | 173.62 | 191.70 |
| Vehicles | | | | | |
| Gross Block | 157.24 | 123.88 | 115.20 | 101.41 | 95.13 |
| Less: Accumulated Depreciation | 109.43 | 90.68 | 77.39 | 65.92 | 49.44 |
| Net Block | 47.81 | 33.21 | 37.81 | 35.49 | 45.70 |
| Furniture & Fixture | | | | | |
| Gross Block | 65.43 | 32.04 | 31.44 | 29.31 | 20.56 |
| Less: Accumulated Depreciation | 26.61 | 24.31 | 21.64 | 18.19 | 10.49 |
| Net Block | 38.82 | 7.72 | 9.80 | 11.12 | 10.08 |
| Office Equipment | | | | | |
| Gross Block | 24.80 | 22.25 | 21.34 | 20.39 | - |
| Less: Accumulated Depreciation | 20.67 | 19.55 | 17.31 | 12.58 | - |
| Net Block | 4.13 | 2.70 | 4.03 | 7.81 | - |
| Plant & Machinery | | | | | |
| Gross Block | 2,745.09 | 2,569.49 | 2,374.30 | 2,141.69 | 1,919.21 |
| Less: Accumulated Depreciation | 1,536.22 | 1,285.57 | 1,019.12 | 760.40 | 614.98 |
| Net Block | 1,208.87 | 1,283.92 | 1,355.18 | 1,381.29 | 1,304.23 |
| Others (Computer & Software, Mobile & Small Equipments) | | | | | |
| Gross Block | 41.31 | 34.24 | 32.82 | 29.02 | 26.04 |
| Less: Accumulated Depreciation | 34.21 | 29.64 | 27.59 | 24.62 | 20.16 |
| Net Block | 7.10 | 4.60 | 5.23 | 4.40 | 5.88 |
| Total Tangible Assets | 1,605.74 | 1,641.94 | 1,711.67 | 1,756.11 | 1,699.97 |
| Intangible Assets | | | | | |
| Gross Block | | | | | |
| Less: Accumulated Depreciation | | | | | |
| Net Block | - | - | - | - | - |
| Total Intangible Assets | - | - | - | - | - |

Note 2.10: Other Non-Current assets

(Rs. In Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 |
|--------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Security Deposit | 29.39 | 34.07 | 86.12 | 78.40 | 66.35 |
| Miscellaneous | 1.61 | 1.88 | 2.14 | 2.40 | 2.68 |
| Grand Total | 31.00 | 35.95 | 88.26 | 80.80 | 69.03 |

Note 2.11: Inventories

(Rs. In Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| (Valued at lower of Cost or Net Realisable Value) | | | | | |
| Raw Material | 1,237.52 | 1,193.12 | 1,211.03 | 685.81 | 509.29 |
| Work-in-progress | - | - | - | - | - |
| Finished goods | 1,860.27 | 1,802.38 | 1,355.54 | 1,280.46 | 984.87 |
| | | | | | |
| Grand Total | 3,097.79 | 2,995.50 | 2,566.57 | 1,966.27 | 1,494.17 |

Note 2.12: Trade Receivables

(Rs. In Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Outstanding for a period less than six months from the date they are due for payment | | | | | |
| Unsecured, Considered Good | 1,609.23 | 1,224.76 | 952.47 | 697.47 | 624.82 |
| Unsecured, Considered Doubtful | - | - | - | - | - |
| | 1,609.23 | 1,224.76 | 952.47 | 697.47 | 624.82 |
| Outstanding for a period exceeding six months from the date they are due for payment | | | | | |
| Unsecured, Considered Good | 123.24 | 110.53 | 90.11 | 84.55 | 57.02 |
| Unsecured, Considered Doubtful | - | - | - | - | - |
| | 123.24 | 110.53 | 90.11 | 84.55 | 57.02 |
| | | | | | |
| Grand Total | 1,732.47 | 1,335.28 | 1,042.58 | 782.03 | 681.84 |

Note 2.13: Cash and Cash Equivalents

(Rs. In Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 |
|---|----------------------------|-------------------------------|-------------------------------|----------------------------|----------------------------|
| A) Cash and Cash Equivalents | | | | | |
| (a) Cash on hand | 48.10 | 3.66 | 11.86 | 41.04 | 22.18 |
| (b) Balances with Banks: | | | | | |
| - in current accounts | 8.36 | 92.70 | 3.64 | 2.66 | 2.94 |
| - fixed deposits (less than 12 months maturity) | 132.59 | 124.32 | 115.94 | 107.60 | 100.59 |
| Grand Total | 189.05 | 220.68 | 131.44 | 151.29 | 125.71 |

Note 2.14: Short Term Loans and Advances

(Rs. In Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| (a) Loans and advances to employees | | | | | |
| Secured, considered good | - | - | - | - | - |
| Unsecured, considered good | 12.13 | 4.44 | 1.83 | 4.16 | 1.52 |
| Doubtful | - | - | - | - | - |
| | 12.13 | 4.44 | 1.83 | 4.16 | 1.52 |
| (b) Balances with government authorities in form of taxes | | | | | |
| Unsecured, considered good | 232.15 | 134.37 | 97.77 | 79.04 | 81.69 |
| | 232.15 | 134.37 | 97.77 | 79.04 | 81.69 |
| (c) Others | | | | | |
| Secured, considered good | | | | | |
| Unsecured, considered good | 374.46 | 195.36 | 193.63 | 309.64 | 287.18 |
| Doubtful | - | - | - | - | - |
| | 374.46 | 195.36 | 193.63 | 309.64 | 287.18 |
| Grand Total | 618.74 | 334.17 | 293.23 | 392.84 | 370.39 |

Note 2.15: Revenue from Operations

(Rs. In Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 |
|--------------------------------------|----------------------------|-------------------------------|-------------------------------|----------------------------|----------------------------|
| Sales of Goods – Domestic | 8,798.82 | 9,034.48 | 8,782.26 | 6,920.39 | 4,582.12 |
| Sales of Goods – Exports | 242.77 | 56.81 | 0.82 | 24.96 | 47.97 |
| Less: Excise Duty | 7.73 | 19.64 | 310.54 | 241.16 | 117.73 |
| Revenue from operations (Net) | 9,033.85 | 9,071.65 | 8,472.54 | 6,704.19 | 4,512.36 |

Note 2.16: Other Income

(Rs. In Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 |
|-----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Discount Received | 27.10 | - | 9.23 | - | - |
| Interest Received | 9.64 | 11.71 | 12.01 | 12.33 | 8.52 |
| Miscellaneous Income | 11.20 | 14.25 | 0.78 | 2.99 | 0.39 |
| Sales Tax Subsidy - Gwalior | 105.39 | - | 8.56 | - | - |
| Grand Total | 153.33 | 25.96 | 30.59 | 15.32 | 8.91 |

Note 2.17: Cost of materials consumed

(Rs. In Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Material Consumed | | | | | |
| Inventory at the beginning of the year | 1,193.12 | 1,211.03 | 685.81 | 509.29 | 108.99 |
| Add: Purchase | 6,489.88 | 6,886.09 | 6,438.07 | 4,947.84 | 3,670.01 |
| Less: inventory at the end of the year | 1,237.52 | 1,193.12 | 1,211.03 | 685.81 | 509.29 |
| Grand Total | 6,445.48 | 6,904.00 | 5,912.85 | 4,771.32 | 3,269.70 |

Note 2.18: Increase/ Decrease in Stock

(Rs. In Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 |
|-----------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Opening Stock | | | | | |
| Finished Goods | 1,802.38 | 1,355.54 | 1,280.46 | 984.87 | 533.83 |
| Closing Stock | | | | | |
| Finished Goods | 1,860.27 | 1,802.38 | 1,355.54 | 1,280.46 | 984.87 |
| Increase/Decrease in Stock | (57.89) | (446.84) | (75.08) | (295.58) | (451.04) |

Note 2.19: Employee benefit expense

(Rs. In Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 |
|--------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Salary & Wages | 606.45 | 489.19 | 427.88 | 371.42 | 312.14 |
| Directors Remuneration | 47.40 | 47.40 | 38.40 | 34.80 | 34.80 |
| Bonus | 15.41 | 15.90 | 15.91 | 9.45 | 13.29 |
| Recruitment Exp | 1.32 | 0.27 | 1.05 | 1.24 | 1.37 |
| Contribution to Provident Fund | 17.60 | 15.44 | 13.34 | 6.82 | 7.24 |
| Employee State Insurance | 7.09 | 4.86 | 4.89 | 6.43 | 2.99 |
| Welfare Fund | 0.15 | 1.14 | 0.15 | 0.34 | 0.15 |
| Medical Expenses | 0.34 | 0.52 | 0.33 | 0.23 | 0.25 |
| Leave Encashment | 0.59 | 0.38 | 0.84 | 0.00 | 0.00 |
| Security Guard Expenses | 15.06 | 28.75 | 36.55 | 21.20 | 6.18 |
| Staff Welfare Expenses | 13.78 | 11.98 | 9.99 | 9.90 | 8.07 |
| Grand Total | 725.21 | 615.82 | 549.33 | 461.83 | 386.48 |

Note 2.20: Finance costs

(Rs. In Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 |
|--------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Indian LC Charges | 31.70 | 24.03 | 34.06 | 25.13388 | - |
| Interest on Working capital facility | 200.40 | 199.42 | 164.93 | 141.44 | 122.47 |
| Interest on Unsecured Loans | 21.41 | 36.17 | 25.42 | 28.99 | 26.90 |
| Interest on Term loans | 77.85 | 108.46 | 121.26 | 126.45 | 110.04 |
| Interest Other's | 66.86 | 39.83 | 23.74 | 13.95 | 15.66 |
| | | | | | |
| Grand Total | 398.23 | 407.91 | 369.41 | 335.98 | 275.06 |

Note 2.21: Other Expenses

(Rs. In Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 |
|---------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Advertisement | 9.48 | 15.05 | 30.22 | 9.68 | 22.32 |
| Audit Fees | 1.10 | 0.30 | 0.50 | 0.50 | 0.50 |
| Bad Debts | 5.25 | 0.00 | 0.44 | 11.56 | 0.03 |
| Bank Charges | 11.71 | 24.36 | 16.62 | 12.37 | 23.49 |
| Business Promotion | 28.14 | 15.50 | 31.93 | 10.63 | 1.53 |
| Commission | 1.73 | 9.84 | 6.52 | 6.20 | 5.80 |
| Computer Expenses | 1.53 | 2.80 | 1.69 | 1.50 | 0.02 |
| Consumable Stores | 17.58 | 7.21 | 5.47 | 6.68 | 13.75 |
| Conveyance & Travelling | 159.91 | 121.74 | 107.01 | 83.94 | 71.78 |
| Discount Allowed | 139.37 | 193.64 | 252.04 | 213.89 | 110.47 |
| Electricity Charges | 351.56 | 313.85 | 277.88 | 233.03 | 168.66 |
| Exchange Fluctuations | 0 | 0 | 4.56 | 0.27 | - |
| Freight & Cartage Inwards | 118.52 | 137.51 | 122.78 | 89.33 | 35.35 |
| General Exp. | 5.02 | 6.26 | 3.05 | 4.09 | 0.74 |
| Generator Expenses | 69.89 | 71.27 | 101.04 | 77.47 | 80.47 |
| Insurance | 5.95 | 5.12 | 3.18 | 3.64 | 4.42 |
| Legal & Professional Charges | 10.56 | 7.11 | 5.85 | 10.99 | 10.70 |
| Loading & Unloading Charges | 1.56 | 1.66 | 2.00 | 0.14 | 1.42 |
| Loss on Sale Of Fixed Assets | 0 | 0 | 7.27 | 0.00 | 0.00 |
| Misc Exp. | 3.16 | 9.43 | 8.52 | 5.14 | 10.04 |
| Office Maintenance | 1.06 | 1.53 | 1.79 | 1.44 | 1.35 |
| Packing Expenses | 3.45 | 1.94 | 1.62 | 5.31 | 2.57 |
| Postage & Telegram | 5.44 | 4.60 | 4.25 | 6.14 | 4.52 |
| Preliminary Exp W/0 | 0.27 | 0.27 | 0.27 | 0.27 | 0.00 |
| Printing & Stationery | 9.43 | 14.99 | 5.73 | 3.76 | 4.28 |
| Rates & Taxes | 10.99 | 23.02 | 40.22 | 25.10 | 12.13 |
| Rent | 42.73 | 40.33 | 40.74 | 35.74 | 19.83 |
| Repair & Maintenance (Building) | 3.66 | 3.11 | 6.73 | 9.59 | 4.69 |
| Repair & Maintenance (Others) | 40.7 | 56.56 | 75.33 | 57.10 | 42.16 |
| Telephone Expenses | 13.06 | 12.26 | 12.18 | 11.14 | 10.46 |
| Testing Charges | 11.43 | 1.54 | 1.28 | 0.83 | 3.00 |

| | | | | | |
|-------------------------------|-----------------|-----------------|-----------------|---------------|---------------|
| Vehicle Running & Maintenance | 6.64 | 6.78 | 3.96 | 6.16 | 3.63 |
| Grand Total | 1,090.88 | 1,109.59 | 1,182.67 | 943.62 | 670.12 |

Note 2.22: Deferred Tax Assets/(Liabilities) (Net)

(Rs. In Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 |
|---|----------------------------|----------------------------|----------------------------|----------------------------|-------------------------------|
| Deferred Tax Assets | | | | | |
| Related to Fixed Assets | 32.31 | 19.99 | - | - | - |
| Total (a) | 32.31 | 19.99 | - | - | - |
| Deferred Tax Liability | | | | | |
| Related to Fixed Assets | - | - | 44.32 | 10.85 | 18.67 |
| Total (b) | - | - | 44.32 | 10.85 | 18.67 |
| Net deferred tax asset/(liability)-{(a)-(b)} | 32.31 | 19.99 | (44.32) | (10.85) | (18.67) |

ANNEXURE VI: SUMMARY STATEMENT OF RESTATED SHARE CAPITAL

(a) Authorised, Issued, Subscribed and Paid-up Share Capital

(Rs. In Lakhs)

| Particulars | As at March, 31 | | | | |
|---|-----------------|----------------|----------------|----------------|----------------|
| | 2018 | 2017 | 2016 | 2015 | 2014 |
| Authorized Share Capital: | | | | | |
| Equity Shares | | | | | |
| Equity Shares of Rs. 10 each | 11000000 | 5000000 | 5000000 | 5000000 | 5000000 |
| Amount (In Lacs) | 1,100.00 | 500.00 | 500.00 | 500.00 | 500.00 |
| | | | | | |
| Issued, Subscribed & fully paid up share capital | | | | | |
| Equity Shares | | | | | |
| Equity Shares of Rs. 10 each | 7348230 | 4000000 | 4000000 | 4000000 | 3333333 |
| Amount | 734.82 | 400.00 | 400.00 | 400.00 | 333.33 |
| | | | | | |
| Total No. of Shares | 7348230 | 4000000 | 4000000 | 4000000 | 3333333 |

(b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year

| Particulars | As at March, 31 | | | | |
|--|-----------------|---------|---------|---------|---------|
| | 2018 | 2017 | 2016 | 2015 | 2014 |
| No of shares outstanding at the beginning of the year | | | | | |
| -Equity Shares | 4000000 | 4000000 | 4000000 | 3333333 | 3000000 |
| -Equity Shares (amount in lacs) | 400.00 | 400.00 | 400.00 | 333.33 | 300 |
| Add: Additional shares issued during the year | | | | | |
| -Equity Shares | 82350 | - | - | 666667 | 333333 |
| -Equity Shares (amount in lacs) | 8 | - | - | 67 | 33 |
| Add: Bonus Shares issued during the year | | | | | |
| -Equity Shares | 3265880 | - | - | - | - |
| -Equity Shares (amount in lacs) | 327 | - | - | - | - |
| Less: Shares bought back during the year | | | | | |
| -Equity Shares | - | - | - | - | - |
| -Equity Shares (amount in lacs) | - | - | - | - | - |
| Shares outstanding at the end of the year | | | | | |
| -Equity Shares | 7348230 | 4000000 | 4000000 | 4000000 | 3333333 |
| -Equity Shares (amount in lacs) | 734.82 | 400.00 | 400.00 | 400.00 | 333.33 |

(c) Details of Shareholding more than 5% of the aggregate shares in the company

| Particulars | As at March, 31 | | | | |
|-------------------------------------|-----------------|------------|------------|------------|------------|
| | 2018 | 2017 | 2016 | 2015 | 2014 |
| Equity Shares: | | | | | |
| Trilok Chand Chandana | | | | | |
| No of Shares | 3031200 | 1684000 | 1684000 | 1684000 | 1403333 |
| % of holding | 41% | 44% | 42% | 44% | 42% |
| Tarun Chandna | | | | | |
| No of Shares | 2512800 | 1396000 | 1396000 | 1396000 | 1396000 |
| % of holding | 34% | 36% | 35% | 36% | 35% |
| Yunik Chandna | | | | | |
| No of Shares | 727200 | 404000 | 404000 | 404000 | 336667 |
| % of holding | 9.90 | 9.00 | 10.10 | 9.00 | 10.10% |
| Karan Chandna | | | | | |
| No of Shares | 691200 | 384000 | 384000 | 384000 | 320000 |
| % of holding | 9.41 | 9.00 | 9.60 | 9.00 | 9.6 |
| Preeti Chandna | | | | | |
| No of Shares | 172620 | 95900 | 95900 | 95900 | 880000 |
| % of holding | 2.35 | 1.00 | 2.40 | 1.00 | 2.40 |
| Anushri Chandna | | | | | |
| No of Shares | 148410 | - | - | - | - |
| % of holding | 2.02 | - | - | - | - |
| T.C. Chandna & Sons, HUF | | | | | |
| No of Shares | 64800 | 36000 | 36000 | 36000 | 36000 |
| % of holding | 0.88 | 1.00 | 0.90 | 1.00 | 0.90 |
| Manju Ahuja | | | | | |
| No of Shares | - | 100.00 | 100.00 | 100.00 | 100.00 |
| % of holding | Negligible | Negligible | Negligible | Negligible | Negligible |

Notes:

The right, preferences and restrictions attached to each class of shares including restrictions on the distribution of dividends and the repayment of capital are as under:

The company has only one class of equity Shares having a par value of Rs. 10/- per share. Each shareholder is entitled to one vote per shares. The dividends proposed by the Board of Directors is subjects to the approval of shareholders in the ensuing Annual General Meeting except in case of Interim Dividend.

In the event of Liquidation of the company, the holder of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by shareholders.

ANNEXURE VII: SUMMARY STATEMENT OF RESTATED LONG-TERM BORROWINGS

(Rs. In Lakhs)

| Particulars | Non-Current Portion | | | | | Current Portion | | | | |
|--|---------------------|---------------|-----------------|-----------------|-----------------|-----------------|---------------|---------------|---------------|---------------|
| | As at March, 31 | | | | | As at March, 31 | | | | |
| | 2018 | 2017 | 2016 | 2015 | 2014 | 2018 | 2017 | 2016 | 2015 | 2014 |
| A. Loans from Banks | | | | | | | | | | |
| Secured Loans | | | | | | | | | | |
| Term Loans | | | | | | | | | | |
| For Machinery | 366.91 | 413.96 | 719.01 | 706.91 | 786.51 | 168.30 | 352.90 | 182.36 | 188.02 | 169.37 |
| - For Vehicles | 25.43 | 9.45 | 2.28 | 4.44 | 11.78 | 7.38 | 0.86 | 2.81 | 9.96 | 11.74 |
| Total Secured loans from banks | 392.34 | 423.41 | 721.29 | 711.35 | 798.29 | 175.69 | 353.76 | 185.17 | 197.97 | 181.11 |
| | | | | | | | | | | |
| B. Other loans & Advances | | | | | | | | | | |
| Unsecured Loans (Related parties) | 208.08 | 176.96 | 152.44 | 167.76 | 157.43 | - | - | - | - | - |
| others | 327.27 | 151.84 | 170.16 | 227.61 | 239.87 | 77.29 | - | - | - | - |
| Total Unsecured loans from others | 535.35 | 328.80 | 322.60 | 395.37 | 397.30 | 77.29 | - | - | - | - |
| | | | | | | | | | | |
| Grand Total | 927.69 | 752.21 | 1,043.89 | 1,106.72 | 1,195.59 | 252.98 | 353.76 | 185.17 | 197.97 | 181.11 |
| | | | | | | | | | | |

A. Principle Terms of Secured Loans

| Name of Bank | Facility Type | Facility Key term | | | Security as per loan agreement |
|---------------|------------------------|---------------------------|----------------------|----------------------|--|
| | | Loan Amount (Rs. In Lakh) | Rate of Interest (%) | Total Term (Monthly) | |
| Bank of India | Vehicle Loan | 4.19 | 9.90% | 48 | Financed Assets |
| Bank of India | Vehicle Loan | 8.50 | 9.45% | 60 | Financed Assets |
| HDFC Bank Ltd | Vehicle Loan | 28.00 | 8.00% | 60 | Financed Assets |
| Bank of India | Plant & Machinery Loan | 187.50 | 11.50% | 84 | 1. First Charge on all Fixed Assets of the Company. Plant & Machinery, Tools and Accessories kept at the premises of the company situated at Bhagwanpur, Distt. Roorkee, Uttranchal and Extn. Of Eq. Mt. on SSI Plot no. 1 & plot no. 4, Block H , NH 2, NIT, Faridabad. |
| Bank of India | Plant & Machinery Loan | 550.00 | 11.50% | 84 | 2. EQM of property at Plot no. 348, Land & Building situated at Bhagwanpur, Roorkee, Uttranchal. |
| Bank of India | Plant & Machinery Loan | 187.50 | 11.50% | 84 | 3. EQM of property at Plot no. 356, Land & Building situated at Bhagwanpur, Roorkee, Uttranchal. |
| Bank of India | Plant & Machinery Loan | 225.00 | 11.50% | 84 | 4. EQM of Immovable Properties in the name of Director Smt. Tarun Chandna being part of Land measuring 320Sq. Yards and Building situated at SSI Plot No. 1, Block H, NH 2, NIT, Faridabad |
| Bank of India | Plant & Machinery Loan | 150.00 | 11.50% | 84 | 5. EQM of Immovable Properties in the name of Director Smt. Tarun Chandna being part of Land measuring 320Sq. Yards and Building situated at SSI Plot No. 4, Block H, NH 2, NIT, Faridabad |
| Bank of India | LAP | 80.00 | 10.50% | 143 | 6. EQM of Immovable Properties in the name of Director Smt. Tarun Chandna and Director Trilok Chand Chandana being part of Land measuring 300Sq. Yards and Building situated at 3E/32A, B.P., NIT, Faridabad |
| Bank of India | LAP | 16.00 | 10.50% | 143 | 7. EQM of Immovable Properties of the company being Plot No. 78, Industrial Area, Malanpur, Gwalior of Land measuring 16187 Sq. Mtr. |
| Bank of India | LAP | 31.00 | 10.50% | 143 | |
| Bank of India | LAP | 20.00 | 10.50% | 143 | |

| | | | | | |
|---------------|-----|-------|--------|-----|--|
| Bank of India | LAP | 26.00 | 10.50% | 143 | |
| Bank of India | LAP | 26.00 | 10.50% | 143 | |

B. Principle Terms of Unsecured Loans

| Name of Lender | | Facility Key term | | | Security as per loan agreement |
|--------------------------------------|--|---------------------------|----------------------|----------------------|--------------------------------|
| | | Loan Amount (Rs. In Lakh) | Rate of Interest (%) | Total Term (Monthly) | |
| HDFC Bank Ltd. | | 20.00 | 15.50% | 36 | Unsecured |
| Equitas Small Finance Bank Ltd. | | 35.00 | 17.00% | 36 | |
| Deutsche Bank | | 50.00 | 16.90% | 36 | |
| Indusind Bank | | 50.00 | 16.90% | 36 | |
| RBL Bank Ltd. | | 40.00 | 16.90% | 36 | |
| Tata Capital Financial Services Ltd. | | 35.00 | 16.90% | 36 | |
| Edelweiss Retail Finance Ltd. | | 45.00 | 16.90% | 36 | |

ANNEXURE VIII: SUMMARY STATEMENT OF RESTATED LONG-TERM & SHORT-TERM LOANS & ADVANCES

(Rs. In Lakhs)

| Particulars | Non-Current Portion | | | | | Current Portion | | | | |
|--------------------------------------|---------------------|------|------|------|------|-----------------|-------------|-------------|-------------|-------------|
| | As at March, 31 | | | | | As at March, 31 | | | | |
| | 2018 | 2017 | 2016 | 2015 | 2014 | 2018 | 2017 | 2016 | 2015 | 2014 |
| Loans and advances to employees | | | | | | | | | | |
| Secured, considered good | - | - | - | - | - | - | - | - | - | - |
| Unsecured, considered good | - | - | - | - | - | 12.13 | 4.44 | 1.83 | 4.16 | 1.52 |
| Total | - | - | - | - | - | 12.13 | 4.44 | 1.83 | 4.16 | 1.52 |
| Balances with government authorities | | | | | | | | | | |

| | | | | | | | | | | |
|-------------------------------|---|---|---|---|---|---------------|---------------|---------------|---------------|---------------|
| Unsecured, considered good | | | | | | 232.15 | 134.37 | 97.77 | 79.04 | 81.69 |
| Total | - | - | - | - | - | 232.15 | 134.37 | 97.77 | 79.04 | 81.69 |
| Others | | | | | | | | | | |
| Secured, considered good | | | | | | | | | | |
| Unsecured, considered good | | | | | | | | | | |
| (i) Others | - | - | - | - | - | 200.19 | 65.94 | 20.38 | 241.64 | 238.80 |
| (ii) Suppliers | | - | - | - | - | 174.25 | 129.41 | 173.25 | 67.99 | 48.38 |
| | - | - | - | - | - | | | | | |
| Total | | - | - | - | - | 374.46 | 195.36 | 193.63 | 309.64 | 287.18 |
| Grand Total | - | - | - | - | - | 618.74 | 334.17 | 293.23 | 392.84 | 370.39 |

Out of the above amounts, there is no outstanding from promoters/promoter group/group directors/relative of directors.

ANNEXURE IX: CONTINGENT LIABILITIES

(Rs. In Lakhs)

| Particulars | As at March, 31 | | | | |
|--------------------|-----------------|--------------|--------------|--------------|-------------|
| | 2018 | 2017 | 2016 | 2015 | 2014 |
| TDS Demand | 0.36 | 0.36 | 0.36 | 0.36 | 0.34 |
| Bank Guarantees | 19.40 | 19.40 | 18.76 | 17.77 | 9.20 |
| Grand Total | 19.76 | 19.76 | 19.12 | 18.13 | 9.54 |

ANNEXURE X: SUMMARY OF ACCOUNTING RATIOS

(Rs. In Lakhs)

| Particulars | As at March, 31 | | | | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2018 | 2017 | 2016 | 2015 | 2014 |
| Restated PAT as per P& L Account | 243.51 | 222.52 | 173.91 | 169.70 | 118.48 |
| Weighted Average Number of Equity Shares at the end of the Year (After Bonus issue with retrospective effect) | 7,348,230 | 7,200,000 | 7,200,000 | 7,200,000 | 5,999,999.40 |
| Net Worth | 1,881.31 | 1,602.80 | 1,380.28 | 1,206.37 | 1,036.67 |
| Earnings Per Share (without Bonus effect) | | | | | |
| Basic | 6.09 | 5.56 | 4.35 | 5.09 | 3.95 |
| Diluted | 6.09 | 5.56 | 4.35 | 5.09 | 3.95 |

| | | | | | |
|--|--------|--------|--------|--------|--------|
| Earnings Per Share (with subsequent Bonus issue effect) | | | | | |
| Basic | 3.31 | 3.09 | 2.42 | 2.36 | 1.97 |
| Diluted | 3.31 | 3.09 | 2.42 | 2.36 | 1.97 |
| | | | | | |
| Return on Net Worth (%) | 12.94% | 13.88% | 12.60% | 14.07% | 11.43% |
| Net Asset Value Per Share (Rs) (after giving retrospective effect of issue of bonus shares) | 25.60 | 22.26 | 19.17 | 16.76 | 17.28 |
| Nominal Value per Equity share (Rs.) | 10 | 10 | 10 | 10 | 10 |

* The Company does not have any diluted potential Equity Shares. Consequently, the basic and diluted profit/earning per share of the company remain the same.

** The company has issued 4 bonus shares for each 5 shares held by its members during the year.

***Earning Per Share (EPS) is calculated after adjusting for bonus equity shares issued, with retrospective effect as provided in Accounting Standard (AS-20) - Earning per Share, issued by the Institute of Chartered Accountants of India.

Formula:

$$1 \quad \text{Earnings Per Share (Rs.)} = \frac{\text{Net Profit attributable to Equity Shares}}{\text{Weighted Average Number of Equity Shares Outstanding during the period}}$$

$$2 \quad \text{Return on Net Worth (\%)} = \frac{\text{Net Profit after Tax Adjustments}}{\text{Net worth at the end of the year/ period}}$$

$$3 \quad \text{Net Asset Value Per Share} = \frac{\text{Net Worth excluding Revaluation Reserve at the end of the period}}{\text{Total Number of Equity Shares Outstanding at the end of the year/period}}$$

$$4 \quad \text{Net Assets} = \frac{\text{Equity Share Capital plus reserves and Surplus less Misc. Expenditure to the extent not written off}}{\text{Total Number of Equity Shares Outstanding at the end of the year/period}}$$

ANNEXURE XI: STATEMENT OF CAPITALISATION

(Rs. in Lakhs)

| Sr. No | Particulars | Pre-issue | Post issue |
|--------|---|-----------------|-----------------|
| | Debts | | |
| A. | (a) Long Term Debt | 927.69 | 927.69 |
| B. | (b) Short Term Debt | 2,218.54 | 2,218.54 |
| | | | |
| C. | Total Debt | 3,146.23 | 3,146.23 |
| | Equity Shareholders Funds | | |
| | (a) Equity Share Capital | 734.82 | 1,000.02 |
| | (b) Reserves and Surplus | 1,146.49 | 1,942.09 |
| | | | |
| D. | Total Equity | 1,881.31 | 2,942.11 |
| | | | |
| E. | Total Capitalisation | 5,027.54 | 6,088.34 |
| | | | |
| | Long Term Debt/ Equity Ratio (A/D) | 0.49 | 0.32 |
| | Total Debt/ Equity Ratio (C/D) | 1.67 | 1.07 |

ANNEXURE XII: STATEMENT OF RELATED PARTY DISCLOSURES AS RESTATED

-As required under Accounting Standard 18 "Related Party Disclosures" as notified pursuant to Company (Accounting Standard)

Rules 2006, following are details of transactions during the year with related parties of the company as defined in AS 18.

A. List of Related Parties and Relationships

| Sl. No. | Description of Relationship | Name of the Related party / Person | |
|--|-----------------------------|------------------------------------|-----------------------|
| 1 | Key Managerial Personnel | Director | Trilok Chand Chandana |
| | | Relative of Director | Tarun Chandna |
| | | Director | Yunik Chandna |
| | | Director | Karan Chandna |
| | | Relative of Director | Preeti Chandna |
| | | Relative of Director | Anushri Chandna |
| Note: - Related Party relationships are as identified by the Company and relied upon by the Auditors | | | |

B. Summary of transactions carried out with the related party in the ordinary course of business

| Particulars | Nature of Relationship / Name of the Party | Transactions for the Year ended March,31(In Lacs) | | | | |
|-----------------------|--|---|--------|--------|--------|--------|
| | | 2018 | 2017 | 2016 | 2015 | 2014 |
| Services | | | | | | |
| | Director Remuneration | | | | | |
| | -Key Managerial Personnel | 47.40 | 47.40 | 38.40 | 34.80 | 34.80 |
| Loans | Loan taken from related party | | | | | |
| | -Key Managerial Personnel | 344.76 | 328.80 | 322.60 | 395.37 | 397.30 |
| | Loan taken repaid to related party | | | | | |
| | -Key Managerial Personnel | NIL | NIL | 72.77 | 1.93 | NIL |
| Payments for Expenses | Interest | | | | | |
| | -Key Managerial Personnel | 17.57 | 16.66 | 24.28 | 12.54 | 15.73 |
| | | | | | | |

C. Outstanding Balance as at the end of the year

| Particulars | Nature of Relationship / Name of the Party | Balance of party/ Person for the Year ended March,31 | | | | |
|-------------|--|--|--------|--------|--------|--------|
| | | 2018 | 2017 | 2016 | 2015 | 2014 |
| Payables | Key Managerial Personnel | 208.08 | 176.96 | 152.44 | 167.76 | 157.43 |
| | | | | | | |
| | | 208.08 | 176.96 | 152.44 | 167.76 | 157.43 |

ANNEXURE - XIII: STATEMENT OF TAX SHELTERS

(Rs. In Lakhs)

| Particulars | | As at March, 31 | | | | |
|--|----------|--------------------|--------------------|--------------------|--------------------|----------------|
| | | 2018 | 2017 | 2016 | 2015 | 2014 |
| Profit before taxes, as restated | A | 294.47 | 205.59 | 266.23 | 205.61 | 152.76 |
| Weighted Average Tax Rate (%) | B | 33.06% | 33.06% | 33.06% | 32.44% | 30.90% |
| Tax expense at weighted average rate (A*B) | C | 97.35 | 67.97 | 88.02 | 66.70 | 47.20 |
| Adjustments: | | | | | | |
| Permanent Differences | | | | | | |
| Preliminary expense | | | - | - | - | |
| Deductions under I.T. Act | | | (99.09) | (66.82) | (68.20) | (48.34) |
| Capital receipt not taxable | | | | 7.30 | 0.14 | |
| Total Permanent Differences | D | - | (99.09) | (59.52) | (68.06) | (48.34) |
| Temporary Differences | | | | | | |
| Difference between Book depreciation and Tax depreciation | | 37.25 | 48.56 | 45.36 | 55.99 | (36.80) |
| Others | | | - | - | - | |
| Total Temporary Differences | E | 37.25 | 48.56 | 45.36 | 55.99 | (36.80) |
| Net Adjustments F= (D+E) | F | 37.25 | (50.53) | (14.16) | (12.07) | (85.14) |
| Tax expense/(saving) thereon (F*B) | G | 12.31 | (16.71) | (4.68) | (3.92) | (26.31) |
| Tax Liability after considering the effect of Adjustment (C+G) | H | 109.67 | 51.30 | 83.33 | 62.78 | 20.90 |
| MAT Credit Utilized | | 48.57 | 9.35 | 29.06 | 21.66 | |
| Tax Liability, after considering effect of MAT Credit | I | 61.10 | 41.95 | 54.27 | 41.12 | 20.90 |
| Book Profit as Per MAT* | J | 162.63 | 205.59 | 266.23 | 205.61 | 152.76 |
| MAT Rate | K | 20.39% | 20.39% | 20.01% | 20.01% | 20.01% |
| Tax Liability as per MAT (J*K) | L | 33.16 | 41.92 | 53.27 | 41.14 | 30.56 |
| Current Tax being Higher of I or L | M | 61.10 | 41.95 | 54.27 | 41.14 | 30.56 |
| MAT Credit Entitlement | N | | - | - | - | 9.67 |
| Total Tax Expenses (M+N) | O | 61.10 | 41.95 | 54.27 | 41.14 | 30.56 |
| Total Tax Expenses as per Income Tax Return (before interest & penalty) | P | 61.10 | 41.95 | 54.27 | 41.14 | 30.56 |
| Tax paid as per normal or MAT | Q | NORM AL | NORM AL | NORM AL | NORM AL | MAT |

* MAT Refers to Minimum Alternate Tax as referred to in section 115JB of the income Tax Act, 1961

Notes:

- 1 The aforesaid statement of tax shelters has been prepared as per the restated Summary statement of profits and losses of the Company. The permanent/timing differences have been computed considering the acknowledged copies of the income-tax return of the respective years stated above. The changes in the tax liability and the interest thereon arising on account of assessment proceedings, notices, appeals etc. has been adjusted in the tax liability of the year to which the liability pertains
- 2 The figures for the period ended March 31, 2018 are based on the provisional computation of Total Income prepared by the company
- 3 The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows.

ANNEXURE XIV: STATEMENT OF FINANCIAL INDEBTEDNESS

The details of indebtedness of our Company as at March 31, 2018, together with a brief description of certain material covenants of the relevant financing agreements, are provided below:

A. Principle Terms of Secured Loans

| Name of Bank | Facility Type | Facility Key term | | | As at 31-Mar-2018 (Rs. In Lacs) | Security as per loan agreement |
|---------------|------------------------|---------------------------|----------------------|----------------------|---------------------------------|---|
| | | Loan Amount (Rs. In Lakh) | Rate of Interest (%) | Total Term (Monthly) | | |
| Bank of India | Vehicle Loan | 4.19 | 9.90% | 48 | 1.45 | Financed Assets |
| Bank of India | Vehicle Loan | 8.50 | 9.45% | 60 | 6.84 | Financed Assets |
| HDFC Bank Ltd | Vehicle Loan | 28.00 | 8.00% | 60 | 24.88 | Financed Assets |
| Bank of India | Plant & Machinery Loan | 187.50 | 11.50% | 84 | 20.09 | 1. First Charge on all Fixed Assets of the Company. Plant & Machinery, Tools and Accessories kept at the premises of the company situated at Bhagwanpur, Distt. Roorkee, Uttranchal and Extn. Of Eq. Mt. on SSI Plot no. 1 & plot no. 4, Block H, NH 2, NIT, Faridabad. |
| Bank of India | Plant & Machinery Loan | 550.00 | 11.50% | 84 | 170.24 | 2. EQM of property at Plot no. 348, Land & Building situated at Bhagwanpur, Roorkee, Uttranchal. |
| Bank of India | Plant & Machinery Loan | 187.50 | 11.50% | 84 | 67.21 | 3. EQM of property at Plot no. 356, Land & Building situated at Bhagwanpur, Roorkee, Uttranchal. |
| Bank of India | Plant & Machinery Loan | 225.00 | 11.50% | 84 | 152.68 | 4. EQM of Immovable Properties in the name of Director Smt. Tarun Chandna being part of Land |

| | | | | | | |
|---------------|------------------------|----------|--------|-----|----------------|--|
| | | | | | | measuring 320Sq. Yards and Building situated at SSI Plot No. 1, Block H, NH 2 , NIT, Faridabad |
| Bank of India | Plant & Machinery Loan | 150.00 | 11.50% | 84 | 125.00 | 5. EQM of Immovable Properties in the name of Director Smt. Tarun Chandna being part of Land measuring 320Sq. Yards and Building situated at SSI Plot No. 4, Block H, NH 2, NIT, Faridabad |
| Bank of India | LAP | 80.00 | 10.50% | 143 | 55.46 | 6. EQM of Immovable Properties in the name of Director Smt. Tarun Chandna and Director Trilok Chand Chandana being part of Land measuring 300Sq. Yards and Building situated at 3E/32A, B.P., NIT, Faridabad |
| Bank of India | LAP | 16.00 | 10.50% | 143 | 11.01 | 7. EQM of Immovable Properties of the company being Plot No. 78, Industrial Area, Malanpur, Gwalior of Land measuring 16187 Sq. Mtr. |
| Bank of India | LAP | 31.00 | 10.50% | 143 | 21.33 | |
| Bank of India | LAP | 20.00 | 10.50% | 143 | 13.77 | |
| Bank of India | LAP | 26.00 | 10.50% | 143 | 17.90 | |
| Bank of India | LAP | 26.00 | 10.50% | 143 | 17.21 | |
| Bank of India | CC Limit | 2,000.00 | | - | 2,218.54 | First Charge on all Current Assests of the Company including Stocks, Book Debts and Trade Receivables both Present & Future. |
| Bank of India | LC/BG | 300.00 | | - | | |
| Total | | | | | 2923.61 | |

B. Principle Terms of Unsecured Loans

| Name of Lender | Facility Key term | | | As at 31-Mar- 2018 (Rs. In Lacs) | Security as per loan agreement |
|--------------------------------------|------------------------------|----------------------|----------------------|-------------------------------------|--------------------------------|
| | Loan Amount (Rs. In Lakh) | Rate of Interest (%) | Total Term (Monthly) | | |
| HDFC Bank Ltd. | 20.00 | 15.50% | 36 | 20.00 | Unsecured |
| Equitas Small Finance Bank Ltd. | 35.00 | 17.00% | 36 | 34.25 | |
| Deutsche Bank | 50.00 | 16.90% | 36 | 47.39 | |
| Indusind Bank | 50.00 | 16.90% | 36 | 48.87 | |
| RBL Bank Ltd. | 40.00 | 16.90% | 36 | 39.09 | |
| Tata Capital Financial Services Ltd. | 35.00 | 16.90% | 36 | 34.25 | |
| Edelweiss Retail Finance Ltd. | 45.00 | 16.90% | 36 | 44.03 | |
| Total | | | | 267.88 | |

ANNEXURE XV: RESTATED STATEMENT OF DIVIDEND

(Amount in Lakhs)

| Particulars | As at 31 March | | | | |
|----------------------------------|----------------|--------|--------|--------|--------|
| | 2018 | 2017 | 2016 | 2015 | 2014 |
| Share capital | | | | | |
| Equity Share Capital | 734.82 | 400.00 | 400.00 | 400.00 | 333.33 |
| Dividend on equity shares | - | - | - | - | - |
| Dividend in % | NIL | | | | |
| Interim Dividend | | | | | |

Note:

The above statement should be read with the Restated Statement of Significant Accounting Policies and Notes to Accounts in Annexure IV & IV.A, Restated Statement of Notes to Restated Summary Statements of the Company in Annexure V and the Restated Statement of Reconciliation of Restated Profit/ (Loss) to Profit/ (Loss) as per audited Financial Statements in Annexure XVI.

ANNEXURE XVI: RESTATED SUMMARY STATEMENT OF RECONCILIATION OF RESTATED PROFIT/ (LOSS) TO PROFIT/ (LOSS) AS PER AUDITED FINANCIAL STATEMENTS

(Amount in Lakhs)

A Material Regrouping

Appropriate Adjustments have been made in the Restated Financial Statements of Assets and Liabilities, Profit and Losses and Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities in order to bring them in line with the regroupings as per the audited financial statements of the company and the requirements of SEBI Regulations.

B Material Adjustments

The Summary of results of restatement made in the Audited Financial Statements for the respective years and its impact on the profit / (loss) of the Company is as follows:

| Particulars | For the year ended March 31, | | | | |
|--|------------------------------|---------------|---------------|---------------|---------------|
| | 2018 | 2017 | 2016 | 2015 | 2014 |
| Profit / (Loss) after Tax (as per audited financial statements) (i) | 243.51 | 222.52 | 173.91 | 169.70 | 118.48 |
| Add/(Less): Adjustments | - | - | - | - | - |
| Total Adjustments (ii) | - | - | - | - | - |
| Add/(less): Tax Impact on above adjustments (iii) | - | - | - | - | - |
| Restated Profit/ (Loss) (i+ii+iii) | 243.51 | 222.52 | 173.91 | 169.70 | 118.48 |

MANAGEMENTS' DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our restated financial statements as of and for the years ended March 31, 2018, 2017, 2016, 2015, and 2014 prepared in accordance with the Companies Act, 2013 and Companies Act, 1956 to the extent applicable and Indian GAAP and restated in accordance with the SEBI ICDR Regulations, including the schedules, annexure and notes thereto and the reports thereon, included in "Financial Statements" beginning on page 156.

Indian GAAP differs in certain material respects from U.S. GAAP and IFRS. 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 under U.S. GAAP or IFRS. 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 the Companies Act, Indian GAAP and the SEBI ICDR Regulations.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in "Risk Factors" and "Forward-Looking Statements" beginning on pages 19 and 18 respectively.

BUSINESS OVERVIEW

Our Company was incorporated as Yeekay Technocrat Private Limited under the provisions of the Companies Act, 1956 vide certificate of incorporation dated December 12, 2002 in NCT of Delhi & Haryana. Further, pursuant to Shareholders Resolution dated November 02, 2012, our Company changed its name to "Fusion Industries Private Limited" vide a fresh Certificate of Incorporation dated December 11, 2012 having CIN U34300HR2002PTC035006. Subsequently, upon conversion into a Public Limited Company pursuant to Shareholders Resolution dated December 20, 2012, the name of our Company was changed to "Fusion Industries Limited" and a fresh Certificate of Incorporation dated January 23, 2013 having CIN U34300HR2002PLC035006 issued by the Registrar of Companies, NCT of Delhi & Haryana.

We currently manufacture polymer pipes and fittings using four different polymers: PVC; CPVC; PPR; and PP. We also manufacture Blow Water Storage Tanks using Polymer HDPE and Roto Water Storage Water Tanks using Polymer LLDPE. As at June 30, 2018, we have a product range of more than 4,000 SKUs. Our products are used for varied applications in Air, Plumbing, Irrigation, Sewage disposal & Water Storage. Our product range meets the requirements of both the rural and urban markets.

We distribute our products from our plants only. We have three strategically located manufacturing plants, which has enabled us to develop a strong presence in Northern, Central and Southern India. Our plants are located at the following locations: Roorkee (Uttarakhand), Malanpur (Gwalior, Madhya Pradesh), Bangalore (Karnataka). The total installed capacity of our three existing plants is 22581 tonnes per annum as at June 30, 2018. We plan to increase capacities by 2100 tonnes per annum at our existing manufacturing plant at Roorkee.

We currently sell our products to distributors who then resell them to wholesalers, retailers, and consumers. As at June 30, 2018, we had 296 distributors spread across India.

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR

In the opinion of the Board of Directors of our Company, no circumstances have arisen, since the date of the last financial statements disclosed in this Draft Prospectus i.e. March 31, 2018, any significant developments or any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months except as follows:

1. Appointment of Mr. Trilok Chand Chandana as Managing Director on April 01, 2018
2. Appointment of the KMP - Mr. Aditya Gupta as the Chief Financial Officer w.e.f. April 02, 2018.

3. Appointment of Mr. Ashish Ahuja and Mr. Jagan Nath Chawla as Non-Executive & Independent Director on May 04, 2018.
4. Appointment of Ms. Veena Mitra as Non-Executive & Independent Director on June 25, 2018.
5. Production of ROTO Water Tanks initiated in our Unit-II (Madhya Pradesh) on June 06, 2018 and March 01, 2018.
6. Launch of Fusion Fibertherm PPRC Composite Glass filled Pipes for Air applications and fittings in M/o Jun 2018.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “Risk Factor” beginning on page 19. Our results of operations and financial conditions are affected by numerous factors including the following:

- Increase in cost of material & manufacturing expenses;
- Our ability to attract and retain qualified personnel;
- Technology upgradation;
- Recovery of receivables;
- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Our ability to successfully implement our growth strategy;
- Our ability to meet our working capital requirements;
- Conflict of Interest with affiliated companies, the promoter group and other related parties; and
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies.
- Changes in government policies and regulatory actions that apply to or affect our business;

DISCUSSION ON RESULT OF OPERATION

The following discussion on results of operations should be read in conjunction with the restated financial results of our Company for years ended March 31, 2018, 2017, 2016, 2015 and 2014.

Overview of Revenue & Expenditure

Revenues

Our Company’s revenue is primarily generated from Sale of manufactured products and other misc. incomes: -
(Rs. In Lakhs)

| Particulars | As at March 31 | | | | |
|-------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2018 | 2017 | 2016 | 2015 | 2014 |
| Income | | | | | |
| Revenue from Operations | 9,033.85 | 9,071.65 | 8,472.54 | 6,704.19 | 4,512.36 |
| Increase/Decrease in % | (0.42) | 7.07 | 26.38 | 48.57 | NA |
| Other Income | 153.33 | 25.96 | 30.59 | 15.32 | 8.91 |
| Increase/Decrease in % | 490.64 | (15.14) | 99.67 | 71.94 | NA |
| Total Revenue | 9,187.18 | 9,097.61 | 8,503.13 | 6,719.51 | 4,521.27 |

The following is the Income mix in terms of value of total income of our Company from manufactured products.
(Rs. In Lakhs)

| Particulars | As at March 31 | | | | |
|-------------|----------------|------|------|------|------|
| | 2018 | 2017 | 2016 | 2015 | 2014 |

| | | | | | |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Sale of Goods | | | | | |
| -Domestic | 8,798.82 | 9,034.48 | 8,782.26 | 6,920.39 | 4,582.12 |
| -Export | 242.77 | 56.81 | 0.82 | 24.96 | 47.97 |
| Less: Excise Duty | 7.73 | 19.64 | 310.54 | 241.16 | 117.73 |
| Total Revenue from Operations | 9,033.85 | 9,071.65 | 8,472.54 | 6,704.19 | 4,512.36 |

The following is the Income mix in terms of percentage of total income of our Company from manufactured products.

| Particulars | As at March 31 | | | | |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|
| | 2018 | 2017 | 2016 | 2015 | 2014 |
| Sale of Goods | | | | | |
| -Domestic | 97.40% | 99.59% | 103.66% | 103.22% | 101.55% |
| -Export | 2.69% | 0.63% | 0.01% | 0.37% | 1.06% |
| Less: Excise Duty | 0.09% | 0.22% | 3.67% | 3.60% | 2.61% |
| Total Revenue from Operations | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

Other Income

Other operating revenue consists mainly of Interest Income.

(Rs. In Lakhs)

| Particulars | As at March 31 | | | | |
|---------------------------|----------------|--------------|--------------|--------------|-------------|
| | 2018 | 2017 | 2016 | 2015 | 2014 |
| Discount Received | 27.10 | - | 9.23 | - | - |
| Interest Received | 9.64 | 11.71 | 18.57 | 2.99 | 0.39 |
| Miscellaneous Income | 11.20 | 14.25 | 0.78 | 2.99 | 0.39 |
| Sale Tax Subsidy-Gwalior | 105.39 | - | 8.56 | - | - |
| Total Other Income | 153.33 | 25.96 | 30.59 | 15.32 | 8.91 |

The following is the other income mix in terms of percentage of other income of our Company for other incomes:

| Particulars | As at March 31 | | | | |
|---------------------------|----------------|----------------|----------------|----------------|----------------|
| | 2018 | 2017 | 2016 | 2015 | 2014 |
| Discount Received | 17.67% | 0.00% | 30.18% | 0.00% | 0.00% |
| Interest Received | 6.29% | 45.11% | 39.27% | 80.48% | 95.62% |
| Miscellaneous Income | 7.30% | 54.89% | 2.55% | 19.52% | 4.38% |
| Sale Tax Subsidy-Gwalior | 68.73% | 0.00% | 27.99% | 0.00% | 0.00% |
| Total Other Income | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

The following table presents the details of our Company's trade receivables:

| Particulars | As at March 31 | | | | |
|---|----------------|----------|--------|--------|--------|
| | 2018 | 2017 | 2016 | 2015 | 2014 |
| Unsecured and Considered Good | | | | | |
| Outstanding for a period not exceeding six months | 1,609.23 | 1,224.76 | 952.47 | 697.47 | 624.82 |
| As a % of total Trade receivables | 92.89% | 91.72% | 91.36% | 89.19% | 91.64% |
| Outstanding for a period exceeding six months | 123.24 | 110.53 | 90.11 | 84.55 | 57.02 |

| | | | | | |
|------------------------------------|-----------------|-----------------|-----------------|---------------|---------------|
| As a % of total Trade receivables | 7.11% | 8.28% | 8.64% | 10.81% | 8.36% |
| Less: Provision for doubtful debts | - | - | - | - | - |
| As a % of total Trade receivables | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Total Trade receivables | 1,732.47 | 1,335.29 | 1,042.58 | 782.02 | 681.84 |
| Avg. Trade receivables | 1,533.88 | 1,188.94 | 912.30 | 731.93 | NA |
| Trade receivables Turnover Ratio | 5.21 | 6.79 | 8.13 | 8.57 | 6.62 |

Expenditure

Our total expenditure primarily consists of (i) Cost of material consumed and change in inventories (ii) Purchase of Stock-in-Trade (ii) Employee Benefit Expenses (iii) Finance Costs (iv) Depreciation and (v) Other Expenses including Manufacturing Expenses such as power, labour, etc.

The following table sets forth our expenditure in Rupees and as a percentage of our total revenue for the periods indicated:

(Rs. in Lakhs)

| Particulars | For the Year Ended March 31, | | | | |
|--|------------------------------|-----------------|-----------------|-----------------|-----------------|
| | 2018 | 2017 | 2016 | 2015 | 2014 |
| INCOME | | | | | |
| Revenue from Operations | | | | | |
| Revenue from Operations (Net) | 9,033.85 | 9,071.65 | 8,472.54 | 6,704.19 | 4,512.36 |
| Increase/Decrease in % | (0.42) % | 7.07 % | 26.38 % | 48.57 % | NA |
| Other Income | 153.33 | 25.96 | 30.59 | 15.32 | 8.91 |
| Increase/Decrease in % | 490.64 % | (15.14) % | 99.67 % | 71.94 % | NA |
| Total Revenue | 9,187.18 | 9,097.61 | 8,503.13 | 6,719.51 | 4,521.27 |
| EXPENDITURE | | | | | |
| Purchases including change in Inventories | 6,387.59 | 6,457.16 | 5,837.77 | 4,475.74 | 2,818.66 |
| As a % of Total Revenue | 69.53 % | 70.98 % | 68.65 % | 66.61 % | 62.34 % |
| Employee Benefits Expense | 725.21 | 615.82 | 549.33 | 461.83 | 386.48 |
| As a % of Total Revenue | 7.89% | 6.77% | 6.46% | 6.87% | 8.55% |
| Finance Cost | 398.23 | 407.91 | 369.41 | 335.98 | 275.06 |
| As a % of Total Revenue | 4.33% | 4.48% | 4.34% | 5.00% | 6.08% |
| Depreciation and Amortisation Expenses | 290.82 | 301.54 | 297.72 | 296.72 | 218.19 |
| As a % of Total Revenue | 3.17% | 3.31% | 3.50% | 4.42% | 4.83% |
| Other Expenses | 1,090.88 | 1,109.59 | 1,182.67 | 943.62 | 670.12 |
| As a % of Total Revenue | 11.87% | 12.20% | 13.91% | 14.04% | 14.82% |
| Total Expenditure | 8,892.73 | 8,892.02 | 8,236.90 | 6,513.89 | 4,368.52 |
| As a % of Total Revenue | 96.79% | 97.74% | 96.87% | 96.94% | 96.62% |
| Profit Before Exceptional & Extraordinary items and tax | 294.45 | 205.59 | 266.23 | 205.62 | 152.75 |
| As a % of Total Revenue | 3.21 | 2.26 | 3.13 | 3.06 | 3.38 |
| Exceptional Items | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| As a % of Total Revenue | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Extraordinary Items | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| As a % of Total Revenue | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Profit before tax | 294.45 | 205.59 | 266.23 | 205.62 | 152.75 |

| | | | | | |
|------------------------------------|---------------|----------------|---------------|---------------|---------------|
| PBT Margin | 3.26% | 2.27% | 3.14% | 3.07% | 3.39% |
| Tax expense : | | | | | |
| (i) Current tax | 63.15 | 42.01 | 57.05 | 43.65 | 33.76 |
| (ii) Deferred Tax Expense (Credit) | (12.32) | (64.31) | 33.47 | (7.83) | (0.10) |
| (iii) Earlier Years | 0.13 | 5.37 | 1.80 | 0.09 | 0.62 |
| Total Tax Expenses | 50.96 | (16.93) | 92.32 | 35.91 | 34.28 |
| As a % of Total Revenue | 0.55% | (0.19)% | 1.09% | 0.53% | 0.76% |
| Profit for the year | 243.49 | 222.52 | 173.91 | 169.71 | 118.47 |
| PAT Margin | 2.70% | 2.45% | 2.05% | 2.53% | 2.63% |

Other Key Ratios

| Particulars | Financial year ending March 31 st , | | |
|----------------------------|--|------|------|
| | 2018 | 2017 | 2016 |
| Fixed Asset Turnover Ratio | 5.63 | 5.52 | 4.95 |
| Debt Equity Ratio | 2.06 | 2.31 | 2.46 |
| Current Ratio | 1.50 | 1.34 | 1.36 |
| Inventory Turnover Ratio | 4.93 | 5.75 | 6.43 |

Notes:

Fixed Asset Turnover Ratio: This is defined as revenue from operations divided by total fixed assets, based on Restated Financial Information.

Debt Equity Ratio: This is defined as total debt divided by total shareholder funds. Total debt is the sum of long-term borrowings, Other Long-term liabilities, short-term borrowings and current maturity of long term debt, based on Restated Financial Information.

Current Ratio: This is defined as current assets divided by current liabilities excluding current maturity of long term debt, based on Restated Financial Information.

Inventory Turnover Ratio: This is defined as revenue from operations divided by average inventory. Average inventory is computed by dividing the sum of opening inventory and closing inventory by two, based on Restated Financial Information.

FISCAL YEAR ENDED MARCH 31, 2018 COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2017

Income

Total revenue increased by Rs. 89.57 Lakhs i.e. 0.98% from Rs. 9,187.18 Lakhs in the fiscal year ended March 31, 2017 to Rs. 9,097.61 Lakhs in the fiscal year ended March 31, 2018. The revenue has increased mainly due to increase in other income, offset by a minor reduction of Rs. 37.80 lakhs i.e. 0.42% in sales of our manufactured products as compare to last financial year.

During FY 1718, Company's Sales Revenue has dropped due to impact of GST implementation. Further, Our company is having one of its major/mother manufacturing unit Located in Notified Area for the purpose of Excise Exemption as per Notification no 49/2003-CE dated 10.06.2003 and 50/2003-CE dated 10.06.2003 amended vide Circular no 939/29/2010 dated 22.12.2010 at Khasra no 356, Raipur Industrial Area, Gagalhedi Road, Bhagwanpur, Roorkee, Distt-Haridwar (Uttarakhand).

Before, implementation of GST on 30.06.2017, Company was availing Excise Exemption due to above and was not liable to Charge/Deposit of Excise Duty @12.50% on sale of its products. Company was only liable to Charge/Deposit of VAT/ Sale Tax which was only @5% on Pipe & Fittings and for Inter-state sales CST was applicable @1%.

On Implementation of GST wef 01.07.2017, Company's Sales revenues dropped by 14.41% in order to maintain pre-GST prices in the market. This has broadly resulted in drop in Sales Revenue of Company by around Rs. 735 lakh, i.e. 8% of Company's total sales for FY 1718.

Purchases including change in Inventories

The purchases including change in Inventories decreased by Rs. 69.57 Lakhs i.e. 1.08% from Rs. 6,457.16 Lakhs in the fiscal year ended March 31, 2017 to Rs. 6,387.59 Lakhs in the fiscal year ended March 31, 2018. Purchases including change in Inventories has decreased in line with the decrease in our revenue from operations of approximately 0.42%.

Employee Benefit Expenses

Employee Benefit Expenses increased by Rs. 109.39 Lakhs i.e. 17.76% from Rs. 615.82 Lakhs in the fiscal year ended March 31, 2017 to Rs. 725.21 Lakhs in the fiscal year ended March 31, 2018. Overall employee cost has increased due to increase in employees' salaries & wages paid, contribution towards various funds and expenses incurred for staff welfare including recruitment expenses.

Finance Costs

Finance Costs decreased by Rs. 9.68 Lakhs and 2.37 % from Rs. 407.91 Lakhs in the fiscal year ended March 31, 2017 to Rs. 398.23 Lakhs in the fiscal year ended March 31, 2018. Finance Costs has decreased mainly due to lesser interest paid on unsecured loans & term loans.

Depreciation

Depreciation decreased by Rs. 10.72 Lakhs i.e. 3.56% from Rs. 301.54 Lakhs in the fiscal year ended March 31, 2017 to Rs. 290.82 Lakhs in the fiscal year ended March 31, 2018.

Other Expenses

Other Expenses including manufacturing expenses decreased by Rs. 18.71 Lakhs i.e. 1.69 % from Rs. 1109.59 Lakhs in the fiscal year ended March 31, 2017 to Rs. 1090.88 Lakhs in the fiscal year ended March 31, 2018. Other Expenses have decreased due to decrease in advertisement expenses, Bank charges, discount allowed and freight & cartage inwards expenses.

Total Expenditure

Total Expenditure increased by Rs. 0.71 Lakhs i.e. 0.01 %, from Rs. 8,892.02 Lakhs in the fiscal year ended March 31, 2017 to Rs. 8,892.73 Lakhs in the fiscal year ended March 31, 2018. Overall expenditure has increased mainly due to increase in employee benefits expenses.

Net Profit after Tax

Net Profit has increased by Rs. 20.97 Lakhs i.e. 9.42 % from Rs. 222.52 Lakhs in the fiscal year ended March 31, 2017 to profit of Rs. 243.49 Lakhs in the fiscal year ended March 31, 2018. Net profit after tax has increased due to increase in overall income of the Company.

FISCAL YEAR ENDED MARCH 31, 2017 COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2016**Income**

Total revenue increased by Rs. 594.48 Lakhs i.e. 6.99% from Rs. 8,503.13 Lakhs in the fiscal year ended March 31, 2016 to Rs. 9,097.61 Lakhs in the fiscal year ended March 31, 2017. The revenue has increased due to increase in sales of manufactured products in domestic as well in international market i.e. 2.87% & 6828.05% respectively, as compare to last financial year.

Purchases including change in Inventories

Purchases including change in Inventories increased by Rs. 619.39 Lakhs i.e. 10.61% from Rs. 5,837.77 Lakhs in the fiscal year ended March 31, 2016 to Rs. 6,457.16 Lakhs in the fiscal year ended March 31, 2017. Purchases including change in Inventories increased because of the higher availability of opening stock goods from previous year and purchase of raw materials from suppliers.

Employee Benefit Expenses

Employee Benefit Expenses increased by Rs. 109.39 Lakhs i.e. 17.76% from Rs. 549.33 Lakhs in the fiscal year ended March 31, 2016 to Rs. 615.82 Lakhs in the fiscal year ended March 31, 2017. Overall employee cost has increased due to increase in director's remuneration, employees' salaries & wages paid, contribution towards various funds and expenses incurred for staff welfare.

Finance Costs

Finance Costs increased by Rs. 38.50 Lakhs i.e. 10.42 % from Rs. 369.41 Lakhs in the fiscal year ended March 31, 2016 to Rs. 407.91 Lakhs in the fiscal year ended March 31, 2017. Finance Costs has increased due to increase in Interest paid on our working capital facilities, Unsecured & other loans taken by the Company in normal course of business.

Depreciation

Depreciation in terms of value increased by Rs. 3.82 Lakhs i.e. 1.28% from Rs. 297.72 Lakhs in the fiscal year ended March 31, 2016 to Rs. 301.52 Lakhs in the fiscal year ended March 31, 2017. Increase in depreciation is mainly due to addition of fixed assets.

Other Expenses

Other Expenses decreased by Rs. 73.08 Lakhs i.e. 6.18 % from Rs. 1,182.67 Lakhs in the fiscal year ended March 31, 2016 to Rs. 1,109.59 Lakhs in the fiscal year ended March 31, 2017. Other Expenses have decreased due to decrease in expenses incurred for advertisement & business promotion of the Company, discount allowed and repair expenses of building & others.

Total Expenditure

Total Expenditure increased by Rs. 655.12 Lakhs i.e. 7.95%, from Rs. 8,236.90 Lakhs in the fiscal year ended March 31, 2016 to Rs. 8,892.73 Lakhs in the fiscal year ended March 31, 2017. Overall expenditure has increased mainly due to increase in cost of material consumed, Employee benefit expenses and finance cost incurred as interest on working capital facilities taken by our Company.

Net Profit after Tax

Net Profit has increased by Rs. 48.61 Lakhs i.e. 27.95% from profit of Rs 173.91 Lakhs in the fiscal year ended March 31, 2016 to profit of Rs. 222.52 Lakhs in the fiscal year ended March 31, 2017. Net profit after tax has increased due to increase in revenue from operation in domestic & international market.

FISCAL YEAR ENDED MARCH 31, 2016 COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2015

Income

Total revenue increased by Rs. 1,783.62 Lakhs i.e. 26.54 %, from Rs. 6,719.51 Lakhs in the fiscal year ended March 31, 2015 to Rs. 8,503.13 Lakhs in the fiscal year ended March 31, 2016. The revenue has increased due to increase in sale of manufactured goods in domestic market i.e. 26.90% as compared to last financial year, discount received from our suppliers and sales tax subsidy received from Government of M.P.

Purchases including change in Inventories

The Purchases including change in Inventories increased by Rs. 1,362.03 Lakhs i.e. 30.43 % from Rs. 4,475.74 Lakhs in the fiscal year ended March 31, 2015 to Rs. 5,837.77 Lakhs in the fiscal year ended March 31, 2016. Purchase of raw materials and stock in trade and change in Inventories have increased due to higher purchase of raw material.

Employee Benefit Expenses

Employee benefit expenses increased by Rs. 87.50 Lakhs i.e. 18.95% from Rs. 461.83 Lakhs in the fiscal year ended March 31, 2015 to Rs. 549.33 Lakhs in the fiscal year ended March 31, 2016. Overall employee cost has increased due to increase in employees' salaries, bonus & wages paid in line of increase in no. of employees, Directors remuneration and security guard expenses.

Finance Costs

Finance Costs increased by Rs. 33.43 Lakhs i.e. 9.95 % from Rs. 335.98 Lakhs in the fiscal year ended March 31, 2015 to Rs. 369.41 Lakhs in the fiscal year ended March 31, 2016. Finance Costs has increased due to increase in interest paid on working capital facilities, LC charges paid and interest paid on other borrowings of the Company.

Depreciation

Depreciation in terms of value increased by 1.00 Lakhs i.e. 0.34 % from Rs. 296.72 Lakhs in the fiscal year ended March 31, 2015 to Rs. 297.72 Lakhs in the fiscal year ended March 31, 2016. Increase in depreciation due to addition of assets in the Company.

Other Expenses

Other Expenses increased by Rs. 239.05 Lakhs i.e. 25.33 % from Rs. 943.62 Lakhs in the fiscal year ended March 31, 2015 to Rs. 1,182.67 Lakhs in the fiscal year ended March 31, 2016. Other Expenses have increased due to increase in business promotion & advertisement of the Company, Bank charges paid, electricity charges, conveyance & travelling expenses, expenses for generator for electricity and loss on sale of fixed assets.

Total Expenditure

Total Expenditure increased by Rs. 1,723.01 Lakhs i.e. 26.45 %, from Rs. 6,513.89 Lakhs in the fiscal year ended March 31, 2015 to Rs. 8,236.90 Lakhs in the fiscal year ended March 31, 2016. Overall expenditure has increased mainly due to increase in purchase raw material, employee benefit expenses, higher finance cost and other expenses.

Net Profit after Tax

Net Profit has increased by Rs. 4.20 Lakhs i.e. 2.47 % from Rs. 169.71 Lakhs in the fiscal year ended March 31, 2015 to Rs. 173.91 Lakhs in the fiscal year ended March 31, 2016. Net profit has increased due to increased due to increase in sale of manufactured products.

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 *Risk Factors* beginning on page 19, to our knowledge there are no known 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 section titled *Risk Factors* beginning on page 19, 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

Our Company's future costs and revenues will be determined by multiple factors such as industry

preferences, economic activity, government policies and demand of our products.

5. The extent to which material increase/decrease in net revenue are due to increase/decrease in sale of our products.

Increase/Decrease in revenues are by and large linked to increase/decrease in volume of business activities carried out by the Company.

6. Total turnover of each major industry segment in which the issuer company operates.

The Company is operating in Plastic Pipes & Fittings and Storage Tanks Industry and relevant industry data, as available, has been included in the chapter titled “*Our Industry*” beginning on page 85.

7. Status of any publicly announced new products or business segments

Our Company has not announced any new products or segment, other than through this Draft Prospectus.

8. The extent to which the business is seasonal

Our Company business is not seasonal in nature.

9. Any significant dependence on a single or few clients.

Our business is not dependent on few clients.

10. Competitive Conditions

We face competition from existing and potential competitors which is common for any business. We have, over a period of time, developed certain competitive strengths which have been discussed in section titled *Our Business* on page 96.

FINANCIAL INDEBTEDNESS

Our Company avails loans and bank facilities in the ordinary course of its business. As on date such loans are primarily for working capital requirements. Our Company has obtained necessary consents required under relevant loan documentations for undertaking the Issue including for change in its capital structure, shareholding pattern and amendment to its constitutional documents.

Pursuant to a resolution dated March 31st, 2018 passed by our shareholders, our Board has been authorized to borrow any sum or sums of monies for and on behalf of our Company, from time to time provided that the sum or sums of monies so borrowed together with monies, if any, already borrowed by our Company (apart from the temporary loans obtained from our Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid up capital of the Company and its free reserves provided further that the total amount up to which the monies may be borrowed shall not exceed Rs. 100 crores at any point of time.

FINANCIAL INDEBTEDNESS OF OUR COMPANY

The Details of Financial Indebtedness of our Company as at March 31, 2018 from Bank of India is provided below:

1. Bank Facilities

| Particulars | | | |
|--------------------------------|--|--|---|
| Date of Modification of Charge | March 24 th , 2017 | | |
| Charge Holder | Bank of India, 2A/6 BP NIT, Faridabad, Haryana- 121001, India. | | |
| Type of Facility | Cash Credit | | |
| Purpose | To meet Working Capital Requirements | | |
| Amount Proposed | Rs. 31.62 crores | | |
| Rate of Interest | Term Loan - I | 0.51 | 3% over 1 Y MCLR presently 11.50% p.a. |
| | Term Loan - II | 0.48 | |
| | Term Loan - III | 2.62 | |
| | Term Loan - IV | 0.99 | |
| | Term Loan - V | 1.90 | |
| | Term Loan - VI | 1.50 | |
| | Cash Credit (stock) | 20.00 | 2% over 1 Y MCLR presently 10.50% p.a. |
| | LAP | 0.62 | |
| | LC/BG Interchangeable | 3.00 | |
| | Total | 31.62 | |
| Interest Reset | Interest rate and other charges are subject to change from time to time. | | |
| Period of Sanction | Term Loan - I | 84 monthly Installment commenced from January 2012. | |
| | Term Loan -II | 84 monthly Installment commenced from June 2013. | |
| | Term Loan -III | 84 monthly Installment commenced from June 2013. | |
| | Term Loan -IV | 84 monthly Installment commencing from 12 months after first disbursement. | |
| | Term Loan -V | 84 monthly Installment commencing from 12 months after first disbursement. | |
| | Term Loan -VI | 84 monthly Installment commencing from 12 months after first disbursement. | |
| | LAP | 143 EMIs commenced from January 2013. | |

| | |
|-----------------------------|--|
| Margin | Minimum |
| Stocks | 25% |
| Other Terms | <ol style="list-style-type: none"> 1. Drawing in CC Stocks will be allowed against paid stock only and Drawing will be allowed against Book Debts upto 90 days. 2. The entire Net Profit/Cash accruals will be ploughed back in the business as estimated/projected. 3. Stipulated margin is maintained on stage to stage basis. 4. There shall be no financing against Book Debts of sister concern. 5. Usance period of LC+Buyers Credit should not exceed 360 days and the exposure under buyer's credit to be properly hedged with forward cover. |
| Cover period for Book Debts | <p>90 days</p> <p>Drawing Power will be computed after deducting the unpaid creditors, outstanding balance, if any, in the accepted DA L/C account.</p> |

Following are the Collateral Security for the above Credit Facilities:

| | | | | |
|--------------|--|--------------------|---|--|
| Fixed Assets | First charge on movable fixed assets of the Company both present and future except other assets exclusively financed by other banks and FLs. | | | |
| Property | Equitable Mortgage of following Properties: | | | |
| | Sr. No. | Particular | Details | |
| | 1 | Address | 3E/32A B.P. NIT Faridabad (South West Part of BP 32), Haryana | |
| | | Owned by | Trilok Chand Chandana and Tarun Chandna | |
| | | Nature of property | Industrial | |
| | | Area | 300 Sq. yds. | |
| | 2 | Address | Khasra No. 356, Mauja Raipur, Pargana Bhagwanpur' Teh. Roorkee Distt.Haridwar | |
| | | Owned by | Fusion Industries Limited | |
| | | Nature of property | Industrial | |
| | | Area | 2994 Sq. Mt. | |
| | 3 | Address | Adjusting Land at Roorkee Plant, Area-T, Khasra No.-348, Raipur, Bhagwanpur (Roorkee), Haridwar | |
| | | Owned by | Fusion Industries Limited | |
| | | Nature of property | Industrial | |
| | | Area | 1930 Sq. Mt. | |
| | 4 | Address | Extension of SSI plot No. 1, Block H, NH-2, NIT Faridabad, Haryana | |
| | | Owned | Tarun Chandna | |
| | | Nature of Property | Industrial | |
| | | Area | 320 sq. yds. | |

| | | | |
|--------------------|----|--------------------|--|
| | 5 | Address | Extension of SSI plot No.4 Block H, NH-2, NIT Faridabad, Haryana |
| | | Owned | Tarun Chandna |
| | | Nature of Property | Industrial |
| | | Area | 342 sq. yds. |
| | 6 | Address | SSI plot No. 1, Block H, NH-2, NIT Faridabad, Haryana |
| | | Owned | Tarun Chandna |
| | | Nature of Property | Industrial |
| | | Area | 392 sq. yds. |
| | 7 | Address | 78, Malanpur Industrial Area, Malanpur, Distt – Bhind (Near Gwalior), Madhya Pradesh |
| | | Owned | Fusion Industries Limited |
| | | Nature of Property | Industrial |
| | | Area | 16882 sq.mtr |
| Any Other Security | NA | | |

Following are the personal guarantors for the above Credit Facilities:

| Sr. No. | Name of the Guarantor | Relationship with the Company |
|---------|-----------------------|-------------------------------|
| 1 | Trilok Chand Chandana | Promoter & Managing Director |
| 2 | Tarun Chandna | Promoter |
| 3 | Yunik Chandna | Director |
| 4 | Karan Chandna | Director |
| 5 | Preeti Chandna | Guarantor |

Note: The Company shall not pay any guarantee commission to the guarantors.

Other Terms & Conditions:

| | |
|----------------------|--|
| Validity of Sanction | Three (3) Months |
| Review/Renewal | Without prejudice to the demand nature of advance(s), the/these credit facility(ies) will remain in force for a period of one year and is/are subject to Annual Review. |
| Penal Interest Rate | (a) Penal interest for non-compliance – 2% above present applicable rate. (b) Penal interest for Irregularity/overdue – 2% p.a. (c) Penal interest for any default in complying of terms of Sanction – 1% p.a. from the date of expiry of such time. (d) Penal interest for delay in submitting CMA data – 1% p.a. (e) Penal interest for delay in Audited Financial Statement within 6 months from the closure of Financial year – 1% p.a. (f) Penal interest for non-submission of Stock/Book Debts and MSOD Statements – 1% p.a. |
| Insurance | All the assets charged/to be charged to the Bank to be kept fully insured at all the time against all risks and Original Insurance cover note/policy in the name of the Bank A/C Borrower Firm/Company with Bank's Hypothecation clause to be lodged with the Bank. |

| | |
|--------------------|----|
| Prepayment Charges | NA |
|--------------------|----|

Other Covenants of the Agreement:

1. During the currency of the Bank's facilities, the borrower shall not without the prior approval of the bank in writing:-
 - a. Effect any adverse changes in company's/firm's capital structure.
 - b. Formulate any scheme of amalgamation or merger or reconstitution.
 - c. Invest by way of share capital in or lend or advances funds to or place deposits with any other company/firm/concern (including group companies/associates)/persons. Normal trade credit or security deposits in the normal course of business or advances to employees can, however be extended.
 - d. Approach Capital Market for mobilizing additional resources either in the form of Debt or Equity
 - e. Enter into any borrowing or non-borrowing arrangements either secured or unsecured with any other bank, financial institution, company, firm or otherwise or accept deposit in excess of limits laid down by Reserve Bank of India.
 - f. Undertake guarantee obligations on behalf of any other Company/Firm/Person.
 - g. Declare dividends for any year except out of the profits relating to that year after meeting all financial commitments to the bank and making all due and necessary provisions.
 - h. Make any drastic change(s) in its management set-up.
 - i. Sell or dispose off or create security or encumbrances on assets charged to the bank in favor of any other bank, financial institution, company, firm, individual.
 - j. Implement any scheme of expansion or diversification or capital expenditure except normal replacements indicated in funds flow statement submitted to and approved by the Bank.
 - k. Repay Monies brought in by the promoters, partners, directors, share holders, their relatives and friends in the business of the Company/firm by way of deposits/loans, share application money, etc
2. The Firm/Company to display bank's hypothecation plate/board at its unit/business premises indicating that stocks/assets are hypothecated to Bank.
3. The Company/Firm to take prior approval from bank for opening any account with any other bank/other branch of our bank.
4. The Bank reserves the right to add, amend, alter, cancel and modify any of the terms and conditions stipulated herein above with or without any prior reference to Firm/Company. Further the bank's general rules governing advances shall also apply. The Company/Firm to abide by such terms and conditions as bank may stipulate time to time.
5. Bank shall have right to sell, transfer, assign or securitize the loan/advance sanctioned and disbursed to company.

UNSECURED LOAN

Our Company had of Rs. 289.30 Lakhs as on March 31, 2018 towards unsecured loan outstanding from its Directors, promoter group and Associate Companies.

The details of unsecured loan are as under:

| Sr. No. | Name of Lenders | Relationship with Company | Interest Rate (%) | Repayment | Amount (In Lakhs) |
|---------|--------------------------------------|------------------------------|-------------------|-----------|-------------------|
| 1 | Karan Chandna (LAP from BOI) | Director | 10.50% | 143 EMI | 13.77 |
| 2 | Preeti Chandna (LAP from BOI) | Part of Promoter group | 10.50% | 143 EMI | 17.90 |
| 3 | Tarun Chandna (LAP from BOI) | Promoter | 10.50% | 143 EMI | 21.33 |
| 4 | Trilok Chand Chandana (LAP from BOI) | Promoter & Managing Director | 10.50% | 143 EMI | 11.01 |

| | | | | | |
|----|------------------------------|--------------------------------|--------|-----------|---------------|
| 5 | Yunik Chandna (LAP from BOI) | Director | 10.50% | 143 EMI | 17.21 |
| 6 | Anushri Chandna | Part of Promoter group | NIL | On Demand | 0.11 |
| 7 | Karan Chandna | Director | NIL | On Demand | 10.75 |
| 8 | Preeti Chandna | Part of Promoter group | NIL | On Demand | 45.31 |
| 9 | Trilok Chand Chandana | Managing Director and Promoter | NIL | On Demand | 80.77 |
| 10 | Tarun Chandna | Promoter | NIL | On Demand | 69.14 |
| 11 | Yunik Chandna | Director | NIL | On Demand | 2.00 |
| | | | | | |
| | Total | | | | 289.30 |

Our Company had of Rs. 267.88 Lakhs as on March 31, 2018 towards unsecured loan from Bank & NBFC.

The details of unsecured loan are as under:

| Sr. No. | Name of Lenders | Relationship with Company | Interest Rate (%) | Repayment | Amount (In Lakhs) |
|---------|-------------------------------------|---------------------------|-------------------|-----------|-------------------|
| 1 | Deutsche Bank Ltd | NA | 16.90% | 36 EMI | 47.39 |
| 2 | Edelweiss Retail Finance Ltd | NA | 16.90% | 36 EMI | 44.03 |
| 3 | Equitas Small Finance Bank Ltd | NA | 17.00% | 36 EMI | 34.25 |
| 4 | HDFC Bank Ltd | NA | 15.50% | 36 EMI | 20.00 |
| 5 | Indusind Bank Ltd | NA | 16.90% | 36 EMI | 48.87 |
| 6 | RBL Bank Ltd | NA | 16.90% | 36 EMI | 39.09 |
| 7 | Tata Capital Financial Services Ltd | NA | 16.90% | 36 EMI | 34.25 |
| | Total | | | | 267.88 |

SECTION VI – LEGAL AND OTHER INFORMATION

**SECTION VI – LEGAL AND OTHER INFORMATION
OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS**

Except as stated below there is no outstanding (i) criminal litigation involving our Company, Subsidiary Company, Directors, Promoters or Group Companies; (ii) action by statutory or regulatory authorities involving our Company, Subsidiary Company, Directors, Promoters or Group Companies; or (iii) claim involving our Company, Subsidiary Company, Directors, Promoters or Group Companies for any direct or indirect tax liabilities.

Further, except as stated in this section, there are no (i) outstanding proceedings initiated for economic offences against our Company; (ii) pending defaults or non-payment of statutory dues by our Company; (iii) material fraud against our Company in the last five years immediately preceding this Draft Prospectus; (iv) inquiry, inspection or investigation initiated or conducted under the Companies Act against our Company or Subsidiary Company during the last five years immediately preceding the year of this draft Prospectus; (v) prosecutions filed (whether pending or not); compounding of offences or fines imposed under the Companies Act against our Company and its Subsidiary Company, in the last five years immediately preceding the year of this Draft Prospectus; (vi) litigation or legal action, pending or taken, against our Promoters by any ministry or Government department or statutory authority during the last five years immediately preceding this Draft Prospectus; (vii) other pending litigations involving our Company, Subsidiary Company, Directors, Promoters, Group Companies or any other person, as determined to be material by our Board of Directors, in accordance with the SEBI Regulations; or (viii) outstanding dues to creditors of our Company as determined to be material by our Board of Directors, in accordance with the SEBI Regulations; and (ix) outstanding dues to small scale undertaking and other creditors; and (x) over-dues or defaults to banks or financial institutions by our Company.

No proceedings have been initiated against our Company for economic offences and except as disclosed no penalties have been imposed upon our Company or our Subsidiary Company and Directors by Statutory or Regulatory Authorities.

I. LITIGATION INVOLVING OUR COMPANY

A. Outstanding Criminal Litigation involving Our Company

Criminal proceedings against Our Company

There are no outstanding criminal proceedings against our Company.

Criminal proceedings by Our Company

Our company has filed following cases under Negotiable Instruments Act (“NIA”) for cheque dishonor and all these cases are pending to be disposed –

| Litigation Number | Under Section of NIA | Date of Filing | Current Authority | Defendant | Amount involved (in Rs.) |
|-------------------|----------------------|-------------------|---|---|--------------------------|
| 5238/2015 | 138/141/142 | November 17, 2015 | Judicial Magistrate – 1 st Class | M/s S.R Dastapur Enterprises | 1,10,000 |
| 2586/2016 | 138/141/142 | June 14, 2016 | Judicial Magistrate – 1 st Class | M/s T.G.S. Hardware | 3,00,467 |
| 1775/2016 | 138/141/142 | April 22, 2016 | Judicial Magistrate – 1 st Class | M/s S.M Traders | 3,50,000 |
| 747/2016 | 138/142 | February 10, 2016 | Judicial Magistrate – 1 st Class | M/s Mahalaxmi Sanitary and Hardware Store | 8,07,811 |

| | | | | | |
|-----------|-------------------------------|-------------------|---|--|----------|
| 5847/2017 | 138 | November 20, 2017 | Judicial Magistrate – 1 st Class | M/s KCK Imports And Exports | 1,71,440 |
| 5846/2017 | 138 | November 20, 2017 | Judicial Magistrate – 1 st Class | Sri Sunn Traders | 1,37,600 |
| 5845/2017 | 138 | November 20, 2017 | Judicial Magistrate – 1 st Class | M/s Sai Ram Enterprises | 1,34,108 |
| 4986/2017 | 138/141/142 | October 12, 2017 | Judicial Magistrate – 1 st Class | M/s Lakshmi Ranganatha Traders | 39,000 |
| 4985/2017 | 138/141/142 | October 12, 2017 | Judicial Magistrate – 1 st Class | M/s Devi Traders | 1,05,700 |
| 4984/2017 | 138/141/142 | October 12, 2017 | Judicial Magistrate – 1 st Class | M/s Prince Enterprises | 75,000 |
| 4983/2017 | 138/141/142 | October 12, 2017 | Judicial Magistrate – 1 st Class | M/s Venketeswara Traders | 80,000 |
| 4982/2017 | 141/142 | October 12, 2017 | Judicial Magistrate – 1 st Class | M/s Susi And Company | 90,000 |
| 2501/2017 | 138/141/142 | May 23, 2017 | Judicial Magistrate – 1 st Class | M/s Janani Enterprises | 2,53,885 |
| 1847/2018 | 138 | March 06, 2018 | Judicial Magistrate – 1 st Class | M/s Venkateswara Hardware Paints And Electricals | 1,14,550 |
| 1840/2018 | 138 | March 06, 2018 | Judicial Magistrate – 1 st Class | M/s Saptagiri Ceramics And Enterprises | 44,000 |
| 1838/2018 | 138 | March 06, 2018 | Judicial Magistrate – 1 st Class | M/s Vayuputra Paints And Hardware | 71,247 |
| 1836/2018 | 138 | March 06, 2018 | Judicial Magistrate – 1 st Class | M/s Ramesh Bath Plaza | 74,144 |
| 1833/2018 | 138 | March 06, 2018 | Judicial Magistrate – 1 st Class | M/s Moon Light Electriclas | 2,00,090 |
| 2231/2018 | 138 | March 26, 2018 | Judicial Magistrate – 1 st Class | M/s Sachdeva Enterprises | 7,41,242 |
| 7412/2018 | 138/141/142 | June 13, 2018 | Judicial Magistrate – 1 st Class | M/s Ravi Enterprises | 3,17,455 |
| 7185/2018 | 138 | June 05, 2018 | Judicial Magistrate – 1 st Class | M/s Murlidhar Iron And Hardwares | 2,33,054 |
| 7191/2018 | 138 | June 05, 2018 | Judicial Magistrate – 1 st Class | M/s Ravi Enterprises | 3,00,000 |
| 7411/2018 | 138/141/142 | June 13, 2018 | Judicial Magistrate – 1 st Class | M/s Pindi Traders | 1,12,424 |
| 3328/2015 | 138 /142 & Sec- 200of Cr.P.C. | November 17, 2015 | Addl. I Civil Judge And JMFC | M/s Vinayaka Traders | 94,000 |

Civil proceedings against Our Company

| Litigation Number | Under Section | Date of Filing | Current Authority | Plaintiff | Amount involved (in Rs.) |
|-------------------|-------------------------------|----------------|---|--------------------------|--------------------------|
| 820/2018 | 37 of code of Civil Procedure | April 05, 2018 | Judicial Magistrate – 1 st Class | M/s Bamal Sanitary Store | 51,552 |

| | | | | | |
|----------|-----------------------------------|-------------------|--|---------------------|-----------|
| 648/2015 | u/s 17 of Consumer Protection Act | December 18, 2015 | Karnataka State Consumer Disputes Redressal Commission | M/s CVS Trading Co. | 50,00,000 |
|----------|-----------------------------------|-------------------|--|---------------------|-----------|

Civil proceedings by Our Company

There are no outstanding civil proceedings by our Company.

B. Pending Action by statutory or regulatory authorities against Our Company.

There are no pending actions by statutory or regulatory authorities against our Company.

C. Tax proceedings against our Company.

There are no direct and indirect taxation proceedings pending against our Company except as follows –

- Outstanding Income Tax Demand as on June 27, 2018 is Nil.
- Outstanding TDS Demand as on June 27, 2018 is Rs. 35,830.

D. Proceedings initiated against Our Company for economic offences

There are no proceedings initiated against our Company for economic offences.

E. Default and non-payment of statutory dues etc. by Our Company

There is no default or non-payment of statutory dues etc. by our Company.

F. Acts of material fraud committed against Our Company in the last five years preceding the date of this Draft Prospectus (including action taken by our Company, if so)

There have been no acts of material fraud committed against our Company in the last five years preceding the date of this Draft Prospectus.

G. Inquiry, inspections or investigations initiated or conducted under the Companies Act in the last five years, prosecutions filed (whether pending or not), fines imposed or compounding of offences done in the last five years preceding the date of this Draft Prospectus against our Company

There have been no such inquiry, inspections or investigations under the Companies Act against our Company in the last five years preceding the date of this Draft Prospectus.

H. Outstanding dues to small scale undertakings

There are no outstanding dues to small scale undertakings as on the date of this Draft Prospectus.

I. Outstanding litigation against any other persons or companies whose outcome could have an adverse effect on Our Company

There is no such outstanding litigation against any other persons or companies whose outcome could have an adverse effect on our Company.

II. LITIGATION INVOLVING OUR PROMOTERS

1. Outstanding criminal litigation involving our Promoters

Criminal proceedings against our Promoters

NIL

Criminal proceedings by our Promoters

NIL

2. Material outstanding litigation involving our Promoters

Civil proceedings against our Promoters
NIL

Civil proceedings by our Promoters
NIL

3. Tax proceedings against our Promoter:
NIL

4. Pending action by statutory or regulatory authorities against our Promoters.
There are no pending actions by statutory or regulatory authorities against our Promoters.

5. Litigation or legal action by the Government of India or any statutory authority in last five years

There is no litigation or legal action pending or taken by a ministry, department of the government or statutory authority during the last five years preceding the date of this Draft Prospectus against our Promoters and no direction has been issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action.

III. LITIGATION INVOLVING OUR DIRECTORS

1. Outstanding criminal litigation involving our Directors

Criminal proceedings against our Directors
NIL

Criminal proceedings by our Directors
NIL

2. Material outstanding litigation involving our Directors

Civil proceedings against our Directors
NIL

Civil proceedings by our Directors
NIL

3. Tax proceedings against our Directors:
NIL

4. Pending action by statutory or regulatory authorities against our Directors
There are no pending actions by statutory or regulatory authorities against our Directors.

IV. LITIGATION INVOLVING OUR GROUP COMPANIES

1. Outstanding criminal litigation involving our Group Companies

Criminal proceedings against our Group Companies
NIL

Criminal proceedings by our Group Companies
NIL

2. Material outstanding litigation involving our Group Companies

Civil proceedings against our Group Companies
NIL

Civil proceedings by our Group Companies
NIL

3. Tax proceedings against our Group Companies:
NA

4. Pending action by statutory or regulatory authorities against our Group Companies

As on the date of this Draft Prospectus, there are no pending actions by statutory or regulatory authorities against our Group Companies.

MATERIAL DEVELOPMENTS

Except as stated in the chapter titled “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” beginning on page 195, no material developments have taken place after March 31, 2018, the date of the latest balance sheet, that would materially adversely affect the performance of the Company. In accordance with SEBI requirements, our Company and the Lead Manager shall ensure that investors are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchange.

We certify that except as stated herein above:

- a. There are no pending proceedings for offences for non-payment of statutory dues by the promoters of the Company.
- b. There are no cases of litigation pending against the Company or against any other Company in which Directors are interested, whose outcome could have a materially adverse effect on the financial position of the Company.
- c. There are no pending litigation against the Promoters/ Directors in their personal capacities and also involving violation of statutory regulations or criminal offences except as mentioned above.
- d. There are no pending proceedings initiated for economic offences against the Directors, Promoters, Companies and firms promoted by the Promoters.
- e. There are no outstanding litigation, defaults etc. pertaining to matters likely to affect the operations and finances of the Company including disputed tax liability or prosecution under any enactment.
- f. There are no litigations against the Promoters / Directors in their personal capacity.
- g. The Company, its Promoters and other Companies with which promoters are associated have neither been suspended by SEBI nor has any disciplinary action been taken by SEBI.
- h. Following are the creditors as on March 31, 2018 to whom Company owes sum exceeding Rs. 1,00,000 and are outstanding for more than 30 days as certified by the management of Our Company.

| Sr. No. | List of Creditors | Amount (Rs. in Lakhs) |
|---------|--|-----------------------|
| 1. | ALOK INDUSTRIES | 9.45 |
| 2. | ALOK INDUSTRIES-II(BHIWANDI) | 9.54 |
| 3. | AVR OVERSEAS PVT LTD. | 16.10 |
| 4. | ALOK MASTERBATCHES PVT LTD.(TAMILNADU) | 2.35 |
| 5. | ANSH PACKAGING | 1.85 |
| 6. | AYUSH BRASS COMPONENTS | 15.99 |
| 7. | ARIS INDIA | 15.94 |
| 8. | BAGLA MACHINERY MART | 2.20 |

| | | |
|-----|-------------------------------------|---------------|
| 9. | BHAGYASHREE COLOURS PVT LTD | 3.10 |
| 10. | BASIL PROMPT VINYL PRIVATE LIMITED | 61.83 |
| 11. | DISHA SUPER ADHESIVES | 5.00 |
| 12. | DEEP JYOTI ENTERPRISES | 2.42 |
| 13. | FREEDOM ENTERPRISES | 3.59 |
| 14. | GOLDSTAB ORGANICS PVT LTD | 1.22 |
| 15. | JAGDAMBA KISSHAN KENDRA | 1.00 |
| 16. | KAPOOR RUBBER INDUSTRIES | 5.24 |
| 17. | LAVANYA ENTERPRISES | 2.49 |
| 18. | MAYUR TRADERS | 2.96 |
| 19. | MEET MARKETING (I) PVT. LTD. | 6.07 |
| 20. | MITTAL CHEMICALS | 1.42 |
| 21. | MAKE BRASS INDUSTRIES | 2.36 |
| 22. | MODHESHWARI PLASTICS | 2.99 |
| 23. | NEOSEAL ADHESIVE PVT. LTD. | 3.33 |
| 24. | POLY FUSION PIPING SYSTEM | 9.47 |
| 25. | PLASTIBLENDS INDIA LTD. | 2.60 |
| 26. | PRAYAG POLYTECH PVT LTD | 11.89 |
| 27. | PIONEER CHEMICALS | 21.40 |
| 28. | R & A BROTHERS | 1.05 |
| 29. | S.C.J. PLASTICS LIMITED | 5.60 |
| 30. | SHREE HARIDWAR LOGISTICS | 2.20 |
| 31. | SHARDA PACKAGING | 4.93 |
| 32. | SILVER BRASS INDUSTRIES | 42.64 |
| 33. | STRECKEN INDIA MANUFACTURINGPVT LTD | 1.40 |
| 34. | SHIVALIK ENTERPRISES (HARIDWAR) | 24.28 |
| 35. | TRINITY CALCIUM AND MINERALS | 10.51 |
| 36. | VIDHYA GOODS CARRIERS | 1.33 |
| 37. | VEDANT POLYTECHNIK | 17.82 |
| | TOTAL | 335.56 |

GOVERNMENT AND OTHER STATUTORY APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business and except as mentioned below, and no further approvals are required for carrying on our present business or to undertake the Issue. Unless otherwise stated, these approvals are all valid as on the date of this Prospectus.

I. APPROVALS FOR THE ISSUE

For the approvals and authorizations obtained by our Company in relation to the Issue, see “Other Regulatory and Statutory Disclosures” on page 221.

II. INCORPORATION DETAILS

1. Corporate Identity Number: U34300HR2002PLC035006.
2. Certificate of Incorporation dated December 12, 2002 issued by the Registrar of Companies, NCT of Delhi.
3. Fresh Certificate of Incorporation dated December 11, 2012 issued by the Registrar of Companies, NCT of Delhi, pursuant to approval from shareholders on November 02, 2012 consequent upon change of name of our company from Yeekay Technocrat Private Limited to Fusion Industries Private Limited.
4. Fresh Certificate of Incorporation dated January 23, 2013 issued by the Registrar of Companies, NCT of Delhi, pursuant to approval from shareholders on December 20, 2012 consequent upon conversion into public limited company.

III. APPROVALS/ LICENSES IN RELATION TO THE BUSINESS OF OUR COMPANY

We require various approvals and/ or licenses under various rules and regulations to conduct our business. Some of the material approvals required by us to undertake our business activities are set out below:

A. Under Direct and Indirect Laws

| Sr. No. | Nature of License / Approvals / Registrations | Authority | Particulars of License / Approvals | Validity Period | Special conditions, if any |
|---------|---|---------------------------------------|------------------------------------|-----------------|----------------------------|
| 1. | Income Tax | Income Tax Department, Govt. of India | PAN: AAACY1915F | Perpetual | - |
| 2. | Tax Deduction Account Number, Faridabad, Haryana | Income tax Department, Govt. of India | TAN: RTKY00069G | Perpetual | - |
| 3. | Tax Deduction Account Number, Roorkee, Uttarakhand | Income tax Department, Govt. of India | TAN: MRTY00099B | Perpetual | - |
| 4. | Goods & Service Tax Registration for Madhya Pradesh | Government of India | GSTIN.: 23AAACY1915F1Z Q | Perpetual | - |

| Sr. No. | Nature of License / Approvals / Registrations | Authority | Particulars of License / Approvals | Validity Period | Special conditions, if any |
|---------|---|---------------------|------------------------------------|-----------------|----------------------------|
| 5. | Goods & Service Tax Registration for Uttarakhand | Government of India | GSTIN.: 05AAACY1915F1Z O | Perpetual | - |
| 6. | Goods & Service Tax Registration for Delhi | Government of India | GSTIN.: 07AAACY1915F1Z K | Perpetual | - |
| 7. | Goods & Service Tax Registration for Haryana | Government of India | GSTIN.: 06AAACY1915F1Z M | Perpetual | - |
| 8. | Goods & Service Tax Registration for Karnataka | Government of India | GSTIN.: 29AAACY1915F1Z E | Perpetual | - |
| 9. | Goods & Service Tax Registration for Rajasthan | Government of India | GSTIN.: 08AAACY1915F1ZI | Perpetual | - |
| 10. | Goods & Service Tax Registration for Uttar Pradesh | Government of India | GSTIN.: 09AAACY1915F2Z F | Perpetual | - |
| 11. | Goods & Service Tax Registration for Input Service Distributer in Haryana | Government of India | GSTIN.: 06AAACY1915F2Z L | Perpetual | - |

B. Under Industrial And Labour Law

| Sr. No. | Nature of License / Approvals | Authority | Particulars of License / Approvals | Validity Period | Special conditions, if any |
|---------|---|--|------------------------------------|-----------------|----------------------------|
| 1. | Employees' Provident Fund Registration in Madhya Pradesh. | Employees' Provident Fund Organization, Regional Office at | EPF Code: MPGWL2202130038 | Perpetual | - |

| Sr. No. | Nature of License / Approvals | Authority | Particulars of License / Approvals | Validity Period | Special conditions, if any |
|---------|---|--|--|-------------------|----------------------------|
| 2. | Employees' Provident Fund Registration in Bangalore. | Ministry of Labour and Employment, Govt. of India. | Code No.: PY/PNY/PF/ENF/CIR- II/32862/2361/2013-14 | Perpetual | - |
| 3. | Employees' Provident Fund Registration in Uttarakhand. | Ministry of Labour and Employment, Govt. of India. | Code No.: UA/34208 | Perpetual | - |
| 4. | Employee's State Insurance Corporation (ESIC) in the state of Uttarakhand. | ESI Corporation, Bangalore, Uttarakhand. | Code No.: 61-6520-90/BR/905 | Perpetual | - |
| 5. | Employee's State Insurance Corporation (ESIC) in the Bangalore. | ESI Corporation, Bangalore. | Code No.: 49000332130000902 | Perpetual | - |
| 6. | Employee's State Insurance Corporation (ESIC) in the state of M.P. | ESIC, Regional Office at Indore, Madhya | ESIC Code: 18000191450000205 | Perpetual | - |
| 7. | Certificate of Importer-Exporter Code Number | Joint Director General Foreign Trade, Ministry of Commerce | IEC No.: 0597063958 | Perpetual | - |
| 8. | Clearance from Karnataka Pollution Control Board for Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981 for – Unit-III in Bangaluru, | Environment Officer, Regional Office | Consent Order no.: 10/PCB/RO- NEL/EO/AEO/R.No.72211/2014- 15/R898 | December 31, 2022 | - |

| Sr. No. | Nature of License / Approvals | Authority | Particulars of License / Approvals | Validity Period | Special conditions, if any |
|---------|--|--|------------------------------------|-------------------|---|
| 9. | Clearance for Air (Prevention and Control of Pollution) Act, 1981 and Water (Prevention and Control of Pollution) Act, 1974 for our Unit-II in | Pollution Control Board Gwalior, Madhya Pradesh | XGN AW- 20211 | Perpetual | - |
| 10. | Clearance from Fire Control and Safety for our Unit-I in Roorkee, Uttarakhand. | Chief Fire Officer, Haridwar | Letter No. N-6/CFO-R/18 | May 31, 2019 | - |
| 11. | License to Work a Factory under Factories Act, 1948 for our Unit – III in Karnataka. | Department Of Factories, Boilers, Industrial Safety & Health, Karnataka. | MYB-20808 | December 31, 2018 | Number of Employee limit – 50 & Electricity power limit - 504.50HP / 342 KW |
| 12. | License to Work a Factory under M.P. Factories Rules, 1962 for our Unit – II in Madhya Pradesh | Joint Chief Inspector of Factories, Madhya Pradesh | License No.: 66/14707/BHD/2MI | December 31, 2019 | For employing not more than 20 workers & Not more than 250 HP of motive power |
| 13. | License to Work a Factory under Factories Act, 1948 for our Unit – I in Roorkee, Uttarakhand. | Labour Department, Uttarakhand | License No.: HWR-427 | December 31, 2018 | For employing not more than 150 persons & Not more than 2000 HP of motive |

| Sr. No. | Nature of License / Approvals | Authority | Particulars of License / Approvals | Validity Period | Special conditions, if any |
|---------|-------------------------------|--|------------------------------------|-----------------|----------------------------|
| 14. | Udyog Aadhaar Memorandum | Ministry of Micro, Small and Medium Enterprises, Government of India | UAN. No. UK06C0000162 | Perpetual | - |

C. Other Registrations / Certifications / Ratings

| Sr. No. | Nature of License / Approvals / Ratings | Authority | Particulars of License / Approvals | Validity Period | Remarks | | | | |
|----------------------------|---|--------------------------------|--|---------------------------|---|----------------------------|----------|--------|---|
| 1. | ISO 9001:2008 | BSCIC Certifications Pvt. Ltd. | QMS-K12538 | September 23, 2018 | Manufacturing and Marketing of PPR, PVC & CPVC- Pipes, Fittings and HDPE Water Storage Tanks. | | | | |
| 2. | Credit Rating | CARE Ratings Limited | <table border="1"> <tr> <td>Long Term Bank Facilities</td> <td>CARE BB+</td> </tr> <tr> <td>Short Term Bank Facilities</td> <td>CARE A4+</td> </tr> </table> | Long Term Bank Facilities | CARE BB+ | Short Term Bank Facilities | CARE A4+ | 1 Year | Reaffirmed by CARE on February 06, 2018 |
| Long Term Bank Facilities | CARE BB+ | | | | | | | | |
| Short Term Bank Facilities | CARE A4+ | | | | | | | | |

D. Product Related Approvals

| Sr. No. | Nature of License / Approvals | Authority | Product | Validity Period | Remarks |
|---------|-------------------------------|--------------------------------|---------------------------|--------------------|---|
| 1. | ISO 9001:2008 | BSCIC Certifications Pvt. Ltd. | Quality Management System | September 23, 2018 | Manufacturing and Marketing of PPR, PVC & CPVC- Pipes, Fittings and HDPE Water Storage Tanks. |

| | | | | | |
|----|---------------------|----------------------------|---|---------------|---|
| 2. | IS 15801:2008 | Bureau of Indian Standards | Polypropylene-random copolymer pipes for hot and cold water supplies | June 30, 2019 | - |
| 3. | IS 7834: Part1:1987 | Bureau of Indian Standards | Injection moulded PVC socket fittings with solvent cement joints for water supplies, Part 1: General requirements | June 30, 2019 | - |
| 4. | IS 4985:2000 | Bureau of Indian Standards | Unplasticized PVC Pipes for potable water supplies | June 30, 2019 | - |
| 5. | IS 15778:2007 | Bureau of Indian Standards | Chlorinated Polyvinyl Chloride (CPVC) Pipes for Potable Hot and Cold Water Distribution Supplies | June 30, 2019 | - |

INTELLECTUAL PROPERTY

We have following Trademark(s) registered under the Trademarks Act, 1999 with the Registrar of Trademarks:-

| Sr. No. | Logo | Date of Approval | Trademark No. | Class | Current Status | Valid Upto |
|---------|---|--------------------|---------------|-------|----------------|--------------------|
| 1. |  | January 08, 2004 | 1259859 | 17 | Registered | January 08, 2024 |
| 2. |  | February 14, 2011 | 2099555 | 20 | Registered | February 14, 2021 |
| 3. |  | September 16, 2005 | 1385093 | 17 | Registered | September 16, 2015 |

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

Corporate Approvals

- ✓ Our Board has authorized the Fresh Issue of Equity shares by a resolution dated March 10, 2018, subject to the approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013.
- ✓ Our shareholders have, pursuant to a special resolution passed at the Extra Ordinary General Meeting of our Company held on March 31, 2018 at the Registered office of our Company under Section 62(1)(c) of the Companies Act 2013, authorized the Issue.
- ✓ Our Company has obtained in-principle approval dated [●] from the Emerge platform of NSE for using the name of the Exchange in its Prospectus for listing of the Equity Shares issued by our Company pursuant to the Issue.

Approvals from Lenders

- ✓ Our Company has received the No Objection Certificate from Banker & Lender to our Company i.e. Bank of India on June 20, 2018 for this Issue.

PROHIBITION BY SEBI OR OTHER GOVERNMENTAL AUTHORITIES

Our Company, our Promoters, our Directors and our Promoter Group, the group Companies or person in control of our Company have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or Governmental Authority.

The Companies with which our Promoters, our Directors or persons in control of our Company are/ were associated as promoters, directors or persons in control have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or Governmental Authority.

None of our Directors are in any manner associated with the securities market. There has been no action taken by SEBI against any of our Directors or any entity our Directors are associated with as directors. For further details, please see chapter titled "Our Management" on page 134.

PROHIBITION BY RBI

Neither our Company, nor our Promoters, or the relatives (as defined under the Companies Act) of our Promoter or Group Companies have been identified as wilful defaulters by the RBI or any other governmental authority in accordance with the guidelines on wilful defaulters issued by RBI. There are no violations of securities laws committed by our Company, Directors, Promoters, Promoter Group and Group Companies in the past or no proceedings thereof are pending against them.

ELIGIBILITY FOR THIS ISSUE

Our Company is not ineligible in terms of Regulations 4(2) of SEBI (ICDR) Regulations, 2009 for this Issue and our Company is an "Unlisted Company" in terms of the SEBI (ICDR) Regulations; and this Issue is an "Initial Public Offer" in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 106(M)(2) and other provisions of Chapter XB of the SEBI (ICDR) Regulations, as we are an Issuer whose post issue paid up capital will exceed Rs. 10 crores, and we may hence issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the "Emerge Platform of National Stock Exchange of India Limited").

We confirm that:

1. In accordance with regulation 106(P) of the SEBI ICDR Regulations, this Issue is 100% underwritten and that the LM has underwritten at least 15% of the total issue size. For further details pertaining to underwriting please refer to chapter titled "General Information" beginning on page 49.

2. In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue is 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, than 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 interest as prescribed u/s 40 of the Companies Act, 2013, SEBI (ICDR) Regulations, 2009 and other applicable laws.
3. In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, we have not filed any Offer Document or Draft Prospectus or Prospectus with SEBI nor has SEBI issued any observations on our Offer Document or Draft Prospectus or Prospectus. Also, we shall ensure that our Lead Manager submits the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
4. In accordance with Regulation 106(V) of the SEBI ICDR Regulations, the Lead Manager will ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the Issue. For further details of the market making arrangement see chapter titled "General Information" beginning on page 49.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter XB of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and sub-regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Issue.

5. The Company shall mandatorily facilitate trading in demat securities and has entered into an agreement with both the depositories.
6. The Company has a website: www.fusionindia.com.
7. There has been no change in the promoter/s of the Company in the preceding one year from date of filing application to Emerge Platform of National Stock Exchange of India (NSE Emerge) for listing.

We confirm that we comply with all the below requirements / conditions so as to be eligible to be listed on the Emerge Platform of the NSE (NSE EMERGE):-

1. The post issue paid up capital of the company will be 1,00,00,230 equity shares of face value of Rs. 10/- aggregating to Rs. 10.00 Crores which is less than Rs. 25.00 Crore.
2. The company confirms that it has track record of more than 3 years.
3. The company confirms that it has positive cash accruals (earnings before depreciation and tax) from operations for atleast 2 financial years preceding the application and its net-worth as on March 31, 2018 is positive.
4. The Company has not been referred to Board for Industrial and Financial Reconstruction (BIFR).
5. No petition for winding up is admitted by a court of competent jurisdiction or a liquidator has been appointed against the Company.

6. No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.
7. We also confirm that there are no defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the Company, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) during the past three years.

COMPLIANCE WITH PART A OF SCHEDULE VIII OF THE SEBI (ICDR) REGULATIONS

- ✓ Our Company is in compliance with the provisions specified in Part A of the SEBI (ICDR) Regulations.
- ✓ No exemption from eligibility norms has been sought under Regulation 109 of the SEBI (ICDR) Regulations, with respect to the Issue.
- ✓ Further, our Company has not been formed by the conversion of a partnership firm into a company.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN 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 THIS ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MANAGER, KHAMBATTA SECURITIES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT PROSPECTUS, THE LEAD MANAGER, KHAMBATTA SECURITIES LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, KHAMBATTA SECURITIES LIMITED, HAS FURNISHED TO STOCK EXCHANGE A DUE DILIGENCE CERTIFICATE DATED JULY 18, 2018 AND WHICH SHALL ALSO BE SUBMITTED TO SEBI AFTER REGISTERING THE PROSPECTUS WITH ROC AND BEFORE OPENING OF THE ISSUE IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992, WHICH READS AS FOLLOWS:

“WE, THE UNDER NOTED LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE STATE AS FOLLOWS:

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, CIVIL LITIGATIONS, CRIMINAL LITIGATIONS ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT PROSPECTUS PERTAINING TO THE SAID ISSUE;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**

- A. **THE DRAFT PROSPECTUS FILED WITH THE EXCHANGE AND THE PROSPECTUS FILED WITH THE SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
 - B. **ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
 - C. **THE DISCLOSURES MADE IN THE DRAFT PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013/ APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
 4. **WE SHALL SATISFY OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITER TO FULFILL THEIR UNDERWRITING COMMITMENTS.**
 5. **WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT PROSPECTUS WITH THE STOCK EXCHANGE AND PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT PROSPECTUS.-NOTED FOR COMPLIANCE.**
 6. **WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTER'S CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT PROSPECTUS.**
 7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN PUBLIC ISSUE ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE.**

8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT IN A SCHEDULED BANK AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM THE STOCK EXCHANGE MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE.
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. – NOT APPLICABLE, AS IN TERMS OF THE PROVISIONS OF SECTION 29 OF THE COMPANIES ACT, 2013, THE SHARES ISSUED IN THE PUBLIC ISSUE SHALL BE IN DEMAT MODE ONLY.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT PROSPECTUS:
 - A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND
 - B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE-NOTED FOR COMPLIANCE.
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE THAT HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTER'S EXPERIENCE, ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT PROSPECTUS WHERE THE REGULATION

HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

- 16. WE ENCLOSE STATEMENT ON PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER AS PER FORMAT SPECIFIED BY THE BOARD (SEBI) THROUGH CIRCULAR NO. CIR/CFD/DIL/7/2015 DATED OCTOBER 30, 2015.– DETAILS ARE ENCLOSED IN “ANNEXURE - A”**
- 17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTION HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS-TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD-18 IN THE FINANCIAL INFORMATION OF THE COMPANY INCLUDED IN THE DRAFT PROSPECTUS.**

ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE

- (1) “WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE DRAFT PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**
- (2) WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN DRAFT PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN- NOTED FOR COMPLIANCE.**
- (3) WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009. – NOTED FOR COMPLIANCE.**
- (4) WE CONFIRM THAT AGREEMENTS ARE IN THE PROCESS OF BEING ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER- NOTED FOR COMPLIANCE.**
- (5) WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO TO SUB-REGULATION OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE DRAFT PROSPECTUS- NOTED FOR COMPLIANCE.**
- (6) WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION [106P] AND [106V] OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE- NOTED FOR COMPLIANCE.**

Note:

The filing of this Draft Prospectus does not, however, absolve our Company from any liabilities under section 34, section 35, section 36 and section 38(1) of the Companies Act, 2013 or from the requirement of obtaining such statutory and other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the Lead manager any irregularities or lapses in the Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, National Capital Territory of Delhi & Haryana, in terms of sections 26 and 33 of the Companies Act, 2013.

DISCLAIMER STATEMENT FROM OUR COMPANY AND THE LEAD MANAGER

Our Company, our Directors and the Lead Manager accept no responsibility for statements made otherwise than in this Draft Prospectus or in the advertisements or any other material issued by or at our Company's instance. Anyone placing reliance on any other source of information, including our Company's website (www.fusionindia.com) or the respective websites of any of our Promoters, Promoter Group, Group Companies or of any affiliate of our Company, as applicable, would be doing so at his or her own risk.

Caution

The Lead Manager accepts no responsibility, save to the limited extent as provided in the Agreement for Issue Management entered into among the Lead Manager and our Company dated May 30, 2018, the Underwriting Agreement dated May 30, 2018 entered into among the Underwriter and our Company and the Market Making Agreement dated May 30, 2018 to be entered among the Market Maker, Lead Manager and our Company.

Our Company and the Lead Manager shall make all information available to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centers, etc.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, Group Companies, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Companies, and our affiliates or associates, for which they have received and may in future receive compensation.

Note:

Investors who apply in this Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company and the Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER

For details regarding the price information and the track record of the past Issues handled by the Lead Manager to the Issue as specified in Circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015 issued by the SEBI, please refer to 'Annexure A' to this Draft Prospectus and the website of the Lead Manager at www.khambattasecurities.in.

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, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 2,500 Lakhs, pension funds with minimum corpus of Rs. 2,500 Lakhs and the National Investment Fund, and permitted non-residents including FIIs, Eligible NRIs, QFIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are

eligible under all applicable laws and regulations to hold Equity Shares of the Company. The Draft Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Delhi only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Prospectus has been filed with NSE for its observations and NSE shall give its observations in due course. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

DISCLAIMER CLAUSE OF THE NSE EMERGE PLATFORM

As required, a copy of this Draft Prospectus shall be submitted to National Stock Exchange of India Limited (NSE). The Disclaimer Clause as intimated by NSE to us, post scrutiny of this Draft Prospectus, shall be included in the Prospectus prior to the RoC filing.

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 under 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 outside the United States in compliance with Regulation S of the 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 Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

FILING

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

This Draft Prospectus shall not be filed with SEBI, nor will SEBI issue any observation on the Offer Document in term of Regulation 106(M)(3) of the SEBI (ICDR) Regulations, 2009. However, a copy of the Prospectus shall be filed with SEBI at 5th Floor, Bank of Baroda Building, 16, Sansad Marg, New Delhi - 110 001. A copy of the

Prospectus, along with the documents required to be filed under Section 26 of the Companies Act, 2013 will be delivered for registration with the Registrar of Companies situated at the address mentioned below:

The Registrar of Companies, NCT of Delhi and Haryana

4th Floor, IFCI Tower
61, Nehru Place
New Delhi 110 019, India
Tel: +91 11 2623 5707
Fax: +91 11 2623 5702

LISTING

An application will be made to the NSE for obtaining permission to deal in and for an official quotation of our Equity Shares. NSE-Emerge will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The NSE has given its in-principle approval for using its name in the Prospectus vide its letter dated [●].

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the NSE, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Prospectus. If such money is not repaid within 8 days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 days from the Issue Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under section 40 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the NSE-Emerge mentioned above are taken within Six Working Days from the Issue Closing Date.

CONSENTS

Consents in writing of: (a) the Promoters, the Directors, the Company Secretary and Compliance Officer, Chief Financial Officer, the Statutory Auditor, Peer Review Auditor, the Banker to the Company; and (b) Lead Manager, Underwriter, Market Maker, Registrar to the Issue, Banker(s) to the Issue, Legal Advisor to the Issue, Lenders, 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 Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC. Our Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Draft Prospectus and such consent and report is not withdrawn up to the time of delivery of this Draft Prospectus with NSE.

In accordance with the Companies Act, 2013 and the SEBI (ICDR) Regulations, Satish Gupta & Associates, Chartered Accountants, Statutory Auditor and SANMARKS & Associates, Chartered Accountants, Peer Review Auditors of the Company has agreed to provide their written consent to the inclusion of their respective reports on Statement of Possible Tax Benefits relating to the possible tax benefits and restated financial statements & restated Consolidate financial statements as included in this Draft Prospectus/Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of this Draft Prospectus.

EXPERT TO THE ISSUE

Except for the reports in the section “Financial information of the Company” and “Statement of Tax Benefits” on page 156 and 82, respectively from the Statutory & Peer Review Auditors, our Company has not obtained any expert opinions. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act 1933.

EXPENSES OF THE ISSUE

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. For details of total expenses of the Issue, see the chapter “Objects of the Issue” beginning on page 73.

DETAILS OF FEES PAYABLE

Fees, Brokerage and Selling Commission Payable to the Lead Manager, Underwriter and Market Maker.

The total fees payable to the Lead Manager will be as per the (i) Issue Agreement dated May 30, 2018 with the Lead Manager (ii) the Underwriting Agreement dated May 30, 2018 with Underwriter and (iii) the Market Making Agreement dated May 30, 2018 with Market Maker, a copy of which is available for inspection at our Registered Office from 10.00 am to 5.00 pm on Working Days from the date of the Draft Prospectus until the Issue Closing Date

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue will be as per the Agreement signed by our Company and the Registrar dated May 30, 2018, which is available for inspection at our Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided by the Company to the Registrar to the Issue to enable them to send allotment advice by registered post/ speed post/ under certificate of posting.

Fees Payable to Others

The total fees payable to the Legal Advisor, Auditor and Advertiser, *etc.* will be as per the terms of their respective engagement letters.

PREVIOUS RIGHTS AND PUBLIC ISSUES DURING THE LAST FIVE YEARS

We have not made any previous rights and/or public issues during the last five years, and are an “Unlisted Issuer” 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 SHARES OTHERWISE THAN FOR CASH

Except as stated in the chapter titled “*Capital Structure*” beginning on page 57, our Company has not issued any Equity Shares for consideration otherwise than for cash.

COMMISSION AND BROKERAGE ON PREVIOUS ISSUES

Since this is the initial public offer of the Equity Shares by our 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 our Equity Shares since our inception.

PARTICULARS IN REGARD TO OUR COMPANY AND OTHER LISTED COMPANIES UNDER THE SAME MANAGEMENT WITHIN THE MEANING OF SECTION 186 OF COMPANIES ACT, 2013 WHICH MADE ANY CAPITAL ISSUE DURING THE LAST THREE YEARS

Neither our Company nor any other companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 /Section 186 of the Companies Act, 2013, had made any public issue or rights issue during the last three (3) years.

PROMISE VERSUS PERFORMANCE FOR OUR COMPANY

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Therefore, data regarding promise versus performance is not applicable to us. None of the Group Companies has made public issue of equity shares during the period of ten (10) years immediately preceding the date of filing draft prospectus with the National Stock Exchange of India.

OUTSTANDING DEBENTURES, BONDS, REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS ISSUED BY OUR COMPANY

As on the date of this Draft Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

STOCK MARKET DATA FOR OUR EQUITY SHARES

Our Company is an “Unlisted Issuer” in terms of the SEBI ICDR Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI ICDR Regulations. Thus, there is no stock market data available for the Equity Shares of our Company.

MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

The Agreement between the Registrar and our Company provides for retention of records with the Registrar to the Issue for a period of at least three (3) year from the last date of dispatch of the letters of allotment, demat credit to enable the investors to approach the Registrar to this Issue for redressal of their grievances.

We hereby confirm that there is no investor complaints received during the three (3) years preceding the filing of Draft Prospectus. Since there is no investor complaints received, none are pending as on the date of filing of this Draft Prospectus.

All grievances relating to this Issue may be addressed to the Registrar with a copy to the Company Secretary and Compliance Officer, giving full details such as the name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection center where the application was submitted and.

The Applicant should give full details such as name of the sole/ first Applicant, Application Form number, Applicant DP ID, Client ID, PAN, date of the Application Form, address of the Applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Application Form was submitted by the Applicant. Further, the investor shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents or information mentioned herein above.

DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY

Our Company or the Registrar to the Issue or the SCSB in case of ASBA Applicant shall redress routine investor grievances within 15 working days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

We have constituted the Stakeholders Relationship Committee of the Board *vide* resolution passed at the Board Meeting held on July 11, 2018. For further details, please refer to the chapter titled “*Our Management*” beginning on page 134.

Our Company has appointed Ms. Vinita Matta as the Company Secretary and Compliance Officer and she may be contacted at the following address:

FUSION INDUSTRIES LIMITED

SSI Plot No-4, Block-H, NH-2,
Opp. FCI Godown, NIT Faridabad,
Haryana – 121 001, India

Tel: 9999459541

E-mail: cs@fusionindia.com

Website: www.fusionindia.com

Investors can contact the Company Secretary and Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account, *etc.*

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web based complaints redress system “SCORES”. This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website www.scores.gov.in.

DISPOSAL OF INVESTOR GRIEVANCES BY LISTED COMPANIES UNDER THE SAME MANAGEMENT AS OUR COMPANY

We do not have any listed company under the same management.

CHANGES IN AUDITORS DURING THE LAST THREE FINANCIAL YEARS

There have been no changes in the statutory auditors of our Company in the last three financial years.

CAPITALISATION OF RESERVES OR PROFITS

Save and except as stated in the chapter titled “*Capital Structure*” beginning on page 57, our Company has not capitalized its reserves or profits at any time since inception.

REVALUATION OF ASSETS

Our Company has not revalued its assets since incorporation.

PURCHASE OF PROPERTY

Other than as disclosed in this Draft Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Draft Prospectus.

Except as stated elsewhere in this Draft Prospectus, our Company has not purchased any property in which the Promoters and/or Directors have any direct or indirect interest in any payment made thereunder.

TAX IMPLICATIONS

Investors who are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the section titled “Statement of Tax Benefits” beginning on page 82.

PAYMENT OR BENEFIT TO OFFICERS OF OUR COMPANY

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

Except as disclosed in chapter titled “Our Management” beginning on page 134 and “Annexure XII – Statement of Related Party Transactions” beginning on page 189, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

SERVICING BEHAVIOR

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

SECTION VII – ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, the Memorandum and Articles, the terms of this Draft Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note ('CAN') and other terms and conditions as may be incorporated in the Allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, NSE, RoC, RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Please note that, in accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the investors applying in this issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment i.e. just writing their account number and authorizing the banks to make payment in case of allotment by signing the application form.

AUTHORITY FOR THE ISSUE

The present Public Issue of 26.52,000 Equity Shares which have been authorized by a resolution of the Board of Directors of our Company at their meeting held on March 10, 2018 and was approved by the shareholders of the Company by passing resolution at the Extra Ordinary General Meeting held on March 31, 2018 in accordance with the provisions of Section 62(1)(c) of the Companies Act, 2013.

RANKING OF EQUITY SHARES

The Equity Shares being issued pursuant to the Issue shall be subject to the provisions of the Companies Act and the Memorandum of Association (MOA) and Articles of Association (AOA) and shall rank pari passu in all respects with the existing Equity Shares including rights to receive dividend. The Allottees upon Allotment of the Equity Shares under the Issue, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment.

For further details, please refer to the chapter titled “Main Provisions of the Articles of Association” beginning on page 297.

MODE OF PAYMENT OF DIVIDEND

The declaration and payment of dividend will be as per the provisions of Companies Act, 2013 and recommended by the Board of Directors at their discretion and approved by the shareholders and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends as per provisions of the Companies Act, 2013.

For further details, please refer to the chapter titled ‘Dividend Policy’ on page 155.

FACE VALUE AND ISSUE PRICE

The Equity Shares having a Face Value of Rs. 10/- each are being offered in terms of this Draft Prospectus at the price of Rs. 40 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 79. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

COMPLIANCE WITH THE DISCLOSURE AND ACCOUNTING NORMS

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

RIGHTS OF THE EQUITY SHAREHOLDERS

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy or e-voting, in accordance with the provisions of the Companies Act;
- Right to receive annual reports and notices to members;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations and the Memorandum and Articles of Association of the Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see “Main Provisions of Articles of Association” beginning on page 297.

MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT

In terms of Section 29 of the Companies Act, 2013, the Equity Shares shall be allotted only in dematerialized form. As per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialized form. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated April 26, 2018 entered into between NSDL, our Company and the Registrar to the Issue;
- Agreement dated April 16, 2018 entered into between CDSL, our Company and the Registrar to the Issue.

The trading of the Equity Shares will happen in the minimum contract size of 3,000 equity shares and the same may be modified by the NSE-Emerge 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 multiple of 3,000 equity shares and is subject to a minimum allotment of 3,000 equity shares to the successful applicants in terms of the SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Further, in accordance with Regulation 106(Q) of the SEBI (ICDR) Regulations the minimum application size in terms of specified securities shall not be less than Rupees One Lakh per application.

MINIMUM NUMBER OF ALLOTTEES

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and all the monies blocked by SCSBs shall be unblocked 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, read with Companies (Share Capital and Debentures) Rules, 2014, the sole Applicant, or the first Applicant along with other joint Applicants, may nominate any one person in whom, in the event of the death of sole Applicant or in case of joint Applicants, 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 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 the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or Corporate Office or to the registrar and transfer agents of our 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:

- a. to register himself or herself as the holder of the Equity Shares; or
- b. to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may, at any time, give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may, thereafter, withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialised form, there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the Applicants require changing of their nomination, they are requested to inform their respective depository participant.

ISSUE PROGRAMME

| | |
|------------------------|-----|
| ISSUE OPENS ON | [●] |
| ISSUE CLOSES ON | [●] |

MINIMUM SUBSCRIPTION

In the event our Company does not receive a minimum subscription of 100% of the Issue, subject to the Issue being made for at least 25% of the post-Issue paid up Indian Equity Share capital of our Company, in accordance with Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, including devolvement to the Underwriters within 60 days from the Issue Closing Date, we shall forthwith refund the entire subscription amount received not later than 70 days from the Issue Closing Date. If there is a delay beyond eight days after the expiry of 70 days from the Issue Closing Date, the Directors of our Company who are officers in default shall jointly and severally be liable to repay the money with such interest as prescriber under section 39(3) of the Companies Act, 2013 and Companies (Prospectus and Allotment of Securities) Rules, 2014. Further Section 39(5) states that in case of default under section 39(3), the Company and its officers who are in default shall be liable to a penalty of Rs. 1,000 for each day during which the default continues or Rs. 1,00,000, whichever is less.

Additionally, section 40(3) of the 2013 Act requires application money to be refunded in the event of failure to Allot Equity Shares for any other reason. If a default is made in complying with the provisions of this section the Company shall be punishable with a fine which shall not be less than Rs. 5,00,000, but which may extend to Rs. 5,00,000 and every officer of the Company who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than Rs. 50,000 but which may extend to Rs. 3,00,000 or with both.

In accordance with Regulation 106P(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 offer through the Draft Prospectus and shall not be restricted to the minimum subscription level.

ARRANGEMENTS FOR DISPOSAL OF ODD LOTS

The trading of the Equity Shares will happen in the minimum contract size of 3,000 shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. 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.

MIGRATION TO MAIN BOARD

As per the provisions of Chapter XB of the SEBI (ICDR) Regulations, 2009 and NSE Circular dated March 10, 2014, our company may migrate to the main board of National Stock Exchange of India Limited at a later date subject to the following:

- a) If the Paid-up Capital of our Company is likely to increase above Rs. 25 crore 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), our Company shall apply to NSE for listing of its shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- b) If the Paid-up Capital of our company is more than 10 crore but below Rs. 25 crore, our Company 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 offered through this issue are proposed to be listed on the NSE Emerge Platform wherein the Lead Manager to the issue shall ensure compulsory Market Making through registered Market Makers of the National Stock Exchange of India Limited for a minimum period of three years from the date of listing of shares offered through this Draft Prospectus. For further details of the Market Making arrangement see chapter titled “*General Information - Details of the Market Making Arrangements for this Issue*” beginning on page 54.

In accordance with the SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012, it has been decided to make applicable limits on the upper side for the Market Makers during market making process taking into consideration the Issue size in the following manner:

| 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) |
|------------------------|---|--|
| Upto Rs. 20 Crore | 25% | 24% |
| Rs. 20 to Rs. 50 Crore | 20% | 19% |
| Rs. 50 to Rs. 80 Crore | 15% | 14% |
| Above Rs. 80 Crore | 12% | 11% |

Further, the Market Maker shall give two (2) way quotes till it reaches the upper limit threshold, thereafter it has the option to give only sell quotes. Two (2) way quotes shall be resumed the moment inventory reaches the prescribed re-entry threshold.

In view of the Market Maker obligation, there shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts its inventory through market making process on the platform of the exchange, the concerned stock exchange may intimate the same to SEBI after due verification.

RESTRICTIONS, IF ANY, ON TRANSFER AND TRANSMISSION OF SHARES OR DEBENTURES AND ON THEIR CONSOLIDATION OR SPLITTING

Except for lock-in of the pre-Issue Equity Shares and Promoter's minimum contribution as detailed in chapter titled "Capital Structure" beginning on page 57 of this Draft Prospectus, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of Equity Shares and on their consolidation/ splitting except as provided in the Articles of Association. Please refer to the section "Main Provisions of the Articles of Association" beginning on page 297 of this Draft Prospectus.

PRE-ISSUE ADVERTISEMENT

Subject to section 30 of the Companies Act, 2013 our Company shall, after registering the Prospectus with the ROC publish a pre-issue advertisement, in the form prescribed by the SEBI (ICDR) Regulations, in one widely circulated English language nation daily newspaper, one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where the Registered Office of the Company is situated.

OPTION TO RECEIVE EQUITY SHARES IN DEMATERIALIZED FORM

As per section 29(1) of Companies Act, 2013 and in accordance with SEBI (ICDR) Regulations, every Company making public offer shall issue securities in dematerialized form only. The investors have an option either to receive the security certificate or to hold the securities with depository. However, as per SEBI's circular RMB (compendium) series circular no. 2(1999-2000) dated February 16, 2000, it has been decided by the SEBI that trading in securities of Companies making an Initial Public Issue shall be dematerialized form only, therefore our Company shall issue shares only in dematerialized form. Investors making application in dematerialized form may get the specified securities rematerialized subsequent to allotment.

NEW FINANCIAL INSTRUMENTS

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company.

JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Delhi, India.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and 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 U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on 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.

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106(M)(2) of Chapter XB of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post-issue face value capital does exceeds 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 NSE Emerge). For further details regarding the salient features and terms of such an Issue please refer to the chapters titled 'Terms of the Issue' and 'Issue Procedure' beginning on page 233 and 241.

The Issue is being made by way of Fixed Price method.

FOLLOWING IS THE ISSUE STRUCTURE:

The issue comprises of 26,52,000 equity shares of face value of Rs. 10 each ("equity shares") of Fusion Industries Limited ("Company" or "Issuer" or "Fusion") for cash at a price of Rs. 40 per equity share (including a share premium of Rs. 30 per equity shares) ("Issue price") aggregating to 1060.80 lakhs ("Issue") by our Company, of which 1,38,000 equity shares of face value of Rs. 10 each fully paid up will be reserved for subscription by Market Maker to the issue ("Market Maker Reservation Portion"). The issue less the Market Maker reservation portion i.e. issue of 25,14,000 equity shares of face value of Rs. 10 each fully paid up ("Net Issue"). The issue and the net issue will constitute 30.00% and 28.39% respectively of the post issue paid up equity share capital of the Company.

| Particulars of the Issue | Net Issue to Public* | Market Maker Reservation Portion |
|--|--|----------------------------------|
| Number of Equity Shares available for allocation | 25,14,000 Equity Shares | 1,38,000 Equity Shares |
| Percentage of Issue Size available for allocation | 94.80% of the Issue size | 5.20 % of the Issue size |
| Basis of Allotment | Proportionate subject to minimum allotment of 3,000 Equity Shares and further allotment in multiples of 3,000 Equity Shares each. For further details, please refer to the "Basis of Allotment" on page 252. | Firm Allotment |
| Mode of Application | All Applicants must compulsorily apply through ASBA Process (online or the physical form) | Through ASBA Process Only |
| Minimum Application Size | <u>For Other than Retail Individual Investors:</u> Such number of Equity Shares in multiples of 3,000 Equity Shares at an price of Rs. 40 each, such that the Application Value exceeds Rs. 2,00,000/- <u>For Retail Individuals Investors:</u> 3,000 Equity Shares at an Issue Price of Rs. 40 each. | 1,38,000 Equity Shares |

| | | |
|---------------------------------|--|---|
| Maximum Application Size | <p><u>For Other than Retail Individual Investors:</u> Such number of equity shares in multiples of 3,000 Equity Shares such that the Application Size does not exceed 25,14,000 Equity Shares subject to limits the investor has to adhere under the relevant laws and regulations applicable..</p> <p><u>For Retail Individuals Investors:</u> Such number of Equity Shares in multiples of 3,000 Equity Shares such that the Application Value does not exceed Rs. 2,00,000/-.</p> | Application size shall be 1,38,000 equity shares since there is a firm allotment |
| Application lot Size | 3,000 Equity Shares thereafter Equity Shares and in multiples of 3,000 Equity Shares. | |
| Mode of Allotment | Dematerialized Form | |
| Trading Lot | 3,000 Equity Shares | 3,000 Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009. |
| Terms of Payment | The entire Application Amount will be payable at the time of submission of the Application Form. | |

This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details, please refer to “Issue Structure” on page 238.

*As per Regulation 43, sub regulation (4) of the SEBI (ICDR) Regulations, the allocation in the net issue to public category shall be made as follows:

- 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;
- 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.

For the purpose of Regulation 43(4), if the retail individual investor category is entitled to more than fifty percent, on proportionate basis, the retail individual investors shall be allocated that higher percentage.

WITHDRAWAL OF THE ISSUE

Our Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof.

Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

- i. The final listing and trading approvals of National Stock Exchange of India for listing of Equity Shares Issued through this Issue on its EMERGE Platform, which the Company shall apply for after Allotment;
- ii. The final RoC approval of the Prospectus after it is filed with the RoC.
- iii. In case, our Company wishes to withdraw the Issue after Issue Opening but before allotment, our Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two (2) widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

The LM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre- issue advertisements have appeared and the Stock Exchange will also be informed promptly. If our Company withdraws the issue after the issue Closing Date and subsequently decides to undertake a public Issuing of Equity Shares, our Company will file a fresh Issue document with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares Issued through this Prospectus, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus.

ISSUE PROGRAMME

| | |
|---------------------------|-----|
| ISSUE OPENING DATE | [●] |
| ISSUE CLOSING DATE | [●] |

Applications and any revision to the same (except that on the Issue Closing Date) will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Application Form. On the Issue Closing date application and revision to the same will be accepted between 10.00 a.m. and 3.00 p.m. Applications will be accepted only on Working Days, i.e., all trading days of stock exchange excluding Sundays and bank holidays.

ISSUE PROCEDURE

All Applicants should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (“General Information Document”) including SEBI circular bearing number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and SEBI circular bearing number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 included below under section “PART B – General Information Document”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act 2013 (to the extent notified), the Companies Act, 1956 (to the extent not repealed by the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations as amended. The General Information Document has been updated to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, SEBI Listing Regulations 2015 and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is also available on the website of the Stock Exchange and the Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.

Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, there have been certain changes in the issue procedure for initial public offerings including making ASBA Process mandatory for all investors, allowing registrar, share transfer agents, collecting depository participants and stock brokers to accept application forms. Further, SEBI, by its circular No. (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, reduced the time taken for listing after the closure of an issue to six working days. These changes are applicable for all public issues which open on or after January 01, 2016.

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 the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Applicants are advised to make their independent investigations and ensure that their Applications 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.

Applicants are required to submit application to the Selected Branches / Offices of the RTAs, DPs, Designated Bank Branches of SCSBs or to the Syndicate Members. The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link. The list of Stock Brokers, Depository Participants (DP), Registrar to an Issue and Share Transfer Agent (RTA) that have been notified by National Stock Exchange of India Limited to act as intermediaries for submitting Application Forms are provided on <http://www.nseindia.com> For details on their designated branches for submitting Application Forms, please see the above mentioned National Stock Exchange of India website.

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

Our Company and the LM are not liable for any amendments, modifications or change in applicable laws or regulations, which may occur after the date of this Draft Prospectus.

PART A

FIXED PRICE ISSUE PROCEDURE

This Issue is being made in terms of Regulation 106(M)(2) of Chapter XB of SEBI (ICDR) Regulations, 2009 via Fixed Price Process.

Applicants are required to submit their Applications to the SCSB or Registered Brokers of Stock Exchanges or Registered Registrar to an Issue and Share Transfer Agents (RTAs) or Depository Participants (DPs) registered with SEBI.

In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing. In case of Non-Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications only on technical grounds.

As per the provisions Section 29(1) of the Companies Act, 2013, the Allotment of Equity Shares in the Issue shall be only in a de-materialized form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). The Equity Shares on Allotment shall, however, be traded only in the dematerialized segment of the Stock Exchange, as mandated by SEBI.

APPLICATION FORM

Pursuant to SEBI Circular dated November 10, 2015 and bearing Reference No. CIR/CFD/POLICYCELL/11/2015 which shall be applicable for all public issues opening on or after January 01, 2016. Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Draft Prospectus. The Application Form shall contain space for indicating number of specified securities subscribed for in demat form.

ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking funds that are available in the bank account specified in the Application Form used by ASBA applicants.

The prescribed color of the Application Form for various categories is as follows:

| Category | Color of Application Form |
|---|---------------------------|
| Resident Indians and Eligible NRIs applying on a non-repatriation basis | White |
| Non-Residents and Eligible NRIs applying on a repatriation basis | Blue |

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process.

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Draft Prospectus.

Applicants are required to submit their applications only through any of the following Application Collecting Intermediaries:

- an SCSB, with whom the bank account to be blocked, is maintained;
- a syndicate member (or sub-syndicate member);
- a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker');
- a depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity);
- a registrar to an offer and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity).

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

| | |
|---|--|
| For applications submitted by investors to SCSB: | After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified |
| For applications submitted by investors to | After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange(s). Post uploading, they shall forward a schedule as per prescribed |

| | |
|---|--|
| intermediaries other than SCSBs: | format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue. |
|---|--|

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Applicants are deemed to have authorised our Company to make the necessary changes in the Prospectus, without prior or subsequent notice of such changes to the Applicants.

WHO CAN APPLY?

In addition to the category of Applicants as set forth under “General Information Document for Investing in Public Issues-Category of Investors Eligible to participate in an Issue”, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:-

- FPIs and sub-accounts registered with SEBI other than Category III foreign portfolio investor;
- Category III foreign portfolio investors, which are foreign corporate or foreign individuals only under the Non Institutional Investors category;
- Scientific and / or industrial research organizations authorized in India to invest in the Equity Shares.
- Any other persons eligible to apply in this Issue under the laws, rules, regulations, guidelines and policies applicable to them.

MAXIMUM AND MINIMUM APPLICATION SIZE

A. For Retail Individual Applicants:

The Application must be for a minimum of 3,000 Equity Shares and in multiples of 3,000 Equity Shares thereafter, so as to ensure that the application amount payable by the Applicants does not exceed Rs. 2,00,000. In case of revision of Application, the Retail Individual Applicants have to ensure that the application amount does not exceed Rs. 2,00,000.

B. For Other Applicants (Non-Institutional Bidders and QIBs):

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds Rs.2,00,000 and in multiples of 3,000 Equity Shares thereafter. An application cannot be submitted for more than the net issue Size i.e. 25,14,000 Equity Shares. However, the maximum application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. A QIB and a Non-Institutional Applicants cannot withdraw or lower the size of their application at any stage and are required to pay the entire application Amount upon submission of the application. The identity of QIBs applying in the Net Issue shall not be made public during the Issue Period. In case of revision in application, the Non-Institutional Bidders, who are individuals, have to ensure that the application Amount is greater than Rs 2,00,000 for being considered for allocation in the Non-Institutional Portion.

Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.

The above information is given for the benefit of the Applicants. The Company and the LMs 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 number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

PARTICIPATION BY ASSOCIATES OF LM

The LM, Market maker and the Underwriter, if any shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting and market making obligations. However, associates and affiliates of the LM 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. All categories of Applicants, including associates and affiliates of the LM, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

The Memorandum Form 2A containing the salient features of the Prospectus together with the Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, Lead Manager to the Issue and The Registrar to the Issue, as mentioned in the Application Form. The application forms may also be downloaded from the website of National Stock Exchange of India Limited i.e. www.nseindia.com.

OPTION TO SUBSCRIBE IN THE ISSUE

- a) As per Section 29(1) of the Companies Act 2013, Investors will get the allotment of Equity Shares in dematerialization form only.
- b) The Equity Shares, on allotment, shall be traded on Stock Exchange in demat segment only.
- c) In a single Application Form any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

INFORMATION FOR THE APPLICANTS

- a) Our Company and LM shall declare the Issue opening and Issue closing dates in the Prospectus to be registered with the Registrar of Companies, NCT of Delhi & Haryana and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.
- b) Our Company will file the Prospectus with the Registrar of Companies at least 3 (three) days before the Issue Opening Date.
- c) Copies of the Application Form along with Abridge Prospectus and copies of the Prospectus will be available with the, the Lead Manager, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Application Forms will also be available on the website of the Stock Exchange.
- d) Any applicant who would like to obtain the Prospectus and/ or the Application Form can obtain the same from the Lead Manager, the Registrar to the Issue, and the Registered Office of the Company.
- e) Applicants who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
- f) Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
- g) The Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account.
- h) Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs) , the relevant SCSB , shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form, before entering the ASBA application into the electronic system.
- i) Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Applicants, or in the case of application in joint names, the first Applicant (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Application Form without PAN is liable to be rejected. The demat accounts of Applicants for whom PAN details have not been verified, excluding persons resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Applicants.
- j) The Applicants may note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not

match with PAN, the DP ID and Client ID available in the Depository database, the Application Form is liable to be rejected.

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, 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, partnership firms or their nominees. In case of HUF's application shall be made by the Karta of the HUF. 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. Eligible NRIs applying on a non-repatriation basis should authorize their SCSB to block their NRE/FCNR accounts as well as NRO accounts.

APPLICATION BY MUTUAL FUNDS

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 reject any application without assigning any reason thereof. Applications made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Applications are made. 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 single Company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific funds/Schemes. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

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.

APPLICATIONS BY ELIGIBLE NRIS

NRIs may obtain copies of Application Form from the offices of the Lead Manager and the Designated Intermediaries. Eligible NRI Applicants 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 Applicants applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full Application Amount, at the time of the submission of the Application Form.

Under FEMA, general permission is granted to companies vide notification no. FEMA/20/2000 RB dated May 03, 2000 to issue securities to NRIs subject to the terms and conditions stipulated therein. Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 (thirty) days from the date of issue of shares of allotment to NRIs on repatriation basis.

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in colour).

Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non-Residents (blue in colour).

APPLICATIONS BY ELIGIBLE FIIs/FPIs

On January 07, 2014, SEBI notified the SEBI FPI Regulations pursuant to which the existing classes of portfolio investors namely "foreign institutional investors" and "qualified foreign investors" will be subsumed under a new category namely "foreign portfolio investors" or "FPIs". RBI on March 13, 2014 amended the FEMA Regulations and laid down conditions and requirements with respect to investment by FPIs in Indian companies.

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 Offer, 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. Further, a qualified foreign investor who had not obtained a certificate of registration as and FPI could only continue to buy, sell or otherwise deal in securities until January 06, 2015. Hence, such qualified foreign investors who have not registered as FPIs under the SEBI FPI Regulations shall not be eligible to participate in this Offer. 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 sub-account may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Offer, 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 subaccounts, 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 offer 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 24.00% of the paid-up Equity Share capital of our Company. The aggregate limit of 24.00% 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 24.00% of the total paid-up Equity Share capital of our Company, respectively. As per the circular issued by SEBI on November 24, 2014, these investment restrictions shall also apply to subscribers of offshore derivative instruments (“ODIs”). Two or more subscribers of ODIs having a common beneficial owner shall be considered together as a single subscriber of the ODI. In the event an investor has investments as a FPI and as a subscriber of ODIs, these investment restrictions shall apply on the aggregate of the FPI and ODI investments held in the underlying company. FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client’ norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

FPIs who wish to participate in the Offer are advised to use the Application Form for Non-Residents (blue in colour). FPIs are required to apply through the ASBA process to participate in the Offer.

AS PER THE CURRENT REGULATIONS, THE FOLLOWING RESTRICTIONS ARE APPLICABLE FOR INVESTMENTS BY FPIs:

1. A foreign portfolio investor shall invest only in the following securities, namely- (a) Securities in the primary and secondary markets including shares, debentures and warrants of companies, listed or to be listed on a recognized stock exchange in India; (b) Units of schemes floated by a domestic mutual funds, whether listed

on a recognized stock exchange or not; (c) Units of Schemes floated by a collective investment scheme; (d) Derivatives traded on a recognized Stock Exchange; (e) Treasury bills and dated government securities; (f) Commercial papers issued by an Indian Company; (g) Rupee denominated credit enhanced bonds; (h) Security receipts issued by asset reconstruction companies; (i) Perpetual debt instruments and debt capital instruments, as specified by the Reserve Bank of India from time to time; (j) Listed and unlisted nonconvertible debentures/bonds issued by an Indian company in the infrastructure sector, where 'infrastructure' is defined in terms of the extant External Commercial Borrowings (ECB) guidelines; (k) Non-Convertible debentures or bonds issued by Non – Banking Financial Companies categorized as 'Infrastructure Finance Companies' (IFC) by the Reserve Bank of India; (l) Rupee denominated bonds or units issued by infrastructure debt funds; (m) Indian depository receipts; and (n) Such other instruments specified by the Board from time to time.

2. Where a foreign institutional investor or a sub account, prior to commencement of SEBI (Foreign Portfolio Investors) Regulations, 2014, hold equity shares in a company whose shares are not listed on any recognized stock exchange, and continues to hold such shares after Initial Public Offering and listing thereof, such shares shall be subject to lock-in for the same period, if any, as is applicable to shares held by a foreign direct investor placed in similar position, under the policy of the Government of India relating to foreign direct investment from the time being in force.
3. In respect of investments in the secondary market, the following additional conditions shall apply:
 - a) A foreign portfolio investor shall transact in the securities in India only on the basis of taking and giving delivery of securities purchased or sold;
 - b) Nothing contained in clause (a) shall apply to:
 - ❖ Any transactions in derivatives on a recognized stock exchange;
 - ❖ Short selling transactions in accordance with the framework specified by the Board;
 - ❖ Any transaction in securities pursuant to an agreement entered into with the merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
 - ❖ Any other transaction specified by the Board.
 - c) No transaction on the stock exchange shall be carried forward;
 - d) The transaction of business in securities by a foreign portfolio investor shall be only through stockbrokers registered by the Board; provided nothing contained in this clause shall apply to;
 - i. transactions in Government securities and such other securities falling under the purview of the Reserve Bank of India which shall be carried out in the manner specified by the Reserve Bank of India;
 - ii. Sale of securities in response to a letter of offer sent by an acquirer in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - iii. Sale of securities in response to an offer made by any promoter or acquirer in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - iv. Sale of securities, in accordance with the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;
 - v. divestment of securities in response to an offer by Indian Companies in accordance with Operative Guidelines of Disinvestment of shares of Indian Companies in the overseas market through issue of American Depository Receipts or Global Depository Receipts as notified by the Government of India and directions issued by Reserve Bank of India from time to time;

- vi. Any bid for, or acquisition of, securities in response to an offer for disinvestment of shares made by the Central Government or any State Government;
 - vii. Any transaction in securities pursuant to an agreement entered into with merchant banker in the process of market making portion of the issue in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - viii. Any other transaction specified by Board.
- e) A foreign portfolio investor shall hold, deliver or cause to be delivered securities only in dematerialized form: Provided that any shares held in non-dematerialized form, before the commencement of these regulation, can be held in non-dematerialized form, if such shares cannot be dematerialized.
4. Unless otherwise approved by the Board, securities shall be registered in the name of the foreign portfolio investor as a beneficial owner for the purposes of the Depositories Act, 1996.
 5. The purchase of Equity Shares of each company by a single foreign portfolio investor or an investor group shall be below ten percent of the total issued capital of the company.
 6. The investment by the foreign portfolio investor shall also be subject to such other conditions and restrictions as may be specified by the Government of India from time to time.
 7. In cases where the Government of India enters into agreements or treaties with other sovereign Governments and where such agreements or treaties specifically recognize certain entities to be distinct and separate, the Board may, during the validity of such agreements or treaties, recognize them as such, subject to conditions as may be specified by it.
 8. A foreign portfolio investor may lend or borrow securities in accordance with the framework specified by the Board in this regard.

No foreign portfolio investor may issue, subscribe to or otherwise deal in offshore derivative instruments, directly or indirectly, unless the following conditions are satisfied:

- a) Such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority
- b) Such offshore derivatives instruments are issued after compliance with 'know your client' norms:

Provided that those unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated shall not issue, subscribe or otherwise deal, in offshore derivatives instruments directly or indirectly.

Provided further that no Category III foreign portfolio investor shall issue, subscribe to or otherwise deal in offshore derivatives instruments directly or indirectly.

A foreign portfolio investor shall ensure that further issue or transfer of any offshore derivative instruments issued by or on behalf of it is made only to persons who are regulated by an appropriate foreign regulatory authority.

Foreign portfolio investors shall fully disclose to the Board any information concerning the terms of and parties to off-shore derivative instruments such as participatory notes, equity linked notes or any other such instruments, by whatever names they are called, entered into by it relating to any securities listed or proposed to be listed in any stock exchange in India, as and when and in such form as the Board may specify.

Any offshore derivative instruments issued under the Securities and Exchange Board of India of India (Foreign Institutional Investors) Regulations, 1995 before commencement of SEBI (Foreign Portfolio Investors) Regulation, 2014 shall be deemed to have been issued under the corresponding provision of SEBI (Foreign Portfolio Investors) Regulation, 2014.

The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below 10 per cent of the total issued capital of the company.

An FII or its sub-account which holds a valid certificate of registration shall, subject to the payment of conversion fees, be eligible to continue to buy, sell or otherwise deal in securities till the expiry of its registration as a foreign institutional investor or sub-account, or until he obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

Qualified foreign investor may continue to buy, sell or otherwise deal in securities subject to the provision of SEBI (Foreign Portfolio Investors) Regulation, 2014, for a period of one year from the date of commencement of aforesaid regulations, or until it obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

APPLICATIONS BY SEBI REGISTERED ALTERNATIVE INVESTMENT FUND (AIF), VENTURE CAPITAL FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. As per the current regulations, the restrictions are applicable for SEBI registered venture capital funds and foreign venture capital investors:

Accordingly, the holding by any individual venture capital fund registered with SEBI in one company should not exceed 25% of the corpus of the venture capital fund; a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one company. Further, Venture Capital Funds and Foreign Venture Capital Investor can invest only up to 33.33% of the funds available for investment by way of subscription to an Initial Public Offer.

The SEBI (Alternative Investment Funds) Regulations, 2012 prescribes investment restrictions for various categories of AIF's.

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 a further 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 Regulations.

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 this, our 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 under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended (the "IRDA Investment Regulations"), are broadly set forth below:

1. Equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
2. The entire group of the investee company: the least of 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or reinsurer (25% in case of ULIPS); and

3. The industry sector in which the investee company operates: 10% of the insurer's total investment exposure to the industry sector (25% in case of ULIPS).

In addition, the IRDA partially amended the exposure limits applicable to investments in public limited companies in the infrastructure and housing sectors on December 26, 2008, providing, among other things, that the exposure of an insurer to an infrastructure company may be increased to not more than 20%, provided that in case of equity investment, a dividend of not less than 4% including bonus should have been declared for at least five preceding years. This limit of 20% would be combined for debt and equity taken together, without sub ceilings.

Further, investments in equity including preference shares and the convertible part of debentures shall not exceed 50% of the exposure norms specified under the IRDA Investment Regulations.

APPLICATIONS BY BANKING COMPANIES

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 and the Selling Shareholders reserve the right to reject any Application without assigning any reason. The investment limit for banking companies as per the Banking Regulation Act, 1949, as amended, is 30.00% of the paid up share capital of the investee company or 30.00% of the banks' own paid up share capital and reserves, whichever is less (except in certain specified exceptions, such as setting up or investing in a subsidiary, which requires RBI approval). Further, the RBI Master Circular of July 01, 2015 sets forth prudential norms required to be followed for classification, valuation and operation of investment portfolio of banking companies.

Applications by SCSBs: SCSBs participating in the Offer 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 BY PROVIDENT FUNDS/ PENSION FUNDS

In case of applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of Rs. 2,500 Lakhs, 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, our Company reserves the right to reject any application, without assigning any reason thereof.

APPLICATION UNDER POWER OF ATTORNEY

In case of Applications made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, eligible FPIs (including FIIs), Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 Lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/ or bye laws must be lodged along with the Application Form. Failing this, our Company reserve the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- (a) With respect to applications by VCFs, FVCIs, FIIs and Mutual Funds, a certified copy of their SEBI registration certificate 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 reasons thereof.
- (b) With respect to applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Application Form as

applicable. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.

- (c) With respect to applications made by provident funds with minimum corpus of Rs. 250.00 million (subject to applicable law) and pension funds with a minimum corpus of Rs. 250.00 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that our Company, the lead manager may deem fit.

Our Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of mailing of the Allotment Advice / CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

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 this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. ASBA Application Forms should bear the stamp of the SCSB's. ASBA Application Forms, which do not bear the stamp of the SCSB, will be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit application forms in public issues using the stock broker ("broker") network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of National Stock Exchange of India Limited i.e. www.nseindia.com.

APPLICANT'S DEPOSITORY ACCOUNT AND BANK DETAILS

Please note that, providing bank account details in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). Applicants should carefully fill in their Depository Account details in the Application Form.

These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

BASIS OF ALLOTMENT

Allotment will be made in consultation with the National Stock Exchange of India Limited (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 3,000 equity shares the allotment will be made as follows:
 - a) Each successful applicant shall be allotted 3,000 equity shares; and
 - b) The successful applicants out of the total applicants for that category shall be determined by the drawl 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 3,000 equity shares, the applicant would be allotted Shares by rounding off to the nearest multiple of 3,000 equity shares subject to a minimum allotment of 3,000 equity shares.
5. If the Shares allotted 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. If as a result of the process of rounding off to the nearest multiple of 3,000 equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this Draft Prospectus.
6. The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below:
 - a) As the retail individual investor category is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
 - b) The balance net offer of shares to the public shall be made available for allotment to
 - i. Individual applicants other than retails individual investors and
 - ii. Other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
 - c) The unsubscribed portion of the net offer to any one of the categories specified in a) or b) shall/may be made available for allocation to applicants in the other category, if so required.

‘Retail Individual Investor’ means an investor who applies for shares of value of not more than Rs. 2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with NSE.

For the purpose of Regulation 43(4), if the retail individual investor category is entitled to more than fifty percent, on proportionate basis, the retail individual investors shall be allocated that higher percentage.

The Executive Director / Managing Director 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.

PAYMENT BY STOCK INVEST

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003 04 dated November 05, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

GENERAL INSTRUCTIONS

Do's:

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- 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 Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations), Instruct your respective Banks to not release the funds blocked in the ASBA Account under the ASBA process;
- Ensure that the Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
- Ensure that the Application Forms are delivered by the applicants within the time prescribed as per the Application Form and the Prospectus;
- Ensure that you have requested for and receive a TRS;
- Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your application options;
- All Applicants should submit their application through ASBA process only.
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
- The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

- Do not apply for lower than the minimum Application size;
- Do not apply at a Price Different from the Price Mentioned herein or in the Application Form
- Do not apply on another Application Form after you have submitted an Application to the SCSBs, Registered Brokers of Stock Exchange, RTA and DPs registered with SEBI;
- Do not pay the Application Price in cash, by money order or by postal order or by stock invest;
- Do not send Application Forms by post, instead submit the Designated Intermediary only;
- Do not submit the Application Forms to any non-SCSB bank or our Company;
- Do not apply on an Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not submit the application without ensuring that funds equivalent to the entire application Amount are blocked in the relevant ASBA Account;
- Do not apply for an Application Amount exceeding Rs. 2,00,000 (for applications by Retail Individual Applicants);
- Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- 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 Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.
- Do not submit applications on plain paper or incomplete or illegible Application Forms in a color prescribed for another category of Applicant;

- Do not make Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended; and
- Do not make more than five applications from one bank account.

APPLICANT'S DEPOSITORY ACCOUNT AND BANK DETAILS

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

OTHER INSTRUCTIONS

Joint Applications in the case of Individuals

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Applications

An Applicant should submit only one Application (and not more than one) for the total number of Equity Shares required. Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- (i) All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications
- (ii) Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- (iii) Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

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.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of 'know your client' norms by the depositories. The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

PERMANENT ACCOUNT NUMBER OR PAN

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number ('PAN') to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 02, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. Applications without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

RIGHT TO REJECT APPLICATIONS

In case of QIB Applicants, the Company in consultation with the LM 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

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

- Amount blocked does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Application Form, duplicate PAN and mismatch of PAN;
- GIR number furnished instead of PAN;
- Applications for lower number of Equity Shares than specified for that category of investors;
- Applications at a price other than the Fixed Price of The Issue;
- Applications for number of Equity Shares which are not in multiples of 3,000;
- Category not ticked;
- Multiple Applications as defined in this Draft Prospectus;
- In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Applications accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications by OCBs;
- Applications by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;

- Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Applications that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Applications or revisions thereof by QIB Applicants, Non Institutional Applicants where the Application Amount is in excess of Rs. 2,00,000, received after 3.00 pm on the Issue Closing Date;
- Detailed of ASBA Account not provided in the Application Form;
- Amount not blocked in ASBA within prescribed time;
- More than five application forms blocked from one ASBA Account.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of section 38(1) of the Companies Act, 2013 which is reproduced below:

‘Any person who:

- a. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- b. makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c. otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

Shall be liable for action under section 447 of Companies Act, 2013 and shall be treated as Fraud.

SIGNING OF UNDERWRITING AGREEMENT

Vide an Underwriting agreement dated May 30, 2018, 2018 this issue is 100% Underwritten.

FILING OF THE PROSPECTUS WITH THE ROC

The Company will file a copy of the Prospectus with the Registrar of Companies, NCT of Delhi & Haryana, in terms of Section 26 of Companies Act, 2013.

PRE-ISSUE ADVERTISEMENT

Subject to Section 30 of the Companies Act, 2013 the Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation. In the pre-issue advertisement, we shall state the Offer Opening Date and the Offer 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.

SUBMISSION OF APPLICATION FORM

All Application Forms duly completed shall be submitted to the Designated Intermediaries. The intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

The Company will issue and dispatch letters of allotment/ securities certificates and/ or letters of regret or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Issue Closing Date.

In case the Company issues Letters of allotment, the corresponding Security Certificates will be kept ready within two months from the date of allotment thereof or such extended time as may be approved by the Company Law Board under Section 56 of the Companies Act, 2013 or other applicable provisions, if any.

Allottees are requested to preserve such Letters of Allotment, which would be exchanged later for the Security Certificates. After the funds are transferred from the SCSB's to Public Issue Account on the Designated Date, the Company would ensure the credit to the successful Applicants depository account. Allotment of the Equity Shares to the Allottees shall be within one working day of the date of approval of Basis of Allotment by Designated Stock Exchange. Investors are advised to instruct their Depository Participants to accept the Equity Shares that may be allocated/ allotted to them pursuant to this issue.

DISPOSAL OF APPLICATION AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at Emerge Platform of NSE where the Equity Shares are proposed to be listed are taken within 6 (Six) working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

- ✓ Allotment and Listing of Equity Shares shall be made within 6 (Six) days of the Issue Closing Date;
- ✓ The Company will provide adequate funds required for dispatch of Allotment Advice to the Registrar to the Issue.

PAYMENT OF REFUND

In the event that the listing of the Equity Shares does not occur in the manner described in this Draft Prospectus, the Lead Manager shall intimate Public Issue bank and Public Issue Bank shall transfer the funds from Public Issue account to Refund Account as per the written instruction from lead Manager and the Registrar for further payment to the beneficiary applicants.

UNDERTAKINGS BY OUR COMPANY

The Company undertakes the following:

1. That the complaints received in respect of the Issue shall be attended to by us expeditiously and satisfactorily;
2. that if our Company do not proceed with the Issue after the Issue Closing Date, the reason thereof shall be given as a public notice in the newspapers to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers in which the Pre-Issue advertisement was published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
3. that 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;
4. that the complaints received in respect of this Issue shall be attended to by us expeditiously and satisfactorily;
5. that all steps shall be taken to ensure the listing and commencement of trading of the Equity Shares at the Stock Exchange where the Equity Shares are proposed to be listed are taken within six Working days of Issue Closing Date or such time as prescribed;

6. that if allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under applicable law for the delayed period;
7. that the letter of allotment/unblocking of funds to the non-resident Indians shall be dispatched within specified time; and
8. that no further issue of Equity Shares shall be made till the Equity Shares offered through this Draft Prospectus are listed.

UTILIZATION OF ISSUE PROCEEDS

Our Board 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 Section 40 of the Companies Act, 2013;
2. Details of all monies utilized out of the issue referred to in point 1 above shall be disclosed and continued to be disclosed till the time any part of the issue proceeds remains unutilized under an appropriate separate head in the balance-sheet of the issuer indicating the purpose for which such monies had been utilized;
3. Details of all unutilized monies out of the Issue referred to in 1, 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 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
5. 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.
6. The Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactorily.

WITHDRAWAL OF THE ISSUE

Our Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof.

Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

- i. The final listing and trading approvals of National Stock Exchange of India for listing of Equity Shares Issued through this Issue on its EMERGE Platform, which the Company shall apply for after Allotment;
- ii. The final RoC approval of the Prospectus after it is filed with the RoC.
- iii. In case, our Company wishes to withdraw the Issue after Issue Opening but before allotment, our Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two (2) widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

The LM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre- issue advertisements have appeared and the Stock Exchange will also be informed promptly. If our Company withdraws the issue after the issue Closing Date and subsequently decides to undertake a public Issuing of Equity Shares, our Company will file a fresh Issue document with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares Issued through this Prospectus, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus.

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 has entered into following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- Agreement dated April 26, 2018 entered into between NSDL, our Company and the Registrar to the Issue;
- Agreement dated April 16, 2018 entered into between CDSL, our Company and the Registrar to the Issue.

The Company's Equity shares bear an ISIN No. INE00CM01010

An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.

- The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.
- Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
- Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis à vis those with his or her Depository Participant.
- Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- The allotment and trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

COMMUNICATIONS

All future communications in connection with the Applications made in this Issue should be addressed to the Registrar to the Issue 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 Banker to the Issue where the Application was submitted and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED AMOUNT) APPLICANTS

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the LM are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. Our Company and the LM are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. ASBA Applicants are advised to make the independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link.

ASBA PROCESS

A Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant ('ASBA Account') is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be.

The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the LM.

ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB or Registered Brokers or Registered RTAs or DPs registered with SEBI. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

Who can apply?

In accordance with the SEBI (ICDR) Regulations, 2009 in public issues w.e.f. May 01, 2010 all the investors can apply through ASBA process and after SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all investors must apply through the ASBA Process.

Mode of Payment

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB.

Application Amount paid in cash, by money order or by postal order or by stock invest, or ASBA Application Form accompanied by cash, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application Form till the Designated Date.

On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Application Amount, as per the Application Form submitted by the respective ASBA Applicants, would be required to be blocked in the respective ASBA Accounts until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against allocated shares to the Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Application, as the case may be.

Unblocking of ASBA Account

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the Public Issue Account as per the provisions of section 40(3) of the Companies Act, 2013 and shall unblock excess amount, if any in the ASBA Account. However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case may be.

PART B

GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUE

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. Bidders/Applicants should not construe the contents of this General Information legal advice and should consult their own legal advisor and other advisors in relation to the legal matters concerning the issue. For taking on investment decision, the Bidders/Applicants should rely on their own examination of the issuer and the issue, and should carefully read the Red Herring Prospectus/Prospectus before investing in the issue.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building Process as well as to the Fixed Price Issues. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Bidders/ Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI ICDR Regulations”).

Bidders/ Applicants should note that investment in equity and equity related securities involves risk and Bidder/ Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/ or for subscribing to securities in an Issue and the relevant information about the issuer undertaking the Issue are set out in the Red Herring Prospectus (“RHP”). Prospectus filed by the issuer with the Registrar of Companies (“RoC”). Bidders/ Applicants should carefully read the entire RHP/ Prospectus and the Bid cum Application Form/ and the Abridged Prospectus of the issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/ or overlap between the disclosure included in this document and the RHP/ Prospectus, the disclosures in the RHP/ Prospectus shall prevail. The RHP/ Prospectus of the issuer are available on the websites of stock exchanges, on the website(s) of the BRLM(s) to the Issue and on the website of Securities and Exchange Board of India (“SEBI”) at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Bidders/ Applicants see “Glossary and Abbreviations”.

SECTION 2: BRIEF INTRODUCTION TO IPOs/ FPOs

2.1 Initial public issue (IPO)

An IPO means an issue of specified securities by an unlisted issuer to the public for subscription and may include an Issue for Sale of specified securities to the public by any existing holder of such securities in an unlisted issuer.

For undertaking an IPO, an Issuer is, among other things, required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations. For details of compliance with the eligibility requirements by the Issuer Bidders/ Applicants may refer to the RHP/ Prospectus.

2.2 Further public issue (FPO)

An FPO means an issue of specified securities by a listed Issuer to the public for subscription and may include Issue for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is, among other things, required to comply with the eligibility requirements in terms of Regulation 26/Regulation 27 of the SEBI ICDR Regulations. For details of compliance with the eligibility requirements by the Issuer Bidders/ Applicants may refer to the RHP/ Prospectus.

2.3 Other Eligibility Requirements

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, the Companies Act (to the extent applicable), the Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/ Applicants may refer to the RHP/ Prospectus.

2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, an Issuer can either determine the Issue Price through the Book Building Process (“Book Built Issue”) or undertake a Fixed Price Issue (“Fixed Price Issue”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/ Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue Price cannot be lesser than the face value of the securities.

Bidders/ Applicants should refer to the RHP/ Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

2.5 ISSUE PERIOD

The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/ Applicants) and not more than ten Working Days. Bidders/ Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/ Prospectus for details of the Bid/Issue Period. Details of Bid/Issue Period are also available on the website of the Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three Working Days, subject to the total Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/ Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges, Lead Managers, and the advertisement in the newspaper(s) issued in this regard.

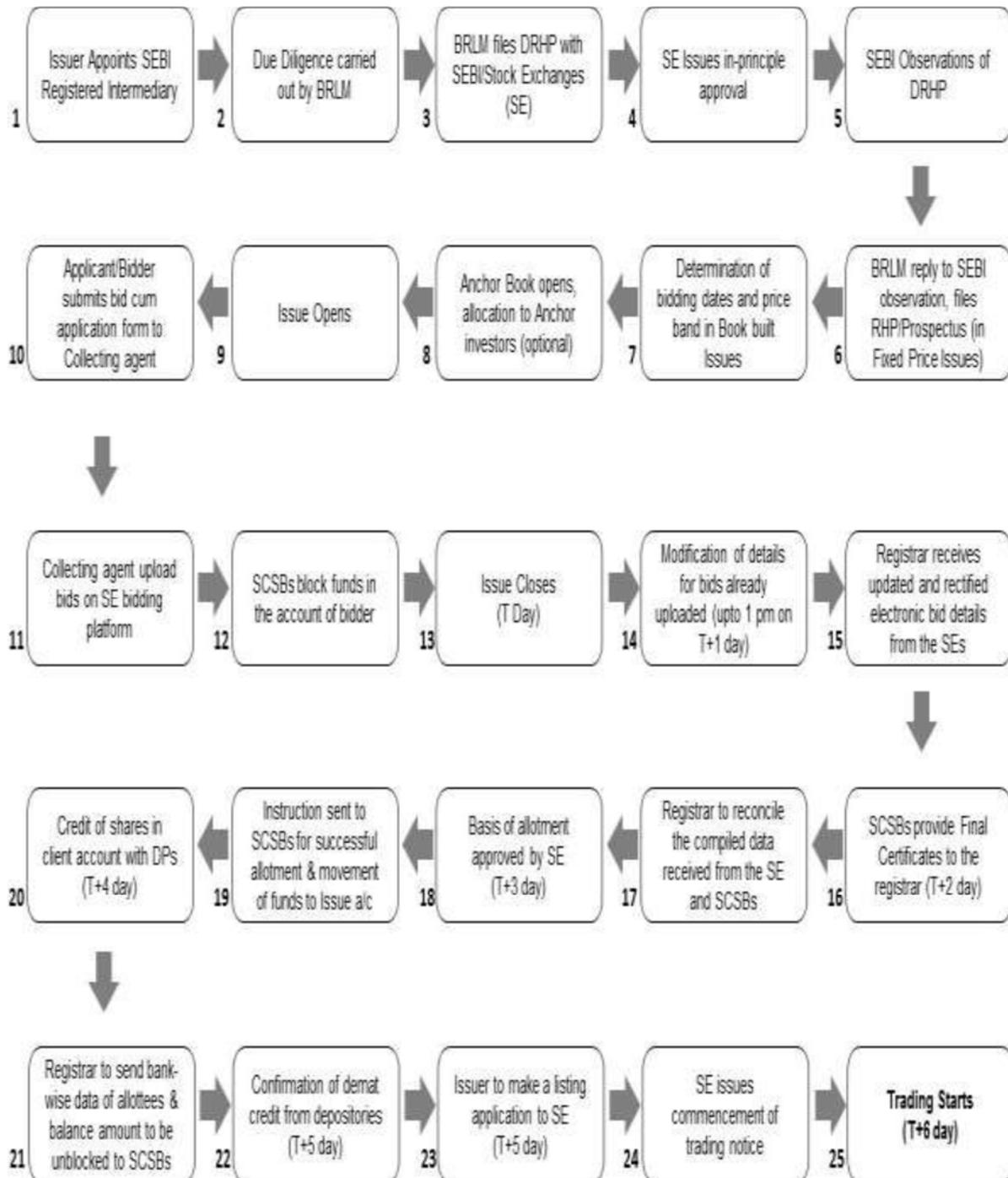
2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/ Applicants may note that this is not applicable for Fast Track FPOs.:

- In case of Issue other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:

- (i) Step 7 : Determination of Issue Date and Price

(ii) Step 10: Applicant submits ASBA Form with any of the Designated Intermediaries



SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders, such as NRIs, FIIs, FPIs and FVCIs may not be allowed to Bid in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the RHP/ Prospectus for more details.

Subject to the above, an illustrative list of Bidders is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/ Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: “Name of sole or first Bidder/ Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*”. Bids/ Applications by HUFs may be considered at par with Bids/ Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals Bidding only under the Non Institutional Bidders (“NIBs”) category;
- FPIs other than Category III foreign portfolio investors Bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, Bidding under the NIBs category;
- Trusts/ societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/ societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;
- Any other person eligible to Bid in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws; and
- As per the existing regulations, OCBs are not allowed to participate in an Issue.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders should only use the specified ASBA Form (or in case of an Anchor Investors, the Anchor Investor Application Form) bearing the stamp of any of the Designated Intermediary, as available or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the Lead Managers, the Designated Intermediaries at the Bidding Centres and at the Registered Office. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date. For further details regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/ Prospectus.

Fixed Price Issue: Applicants should only use the specified Bid cum Application Form bearing the stamp of the relevant Designated Intermediaries, as available or downloaded from the websites of the Stock Exchanges. Bid cum Application Forms are available with the Designated SCSB Branches of the SCSBs and at the Registered Office and Corporate Office of the Issuer. For further details regarding availability of Bid cum Application Forms, Bidders may refer to the Prospectus.

Bidders/ Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders/ Applicants is as follows:

| Category | Colour of the Bid cum Application Form |
|---|--|
| Resident Indian, Eligible NRIs applying on a non-repatriation basis | White |
| NRIs, FVCIs, FIIs, their sub-accounts (other than sub-accounts which are foreign corporate(s) or foreign individuals bidding under the QIB), FPIs on a repatriation basis | Blue |
| Anchor Investors (where applicable) & Bidders /Applicants Bidding/ applying in the Reserved Category | As specified by the Issuer |

Securities issued in an IPO can only be in dematerialised form in accordance with Section 29 of the Companies Act, 2013. Bidders/ Applicants will not have the option of getting the Allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to Allotment.

2.1 INSTRUCTIONS FOR FILLING THE BID CUM APPLICATION FORM

Bidders/ Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/ Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

Sample of Common Application form –NR

| | | | | | | | | | | |
|---|--|--|--|---------------------------|--|--------------------------------|--|--|--|--|
| COMMON APPLICATION FORM | XYZ LIMITED - INITIAL PUBLIC ISSUE - NR <small>Registered Office: _____</small> | <small>FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIS, ITIS, FVCSIS ETC. APPLYING ON A REPATRIATION BASIS</small> | | | | | | | | |
| LOGO | To, The Board of Directors XYZ LIMITED | FIXED PRICE ISSUE ISIN - XXXXXXXXXX | | | | | | | | |
| | | Application Form No. _____ | | | | | | | | |
| <small>BROKER/SCSB/DP/RTA STAMP & CODE</small> | <small>SUB-BROKER'S/SUB-AGENT'S STAMP & CODE</small> | <small>ISSUE OPENS ON : _____</small> <small>ISSUE CLOSES ON : _____</small> | | | | | | | | |
| <small>BANK BRANCH STAMP & CODE</small> | <small>BANK BRANCH SERIAL NO.</small> | 1. NAME & CONTACT DETAILS OF SOLE / FIRST APPLICANT Mr. / Ms. _____ Address _____ Email _____ Tel. No. (with STD code) / Mobile _____ | | | | | | | | |
| <small>REGISTRAR'S SERIAL NO.</small> | | | | | | | | | | |
| 2. PAN OF SOLE / FIRST APPLICANT | | | | | | | | | | |
| 3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL | | 6. INVESTOR STATUS (✓) <input type="checkbox"/> Non-Resident Indians (Repatriation basis) - NRI <input type="checkbox"/> Foreign Institutional Investor - FII <input type="checkbox"/> Foreign Venture Capital Investor - FVCI <input type="checkbox"/> FII Sub Account Corporate / Individual - FISA <input type="checkbox"/> Foreign Portfolio Investors - FPI <input type="checkbox"/> Others (please specify) - QTH | | | | | | | | |
| <small>For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID</small> | | | | | | | | | | |
| 4. APPLICATION DETAILS | | 5. CATEGORY (✓) <input type="checkbox"/> Retail Individual Applicant <input type="checkbox"/> Non-Institutional Applicant <input type="checkbox"/> QIB | | | | | | | | |
| No. of Equity Shares of ₹ ____/- each applied at the Issue Price i.e. at ₹ ____ per share <table style="width:100%;"><tr><td style="width:30%;"><small>(In figures)</small></td><td style="width:40%;"><small>(In words)</small></td><td style="width:30%;"></td></tr></table> | | | <small>(In figures)</small> | <small>(In words)</small> | | | | | | |
| <small>(In figures)</small> | <small>(In words)</small> | | | | | | | | | |
| 7. PAYMENT DETAILS | | PAYMENT OPTION : FULL PAYMENT | | | | | | | | |
| Amount Paid (₹ in figures) _____ (₹ in words) _____ | | | | | | | | | | |
| ASBA Bank A/c No. _____ | | | | | | | | | | |
| Bank Name & Branch _____ | | | | | | | | | | |
| <small>I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS APPLICATION FORM AND THE ATTACHED FORM ZA AND HEREBY AGREE AND CONFIRM THE 'INVESTORS UNDERTAKING' AS GIVEN OVERLEAF I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE APPLICATION FORM GIVEN OVERLEAF</small> | | | | | | | | | | |
| SA. SIGNATURE OF SOLE / FIRST APPLICANT | SB. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) | BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Application in Stock Exchange system) | | | | | | | | |
| Date: _____, 2017 | I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue 1) _____ 2) _____ 3) _____ | | | | | | | | | |
| ----- TEAR HERE ----- | | | | | | | | | | |
| LOGO | XYZ LIMITED INITIAL PUBLIC ISSUE - NR | Acknowledgement Slip for Broker/SCSB/DP/RTA | | | | | | | | |
| | | Application Form No. _____ | | | | | | | | |
| <small>DFID / CLID</small> | <small>PAN of Sole / First Applicant</small> | | | | | | | | | |
| <small>Amount Paid (₹ in figures)</small> | <small>Bank & Branch</small> | <small>Bank's Stamp & Signature</small> | | | | | | | | |
| <small>ASBA Bank A/c No.</small> | | | | | | | | | | |
| <small>Received from Mr./Ms.</small> | | | | | | | | | | |
| <small>Telephone / Mobile</small> | <small>Email</small> | | | | | | | | | |
| ----- TEAR HERE ----- | | | | | | | | | | |
| XYZ LIMITED - INITIAL PUBLIC ISSUE - NR | <table border="1" style="width:100%;"><tr><td style="width:20%;"><small>No. of Equity Shares</small></td><td style="width:10%;"><small>In Figure</small></td><td style="width:10%;"><small>In Words</small></td><td style="width:60%;"><small>Stamp & Signature of Broker / SCSB / DP / RTA</small></td></tr><tr><td><small>Amount Paid (₹)</small></td><td></td><td></td><td></td></tr></table> | <small>No. of Equity Shares</small> | <small>In Figure</small> | <small>In Words</small> | <small>Stamp & Signature of Broker / SCSB / DP / RTA</small> | <small>Amount Paid (₹)</small> | | | | <small>Name of Sole / First Applicant</small> _____ _____ Acknowledgement Slip for Applicant |
| <small>No. of Equity Shares</small> | <small>In Figure</small> | <small>In Words</small> | <small>Stamp & Signature of Broker / SCSB / DP / RTA</small> | | | | | | | |
| <small>Amount Paid (₹)</small> | | | | | | | | | | |
| <small>ASBA Bank A/c No.</small> | | Application Form No. _____ | | | | | | | | |
| <small>Bank & Branch</small> | | | | | | | | | | |

2.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/ FIRST BIDDER/APPLICANT

- a. Bidders/ Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.
- b. **Mandatory Fields:** Bidders/ Applicants should note that the name and address fields are compulsory and Email and/ or telephone number/ mobile number fields are optional. Bidders/ Applicants should note that the contact details mentioned in the Bid-cum Application Form/ Application Form may be used to dispatch communications(including refund intimations and letters notifying the unblocking of the bank accounts of ASBA Bidders) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, Designated Intermediaries and the registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- c. **Joint Bids/ Applications:** In the case of Joint Bids/ Applications, the Bids/ Applications should be made in the name of the Bidder/ Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/ Applicant would be required in the Bid cum Application Form/ Application Form and such first Bidder/ Applicant would be deemed to have signed on behalf of the joint holders. All communications may be addressed to such Bidder/ Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- d. Impersonation: Attention of the Bidders/ Applicants is specifically drawn to the provisions of subsection (1) of Section 38 of the Companies Act, 2013 which is reproduced below:
“Any person who:
 - a) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
 - b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
 - c) *otherwise induces directly or indirectly a company to allot, or register any transfer of securities to him, or to any other person in a fictitious name,*

shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

- e. **Nomination Facility to Bidder/ Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of Allotment of the Equity Shares in dematerialised form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/ Applicants should inform their respective DP.

2.1.2 FIELD NUMBER 2: PAN OF SOLE/ FIRST BIDDER/ APPLICANT

- a) PAN (of the sole/ first Bidder/ Applicant) provided in the Bid cum Application Form/ Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.
- b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/ Applications on behalf of the Central or State Government, Bids/ Applications by officials appointed by the courts and Bids/ Applications by Bidders/ Applicants residing in Sikkim (“PAN Exempted Bidders/ Applicants”). Consequently, all Bidders/ Applicants, other than the PAN Exempted Bidders/ Applicants, are required to disclose their

PAN in the Bid cum Application Form/ Application Form, irrespective of the Bid/ Application Amount. Bids/Applications by the Bidders/ Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

- c) The exemption for the PAN Exempted Bidders/ Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- d) Bid cum Application Forms which provide the GIR Number instead of PAN may be rejected.
- e) Bids by Bidders whose demat accounts have been ‘suspended for credit’ are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/ MRD/ DP/ 22/ 2010. Such accounts are classified as “Inactive demat accounts” and Demographic Details are not provided by depositories.

2.1.3 FIELD NUMBER 3: BIDDERSDEPOSITORY ACCOUNT DETAILS

- a) Bidders should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form. The DP ID and Client ID provided in the Bid cum Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form is liable to be rejected.**
- b) Bidders should ensure that the beneficiary account provided in the Bid cum Application Form is active.
- c) Bidders should note that on the basis of the PAN, DP ID and Client ID as provided in the Bid cum Application Form, the Bidder may be deemed to have authorised the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder/ Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for any other correspondence(s) related to an Issue.
- d) Bidders are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/ Applicants’ sole risk.

2.1.4 FIELD NUMBER 4: BID OPTIONS

- a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/ RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Issue Opening Date in case of an IPO, and at least one Working Day before Issue Opening Date in case of an FPO.
- b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs/ FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details Bidders may refer to (Section 5.6 (e))
- c) **Cut-Off Price:** Retail Individual Bidders or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIBs and such Bids from QIBs and NIBs may be rejected.
- d) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the Lead Managers may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of Rs. 10,000 to Rs. 15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.
- e) **Allotment:** The Allotment of specified securities to each RIB shall not be less than the minimum Bid Lot, subject to availability of shares in the RIB category, and the remaining available shares, if any, shall

be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may refer to the RHP/ Prospectus or the advertisement regarding the Price Band published by the Issuer.

2.1.4.1 Maximum and Minimum Bid Size

- a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Bidders and Retail Individual Shareholders must be for such number of shares, so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed Rs. 200,000.

In case the Bid Amount exceeds Rs. 200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category (with it not being eligible for Discount, if any) then such Bid may be rejected if it is at the Cut-off Price.

For NRIs, a Bid Amount of up to Rs. 200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding Rs. 200,000 may be considered under the Non-Institutional Category for the purposes of allocation.

- b) Bids by QIBs and NIBs must be for such minimum number of shares, such that the Bid Amount exceeds Rs. 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/ Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Investors and QIBs are not allowed to Bid at 'Cut-off Price'.
- c) RIB may revise or withdraw their Bids until Bid/Issue Closing Date. QIBs and NIB's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after Bidding and are required to pay the Bid Amount upon submission of the Bid.
- d) In case the Bid Amount reduces to Rs. 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Bidders who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- e) For Anchor Investors, if applicable, the Bid Amount shall be at least ₹100 million. One-third of the Anchor Investor Category shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.
- f) A Bid cannot be submitted for more than the Issue size.
- g) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.
- h) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Issue Price, the highest number of Equity Shares Bid for by a Bidder at or above the Issue Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. If there is/are one or more bids at prices at or above the Issue Price, the Bid for the highest number of

equity Shares shall be considered for Allotment This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of Bidders may refer to (Section 5.6 (e)).

2.1.4.2 Multiple Bids

- (a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.
- (b) Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.
- (c) Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:
 - (i) All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.
 - (ii) For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.
- (d) The following Bids may not be treated as multiple Bids:
 - (i) Bids by Reserved Categories Bidding in their respective Reservation Category as well as bids made by them in the Net Issue Category in public category.
 - (ii) Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.
 - (iii) Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.
 - (iv) Bids by Anchor Investors under the Anchor Investor Category and the QIB Category.

2.1.5 FIELD NUMBER 5: CATEGORY OF BIDDERS

- (a) The categories of Bidders identified as per the SEBI ICDR Regulations, for the purpose of Bidding, allocation and Allotment in the Issue are RIBs, NIBs and QIBs.
- (b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with the SEBI ICDR Regulations, with one-third of the Anchor Investor Category reserved for domestic Mutual Funds subject to valid Bids being received at or above the Issue Price. For details regarding allocation to Anchor Investors, Bidders may refer to the RHP/ Prospectus.

- (c) An Issuer can make reservation for certain categories of Bidders as permitted under the SEBI ICDR Regulations. For details of any reservations made in the Issue, Bidders/ Applicants may refer to the RHP/ Prospectus.
- (d) The SEBI ICDR Regulations, specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Bidder may refer to the RHP/ Prospectus.

2.1.6 FIELD NUMBER 6: INVESTOR STATUS

- (a) Each Bidder should check whether it is eligible to apply under applicable law and ensure that any prospective Allotment to it in the Issue is in compliance with the investment restrictions under applicable law.
- (b) Certain categories of Bidders, such as NRIs, FIIs, FPIs and FVCIs may not be allowed to Bid in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders are requested to refer to the RHP/ Prospectus for more details.
- (c) Bidders/ Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.
- (d) Bidders should ensure that their investor status is updated in the Depository records.

2.1.7 FIELD NUMBER 7: PAYMENT DETAILS

- (a) The full Bid Amount (net of any Discount, as applicable) shall be blocked in the ASBA Account base on the authorisation provide in the ASBA Form. If the Discount is applicable in the Issue, the RIB should indicate the full Bid Amount in the Bid cum Application Form and the funds shall be blocked for Bid Amount net of Discount. Only in cases where the RHP/ Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount issued, if any.
- (b) Bidders who Bid at Cut-off Price shall arrange to block the Bid Amount based on the Cap Price.
- (c) All Bidders (except Anchor Investors) have to participate in the Issue only through the ASBA mechanism.
- (d) Bid Amount cannot be paid in cash, cheques, or demand drafts, through money order or through postal order.

2.1.7.1 Additional Payment Instructions for NRIs

2.1.7.2 The Non-Resident Indians who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

2.1.7.3 Instructions for Anchor Investors

- (a) Anchor Investors may submit their Bids through a Book Running Lead Manager.

- (b) Payments should be made either by RTGS, direct credit or NEFT.
- (c) The Escrow Collection Banks shall maintain the monies in the Escrow Accounts for and on behalf of the Anchor Investors until the Designated Date.

2.1.7.4 Payment Instructions for ASBA Bidders

- (a) Bidders, except Anchor Investors, may submit the ASBA Form either:
 - i. in electronic mode through the internet banking facility issued by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
 - ii. in physical mode to any Designated Intermediary.
- (b) Bidders must specify the Bank Account number in the ASBA Form. The ASBA Form submitted by a Bidder and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- (c) Bidders should ensure that the ASBA Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder.
- (d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- (f) Bidders should submit the Bid cum Application Form only at the Bidding Centres, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the RTA at the Designated RTA Locations or CDP at the Designated CDP Locations.
- (g) Bidders bidding through a Designated Intermediary, other than a SCSB, should note that ASBA Forms submitted them may not be accepted, if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that location for the Designated Intermediaries to deposit ASBA Forms.
- (h) Bidders bidding directly through the SCSBs should ensure that the ASBA Form is submitted to a Designated SCSB Branch where the ASBA Account is maintained.
- (i) Upon receipt of the ASBA Form, the Designated SCSB Branch may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Form.
- (j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the ASBA Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
- (k) If sufficient funds are not available in the ASBA Account, the Designated SCSB Branch may not accept such Bids and such bids are liable to be rejected.
- (l) Upon submission of a completed ASBA Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated SCSB Branch to block the Bid Amount specified in the ASBA Form in the ASBA Account maintained with the SCSBs.
- (m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the

Public Issue Accounts, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.

- (n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.7.2.1 Unblocking of ASBA Account

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Accounts designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (iv) above may be transferred to the Public Issue Accounts, and (v) details of rejected Bids, if any, to enable the SCSBs to unblock the respective bank accounts.
- (b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Bidder other than Anchor Investors to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the ASBA Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Issue Closing Date.

2.1.7.5 Discount (if applicable)

- (a) The Discount is stated in absolute rupee terms.
- (b) Bidders applying under RIB Category, Retail Individual Shareholder and are only eligible for discount. For Discounts issued in the Issue, Bidders may refer to the RHP/ Prospectus.
- (c) The Bidders entitled to the applicable Discount in the Issue may block the Bid Amount less Discount.
- (d) Bidder may note that in case the net amount blocked (post Discount) is more than two lakh Rupees, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RIB category.

2.1.8 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS

- (a) Only the First Bidder is required to sign the Bid cum Application Form. Bidders should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- (b) If the ASBA Account is held by a person or persons other than the Bidder, then the signature of the ASBA Account holder(s) is also required.
- (c) The signature has to be correctly affixed in the authorization/ undertaking box in the ASBA Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the ASBA Form.
- (d) Bidders/ Applicants must note that Bid cum Application Form without signature of Bidder/Applicant and/ or ASBA Account holder is liable to be rejected.

2.1.9 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

- (a) Bidders should ensure that they receive the Acknowledgment Slip duly signed and stamped by the Designated Intermediary, as applicable, for submission of the ASBA Form.
- (b) All communications in connection with Bids/Applications made in the Issue may be addressed as under:
 - (i) In case of queries related to Allotment, non-receipt of Allotment Advice, credit of Allotted Equity Shares, refund intimations, the Bidders should contact the Registrar to the Issue.
 - (ii) In case of Bids submitted to the Designated Branches of the SCSBs, the Bidders should contact the relevant Designated SCSB Branch.
 - (iii) In case of queries relating to uploading of Bids by a Syndicate Member, the Bidders should contact the relevant Syndicate Member.
 - (iv) In case of queries relating to uploading of Bids by a Registered Broker, the Bidders should contact the relevant Registered Broker.
 - (v) In case of Bids submitted to the RTA, the Bidders should contact the relevant RTA.
 - (vi) In case of Bids submitted to the CDP, the Bidders should contact the relevant DP.
 - (vii) Bidder may contact the Company Secretary and Vice President - Legal and Compliance Officer or the BRLM(s) in case of any other complaints in relation to the Issue.
- (c) The following details (as applicable) should be quoted while making any queries –
 - (i) full name of the sole or First Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application.
 - (ii) name and address of the Designated Intermediary, where the Bid was submitted;
 - (iii) in case of Bids other than from Anchor Investors, ASBA Account number in which the amount equivalent to the Bid Amount was blocked; or
 - (iv) in case of Bids by Anchor Investor, details of direct credit and name of the issuing bank thereof.

For further details, Bidder may refer to the RHP/Prospectus and the Bid cum Application Form.

2.2 INSTRUCTIONS FOR FILLING THE REVISION FORM

- (a) During the Bid/Issue Period, any Bidder (other than QIBs and NIBs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.
- (b) RIB may revise their bids or withdraw their Bids on or before the Bid/Issue Closing Date.
- (c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.
- (d) The Bidder can make this revision any number of times during the Issue Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same Designated Intermediary through which such Bidder/ Applicant had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample revision form is reproduced below:

Sample of Common Revision form

TEAR HERE

| | | | | | | |
|--|--|---|--------------------------|------------------------|-------------------|-------------------------|
| COMMON REVISION FORM | XYZ LIMITED - INITIAL PUBLIC ISSUE - REVISION R Registered Office: _____ | FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS | | | | |
| LOGO | To: The Board of Directors XYZ LIMITED | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">FIXED PRICE ISSUE</td> <td style="text-align: center;">ISSUE OPENS ON : _____</td> </tr> <tr> <td style="text-align: center;">ISIN - INEXXXXXXX</td> <td style="text-align: center;">ISSUE CLOSES ON : _____</td> </tr> </table> | FIXED PRICE ISSUE | ISSUE OPENS ON : _____ | ISIN - INEXXXXXXX | ISSUE CLOSES ON : _____ |
| FIXED PRICE ISSUE | ISSUE OPENS ON : _____ | | | | | |
| ISIN - INEXXXXXXX | ISSUE CLOSES ON : _____ | | | | | |
| BROKER/SCSB/DP/RTA STAMP & CODE | SUB-BROKER'S/SUB-AGENT'S STAMP & CODE | Application Form No. _____ | | | | |
| BANK BRANCH STAMP & CODE | BANK BRANCH SERIAL NO. | 1. NAME & CONTACT DETAILS OF SOLE / FIRST APPLICANT | | | | |
| REGISTRAR'S SERIAL NO. | 2. PAN OF SOLE / FIRST APPLICANT | 3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL | | | | |
| | | For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID | | | | |
| PLEASE CHANGE MY APPLICATION | | <input type="checkbox"/> PHYSICAL | | | | |
| 4. FROM (as per last Application or Revision) | | | | | | |
| Options | No. of Equity Shares applied (Application must be in multiples of _____ equity shares) (In Figures) | Price per Equity Share ₹ (In Figures) | | | | |
| | 7 6 5 4 3 2 1 | Issue Price Discount, if any Net Price | | | | |
| Option 1 | | | | | | |
| (OR) Option 2 | NOT APPLICABLE | NOT APPLICABLE | | | | |
| (OR) Option 3 | NOT APPLICABLE | NOT APPLICABLE | | | | |
| 5. TO (Revised Application) | | | | | | |
| Options | No. of Equity Shares applied (Application must be in multiples of _____ equity shares) (In Figures) | Price per Equity Share ₹ (In Figures) | | | | |
| | 7 6 5 4 3 2 1 | Issue Price Discount, if any Net Price | | | | |
| Option 1 | | | | | | |
| (OR) Option 2 | NOT APPLICABLE | NOT APPLICABLE | | | | |
| (OR) Option 3 | NOT APPLICABLE | NOT APPLICABLE | | | | |
| 6. PAYMENT DETAILS | | | | | | |
| Amount Paid (₹ in figures) _____ (₹ in words) _____ | | PAYMENT OPTION : Full Payment | | | | |
| ASBA Bank A/c No. _____ | | | | | | |
| Bank Name & Branch _____ | | | | | | |
| I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS APPLICATION FORM AND THE ATTACHED FORM 2A AND HEREBY AGREE AND CONFIRM THE 'INVESTORS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE APPLICATION FORM GIVEN OVERLEAF. | | | | | | |
| 7A. SIGNATURE OF SOLE / FIRST APPLICANT | 7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) | BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Application in Stock Exchange system) | | | | |
| Date: _____, 2017 | I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue 1) _____ 2) _____ 3) _____ | | | | | |
| TEAR HERE | | | | | | |
| LOGO | XYZ LIMITED INITIAL PUBLIC ISSUE - REVISION - R | Acknowledgement Slip for Broker/SCSB/ DP/RTA | | | | |
| | | Application Form No. _____ | | | | |
| DPID / CLID | PAN of Sole / First Applicant | | | | | |
| Additional Amount Paid (₹ in figures) | Bank & Branch | SCSB Branch Stamp & Signature | | | | |
| ASBA Bank A/c No. _____ | | | | | | |
| Received from Mr./Ms. _____ | | | | | | |
| Telephone / Mobile | Email | | | | | |
| TEAR HERE | | | | | | |
| XYZ LIMITED - REVISION R | No. of Equity Shares | In Figure | | | | |
| | Additional Amount Paid (₹) | In Words | | | | |
| ASBA Bank A/c No. | Stamp & Signature of Broker / SCSB / DP / RTA | Name of Sole / First Applicant | | | | |
| Bank & Branch | Acknowledgement Slip for Applicant | | | | | |
| | Application Form No. | | | | | |

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

2.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/ FIRST BIDDER, PAN OF SOLE/ FIRST BIDDER & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER

Bidders should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

2.2.2 FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'

- (a) Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and such Bidder is changing only one of the options in the Revision Form, the Bidder must still fill the details of the other two options that are not being revised, in the Revision Form. The Designated Intermediaries may not accept incomplete or inaccurate Revision Forms.
- (b) In case of revision, Bid options should be provided by Bidders in the same order as provided in the Bid cum Application Form.
- (c) In case of revision of Bids by RIBs and Retail Individual Shareholders, such Bidders should ensure that the Bid Amount, subsequent to revision, does not exceed Rs. 200,000. In case the Bid Amount exceeds Rs. 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIBs and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.
- (d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the RHP/ Prospectus. If, however, the RIB does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RIB and the RIB is deemed to have approved such revised Bid at Cut-off Price.
- (e) In case of a downward revision in the Price Band, RIBs and Bids by under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked after the Allotment is finalised.

2.2.3 FIELD 6: PAYMENT DETAILS

- (a) All Bidders are required to authorise blocking of the full Bid Amount (less Discount (if applicable) along with the Bid Revision Form . In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount issued, if any.
- (b) Bidder may issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.
- (c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds Rs. 200,000, the Bid may be considered for allocation under the Non-Institutional Category in

terms of the RHP/ Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of Allotment, such that additional amount is required to be blocked and the Bidder is deemed to have approved such revised Bid at the Cut-off Price.

- (d) In case of a downward revision in the Price Band, RIBs and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked after the finalisation of the Basis of Allotment.

2.2.4 FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS

Bidders may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

2.3 INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

2.3.1 FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/ FIRST BIDDER, PAN OF SOLE/ FIRST BIDDER & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

2.3.2 FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT

- (a) The Issuer may mention the Issue Price or Price Band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).
- (b) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the Lead Managers may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of Rs. 10,000 to Rs. 15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.
- (c) Applications by RIBs and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed Rs. 200,000.
- (d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds Rs. 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.
- (e) An application cannot be submitted for more than the Issue size.
- (f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.
- (g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or other SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.
- (h) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:

- i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple applications by a Bidder and may be rejected.
 - ii. For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- (i) The following applications may not be treated as multiple Bids:
- i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Net Issue portion in public category.
 - ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.
 - iii. Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its subaccounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

2.3.3 FIELD NUMBER 5: CATEGORY OF APPLICANTS

- i. The categories of applicants identified as per the SEBI ICDR Regulations for the purpose of Bidding, allocation and Allotment in the Issue are RIBs, individual applicants other than RIB's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- ii. An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations. For details of any reservations made in the Issue, applicants may refer to the Prospectus.
- iii. The SEBI ICDR Regulations specify the allocation or Allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation applicant may refer to the Prospectus.

2.3.4 FIELD NUMBER 6: INVESTOR STATUS

Applicants should refer to instructions contained in paragraphs 4.1.6.

2.3.5 FIELD 7: PAYMENT DETAILS

- (a) All Bidders (other than Anchor Investors) are required to only make use of ASBA for applying in the Issue.
- (b) Bid Amount cannot be paid in cash, through money order, cheque, demand draft or through postal order or through stock invest.

2.3.5.1 Payment instructions for Applicants

Applicants should refer to instructions contained in paragraphs 4.1.7.2.

2.3.5.2 Unblocking of ASBA Account

Applicants should refer to instructions contained in paragraphs 4.1.7.2.1.

2.3.5.3 Discount (if applicable)

Applicants should refer to instructions contained in paragraphs 4.1.7.3.

2.3.6 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

2.4 SUBMISSION OF BID CUM APPLICATION FORM/ REVISION FORM

Bidders may submit completed Bid-cum-application form/ Revision Form in the following manner:-

| Mode of Application | Submission of Bid cum Application Form |
|------------------------------------|--|
| Anchor Investor s Application Form | To the Lead Managers of the Syndicate at the locations mentioned in the Anchor Investor Application Form |
| ASBA Form | (a) To the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the RTA at the Designated RTA Location or the CDP at the designated CDP Location . (b) To the Designated SCSB Branches |

- (a) Bidders should submit the Revision Form to the same Designated Intermediary through which such Bidder had placed the original Bid.
- (b) Upon submission of the Bid-cum-Application Form, the Bidder will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/ Applicant.
- (c) Upon determination of the Issue Price and filing of the Prospectus with the ROC the Bid-cum-Application Form will be considered as the application form.

SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of the SEBI ICDR Regulations. The Issue Price is finalised after the Bid/Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS

- (a) During the Bid/Issue Period, Bidders may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Lead Managers to register their Bid.
- (b) In case of Bidders (excluding NIBs and QIBs) Bidding at Cut-off Price the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable).
- (c) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders are requested to refer to the RHP.

5.2 ELECTRONIC REGISTRATION OF BIDS

- (a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject

to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.

- (b) On the Bid/Issue Closing Date, Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.
- (c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries (i) are given till 1:00 pm on the next Working Day following the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the after which the Stock Exchange(s) send the bid information to the Registrar further processing. Bid/Issue Period with respect to the Bidders other than the Bids received from the Retail Individual Bidders and (ii) shall submit the Bid cum Application Form and modification (at periodic intervals) on a day to day basis during the Bid/Issue Period with respect to Bids received from Retail Individual Bidders after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

5.3 BUILD UP OF THE BOOK

- (a) Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the Lead Managers at the end of the Bid/Issue Period.
- (b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid/Issue Period.

5.4 WITHDRAWAL OF BIDS

- (a) RIBs can withdraw their Bids until Bid/Issue Closing Date. In case a RIB wishes to withdraw the Bid during the Bid/Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary, who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- (b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account upon or after the finalisation of Basis of Allotment. QIBs and NIBs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

- (a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:
 - i. the Bids accepted by the Designated Intermediaries,
 - ii. the Bids uploaded by the Designated Intermediaries, and
 - iii. the Bid cum application forms accepted but not uploaded by the Designated Intermediaries.
- (b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.
- (c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.
- (d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) the BRLMs and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
- (e) All bids by QIBs, NIBs & RIBs Bids can be rejected on technical grounds listed herein.

5.5.1 GROUNDS FOR TECHNICAL REJECTIONS

Bid cum Application Forms can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Lead Managers Designated Intermediaries or at the time of finalisation of the Basis of Allotment. Bidders/ Applicants are advised to note that the Bids/Applications are liable to be rejected, among other things, on the following grounds, which have been detailed at various places in this GID:

- (a) Bid by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- (b) Bids by OCBs;
- (c) In case of partnership firms, Bid for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- (d) In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum application form/ Application Form;
- (e) Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- (f) Bids by any person outside India if not in compliance with applicable foreign and Indian laws;
- (g) PAN not mentioned in the Bid cum Application Form except for Bids by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- (h) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- (i) Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- (j) Bids at a price less than the Floor Price & Bids/ Applications at a price more than the Cap Price;
- (k) Bids at Cut-off Price by NIBs and QIBs;
- (l) The amounts mentioned in the Bid cum Application Form do not tally with the amount payable for the value of the Equity Shares Bid for;
- (m) Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- (n) Submission of more than five Bid cum Application Forms through a single ASBA Account;
- (o) Bids for number of Equity Shares which are not in multiples of the number of Equity Shares which are not in multiples as specified in the RHP;
- (p) Multiple Bids as defined in this GID and the RHP/ Prospectus;
- (q) Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form at the time of blocking such Bid Amount in the bank account;
- (r) In case of Anchor Investors, Bids where sufficient funds are not available in Anchor Investor Escrow Accounts as per final certificate from the Escrow Collection Banks;
- (s) Where no confirmation is received from SCSB for blocking of funds;
- (t) Bids by Bidders (other than Anchor Investors) not submitted through ASBA process or Bids/Applications by QIBs (other than Anchor Investors) and Non-Institutional Bidders accompanied with cheque(s) or demand draft(s);
- (u) Bids submitted to a Designated Intermediary at locations other than the Bidding Centres or to the Escrow Collection Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Issue;
- (v) Bids not uploaded on the Stock Exchanges bidding system; and;
- (w) Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form.

5.6 BASIS OF ALLOCATION

- (a) The SEBI ICDR Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain

details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP/ Prospectus. For details in relation to allocation, the Bidder may refer to the RHP/ Prospectus.

- (b) Under-subscription in any category (except QIB Category) is allowed to be met with spillover from any other category or combination of categories at the discretion of the Issuer and in consultation with the Lead Managers and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed Category in QIB Category is not available for subscription to other categories.
- (c) In case of under subscription in the Net Issue, spill-over to the extent of such under subscription may be permitted from the Reserved Category to the Net Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/ Applicants may refer to the RHP.

(d) Illustration of the Book Building and Price Discovery Process

Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors.

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of Rs. 20 to Rs. 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the issuer at various prices and is collated from Bids received from various investors.

| Bid Quantity | Bid Amount (In Rs.) | Cumulative Quantity | Subscription |
|--------------|---------------------|---------------------|--------------|
| 500 | 24 | 500 | 16.67% |
| 1,000 | 23 | 1,500 | 50.00% |
| 1,500 | 22 | 3,000 | 100.00% |
| 2,000 | 21 | 5,000 | 166.67% |
| 2,500 | 20 | 7,500 | 250.00% |

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of equity shares is the price at which the book cuts off, i.e., 22.00 in the above example. The issuer, in consultation with the Lead Managers, may finalise the issue price at or below such cut-off price, i.e., at or below 22.00. All Bids at or above this issue price and cut-off bids are valid Bids and are considered for allocation in the respective categories.

(e) Alternate Method of Book Building

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of bidding (“Alternate Book Building Process”).

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Issue Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIBs, NIBs are Allotted Equity Shares at the Floor Price and Allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted

to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/ or quantity and also decide whether a Bidder be allowed single or multiple bids.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue. As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through the Designated Intermediary.

Applicants may submit an Application Form either in physical form to any of the Designated Intermediaries or in the electronic form to the SCSB or the Designated SCSB Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only (“ASBA Account”). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date.

In a fixed price Issue, allocation in the net issue to the public category is made as follows: minimum fifty percent to Retail Individual Bidders; and remaining to (i) individual investors other than Retail Individual Bidders; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders may refer to the relevant section of the GID.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders other than Retail Individual Bidders and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to RHP/ Prospectus. No Retail Individual Bidder is will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Bidder Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Net Issue (excluding any Issue for Sale of specified securities). However, in case the Issue is in the nature of Issue for Sale only, then minimum subscription may not be applicable.

7.1 ALLOTMENT TO RIBs

Bids received from the RIBs at or above the Issue Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Issue Price, full Allotment may be made to the RIBs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Issue Price, then the maximum number of RIBs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot (“**Maximum RIB Allottees**”). The Allotment to the RIBs will then be made in the following manner:

- (a) In the event the number of RIBs who have submitted valid Bids in the Issue is equal to or less than Maximum RIB Allottees, (i) all such RIBs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIBs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).

- (b) In the event the number of RIBs who have submitted valid Bids in the Issue is more than Maximum RIB Allottees, the RIBs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

7.2 ALLOTMENT TO NIBs

Bids received from NIBs at or above the Issue Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIBs may be made at or above the Issue Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Issue Price, full Allotment may be made to NIBs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Issue Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Portion.

7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders may refer to the SEBI ICDR Regulations or RHP / Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

- (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Portion, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Portion; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full Allotment to the extent of valid Bids received above the Issue Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for Allotment to all QIBs as set out at paragraph 7.4(b) below;
- (b) In the second instance, Allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Issue Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

- (a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the Issuer and the Selling Shareholders in consultation with the Lead Managers, subject to compliance with the following requirements:
- i. not more than 60% of the QIB Category will be allocated to Anchor Investors;
 - ii. one-third of the Anchor Investor Category shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
 - iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:
 - a maximum number of two Anchor Investors for allocation up to Rs. 100 million;
 - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than Rs. 100 million and up to Rs. 2,500 million subject to minimum Allotment of Rs. 50 million per such Anchor Investor; and
 - a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than Rs. 2,500 million and an additional 10 Anchor Investors for every additional

Rs. 2,500 million or part thereof, subject to minimum Allotment of Rs. 50 million per such Anchor Investor.

- (b) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the issuer in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
- (c) **In the event that the Issue Price is higher than the Anchor Investor Issue Price:** Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.
- (d) **In the event the Issue Price is lower than the Anchor Investor Issue Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIBs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Issue being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

- (a) Bidders may be categorized according to the number of Equity Shares applied for;
- (b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;
- (c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;
- (d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;
- (e) If the proportionate Allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all bidders in such categories may be arrived at after such rounding off; and
- (f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- (a) **Designated Date:** On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Accounts, as per the

terms of the Escrow Agreement, into the Public Issue Accounts with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Category shall be made from the Refund Account as per the terms of the Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.

- (b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue. Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/ Applicants who have been Allotted Equity Shares in the Issue.
- (c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- (d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of Equity Shares to the successful Bidders Depository Account will be completed within six Working Days of the Bid/Issue Closing Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer shall ensure that all steps for the completion of the necessary formalities for listing a commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid/Issue Closing Date. The Registrar to the Issue may initiate corporate actions for credit to Equity Shares the beneficiary account with Depositories, and within six Working Days of the Bid/Issue Closing Date.

8.2 GROUNDS FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/ list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/ Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/ Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) or obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer shall be punishable with a fine which shall not be less than Rs. 5 lakhs but which may extend to Rs. 50 lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than Rs. 50,000 but which may extend to Rs. 3 lakhs, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith take steps to refund, without interest, all moneys received from Bidders.

If such money is not refunded to the Bidders within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/ Prospectus.

8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

If the Issuer does not receive a minimum subscription of 90% of the Net Issue (excluding any issue for sale of specified securities), including devolvement to the Underwriters, the Issuer may forthwith, take steps to unblock

the entire subscription amount received within six Working Days of the Bid/Issue Closing Date and repay without interest, all moneys received from Anchor Investors.. In case the Issue is in the nature of Issue for Sale only, then minimum subscription may not be applicable. In case of under-subscription in the Issue involving a fresh Issue and the Offer for Sale, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Issue for Sale.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay the amount received from Bidders, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of 15 days from the Bid/Issue Closing Date, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be Allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations comes for an Issue under Regulation 26(2) of SEBI ICDR Regulations but fails to Allot at least 75% of the Net Issue to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

- (a) In case of ASBA Bids: Within six Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Accounts on for unsuccessful Bid and also or for any excess amount blocked on Bidding.
- (b) **In case of Anchor Investors:** Within six Working Days of the Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors.
- (c) In case of Anchor Investors, the Registrar to the Issue may obtain from the depositories the bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Anchor Investor Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

8.3.1 Electronic mode of making refunds for Anchor Investors

The payment of refund, if any, may be done through various electronic modes as mentioned below:

- (a) **NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Anchor Investors

through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

- (b) **Direct Credit**—Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;
- (c) **RTGS**— Anchor Investors having a bank account at any of the centres notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS.

Please note that refunds through the modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Collection Bank.

For details of levy of charges, if any, for any of the above methods, Anchor Investors may refer to RHP/Prospectus.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum if the refund instructions have not been given to the clearing system in the prescribed manner. Instructions for unblocking of funds in the ASBA Account are not dispatched within 15 days of the Bid/Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/Issue Closing Date, if Allotment is not made within the timelines prescribed under applicable law.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

| Term | Description |
|----------------------------------|---|
| Acknowledgement Slip | The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form |
| Allotment/ Allot/ Allotted | The allotment of Equity Shares pursuant to the Issue to successful Bidders/ Applicants |
| Allotment Advice | Note or advice or intimation of Allotment sent to the Bidders/ Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges. |
| Allottee | An Bidder/ Applicant to whom the Equity Shares are Allotted |
| Anchor Investor | A Qualified Institutional Buyer, applying under the Anchor Investor Category in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus |
| Anchor Investor Application Form | The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus |
| Anchor Investor Escrow | Account opened with the Escrow Collection Bank and in whose favour the Anchor |
| Accounts | Investors will transfer money through NECS/direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid |
| Anchor Investor Category | Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the Lead Managers to Anchor Investors on a discretionary basis One-third of the Anchor Investor Category is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors |

| Term | Description |
|--------------------------|--|
| Application Supported by | An application, whether physical or electronic, used by Bidders, other than Anchor |
| Blocked Amount/ / ASBA | investors, to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB |
| ASBA Account | An account maintained with an SCSB which may be blocked by such SCSBs to the extent of the Bid Amount of the Bidder |
| ASBA Bidder | All Bidders except Anchor Investors. |
| ASBA Form | Application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus |
| Banker(s) to the Issue | The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Anchor Investors Escrow Accounts for the Anchor Investors may be opened, and as disclosed in the RHP/ Prospectus and Bid cum Application Form of the Issuer |
| Basis of Allotment | Basis on which the Equity Shares may be Allotted to successful Bidders under the Issue |
| Bid | An indication to make an issue during the Bid/Issue Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Issue Period by the Anchor Investors pursuant to submission of the Anchor Investor Application Forms, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application |
| Bid Amount | The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/Applicant upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount |
| Bid/Issue Closing Date | The date after which the Syndicate, Registered Brokers, the SCSBs, RTAs , DP as the case may be, may not accept any Bids for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/ bidders may refer to the RHP/ Prospectus for the Issue Closing Date |
| Bid/Issue Opening Date | The date on which the Syndicate, the SCSBs, RTAs, DP as the case may be, may start accepting Bids for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/ bidders may refer to the RHP/ Prospectus for the Issue Opening Date |
| Bid/Issue Period | Except in the case of Anchor Investors (if applicable), the period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Bidders/ Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Issue Period for QIBs one working day prior to the Issue Closing Date in accordance with the SEBI ICDR Regulations. Applicants/ bidders may refer to the RHP/ Prospectus for the Issue Period |
| Bidder | Any prospective investor who makes a Bid pursuant to the terms of the RHP/ Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder should be construed to mean an Bidder |

| Term | Description |
|---|---|
| Book Built Process/ Book Building Process/ Book Building Method | The book building process as provided under the SEBI ICDR Regulations, in terms of which the Issue is being made |
| Broker Centres | Broker centres notified by the Stock Exchanges where Bidders can submit the ASBA Forms to a Registered Broker The details of such Broker 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) |
| BRLM(s)/ Book Running | The Book Running Lead Manager to the Issue as disclosed in the RHP/ Prospectus and |
| Lead Manager(s)/ Lead | the Bid cum Application Form of the Issuer. In case of issues undertaken through the |
| Manager/ LM | fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM |
| CAN/ Confirmation of | Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who |
| Allocation Note | have been allocated the Equity Shares, after the Anchor Investor Issue Period |
| Cap Price | The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price may not be finalised and above which no Bids may be accepted |
| Client ID | Client Identification Number maintained with one of the Depositories in relation to demat account |
| Collecting Depository | A depository participant as defined under the Depositories Act, 1996, registered with |
| Participant or CDPs | SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI as per the list available on the websites of BSE and NSE |
| Cut-off Price | Issue Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIBs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/ Applicants are entitled to Bid at the Cut-off Price |
| DP | Depository Participant |
| DP ID | Depository Participant's Identification Number |
| Depositories | National Securities Depository Limited and Central Depository Services (India) Limited |
| Demographic Details | Details of the Bidders including the Bidder's address, name of the Bidder's father/ husband, investor status, occupation and bank account details |
| Designated SCSB Branches | Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders (excluding Anchor Investors) and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries |
| Designated CDP Locations | Such locations of the CDPs where Bidders can submit the ASBA Forms The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) |
| Designated Date | Date on which funds are transferred by the Escrow Collection Banks from the Anchor Investor Escrow Accounts and instructions are given to the SCSBs to unblock the ASBA Accounts and transfer the amounts blocked by the SCSBs from the ASBA Accounts, as the case may be, to the Public Issue Accounts or the Refund Account, as appropriate, in terms of the Red Herring Prospectus and the aforesaid |

| Term | Description |
|--------------------------------|---|
| | transfer and instructions shall be issued only after the finalisation of Basis of Allotment in consultation with the Designated Stock Exchange |
| Designated Intermediaries | Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorised to collect ASBA Forms from the Bidders, in relation to the Issue |
| Designated RTA Locations | Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) |
| Designated Stock Exchange | The designated stock exchange as disclosed in the RHP/ Prospectus of the Issuer |
| Discount | Discount to the Issue Price that may be provided to Bidders/ Applicants in accordance with the SEBI ICDR Regulations. |
| Draft Prospectus | The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band |
| Equity Shares | Equity Shares of the Issuer |
| Escrow Agreement | Agreement entered into among the Issuer, the Registrar to the Issue, the Book Running Lead Manager(s), the Syndicate Member(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof |
| Escrow Collection Bank(s) | Refer to definition of Banker(s) to the Issue |
| FCNR Account | Foreign Currency Non-Resident Account |
| First Bidder | The Bidder whose name appears first in the Bid cum Application Form or Revision Form |
| FII(s) | Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India |
| Fixed Price Issue/ Fixed Price | The Fixed Price process as provided under the SEBI ICDR Regulations, in terms of |
| Process/ Fixed Price Method | which the Issue is being made |
| Floor Price | The lower end of the Price Band, at or above which the Issue Price and the Anchor Investor Issue Price may be finalised and below which no Bids may be accepted, subject to any revision thereto |
| FPIs | Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 |
| FPO | Further public offering |
| Foreign Venture Capital | Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI |
| Investors or FVCIs | (Foreign Venture Capital Investors) Regulations, 2000 |
| IPO | Initial public offering |
| Issue | Public Issue of Equity Shares of the Issuer including the Offer for Sale if applicable |
| Issuer/ Company | The Issuer proposing the initial public offer/ further public offer as applicable |

| Term | Description |
|--------------------------------|---|
| Issue Price | The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Issue Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s) |
| Maximum RIB Allottees | The maximum number of RIBs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot. |
| MICR | Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf |
| Mutual Fund | A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996 |
| Mutual Funds Portion | 5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/ Prospectus and Bid cum Application Form |
| NEFT | National Electronic Fund Transfer |
| NRE Account | Non-Resident External Account |
| NRI | NRIs from such jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the RHP/ Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares |
| NRO Account | Non-Resident Ordinary Account |
| Net Issue | The Issue less reservation portion |
| Non-Institutional Investors or | All Bidders, including sub accounts of FIIs registered with SEBI which are foreign |
| NIBs | corporates or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than Rs. 200,000 (but not including NRIs other than Eligible NRIs) |
| Non-Institutional Category | The Category of the Issue being such number of Equity Shares available for allocation to NIBs on a proportionate basis and as disclosed in the RHP/ Prospectus and the Bid cum Application Form |
| Non-Resident | A person resident outside India, as defined under FEMA and includes Eligible NRIs, FIIs, FPIs and FVCIs registered with SEBI |
| OCB/ Overseas Corporate | A company, partnership, society or other corporate body owned directly or indirectly to |
| Body | the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA |
| Offer for Sale | Public issue of such number of Equity Shares as disclosed in the RHP/ Prospectus through an issue for sale by the Selling Shareholders |
| Other Investors | Investors other than Retail Individual Bidders in a Fixed Price Issue. These include individual applicants other than retail individual bidders and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for. |
| PAN | Permanent Account Number allotted under the Income Tax Act, 1961 |
| Price Band | Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Issue may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/Issue Opening Date, in English national daily, Hindi national daily and regional |

| Term | Description |
|--|--|
| | language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation |
| Pricing Date | The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalise the Issue Price |
| Prospectus | The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Issue Price, the size of the Issue and certain other information |
| Public Issue Accounts | Bank accounts opened under Section 40(3) of the Companies Act, 2013, to receive monies from the Anchor Investor Escrow Accounts and the ASBA Accounts on the Designated Date |
| QIB Category | The Category of the Issue being such number of Equity Shares to be allocated to QIBs on a proportionate basis |
| Qualified Institutional Buyers or QIBs | As defined under the SEBI ICDR Regulations |
| RTGS | Real Time Gross Settlement |
| Red Herring Prospectus/ RHP | The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are issued and the size of the Issue. The RHP may be filed with the RoC at least three days before the Issue Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus |
| Refund Account(s) | The account opened with Refund Bank(s), from which refunds to Anchor Investors, if any, of the whole or part of the Bid Amount may be made |
| Refund Bank(s) | Refund bank(s) as disclosed in the RHP/ Prospectus and Bid cum Application Form of the Issuer |
| Registrar and Share Transfer | Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI |
| Registered Broker | Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the Syndicate and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI |
| Registrar to the Issue/ RTI | The Registrar to the Issue as disclosed in the RHP/ Prospectus and Bid cum Application Form |
| Reserved Portion/ Categories | Categories of persons eligible for making application/ Bidding under reservation Category |
| Reservation Portion | The Category of the Issue reserved for such category of eligible Bidders as provided under the SEBI ICDR Regulations |
| Retail Individual Bidders/ | Bidders who apply or bid for a value of not more than Rs. 200,000 in any of the bidding |
| RIBs | options in the Issue (including HUFs applying through their Karta), which shall not be less than the minimum Bid Lot subject to availability in the Retail Portion, and the remaining Equity Shares to be Allotted on a proportionate basis than Rs. 200,000 |
| Retail Individual Shareholders | Shareholders of a listed Issuer who applies or bids for a value of not more than Rs. 200,000 |

| Term | Description |
|---|--|
| Retail Category | The portion of the Issue being such number of Equity Shares available for allocation to RIBs which shall not be less than the minimum Bid Lot, subject to availability in RIB category and the remaining shares to be Allotted on proportionate basis. |
| Revision Form | The form used by the Bidders, including ASBA Bidders, in an issue through Book Building Process to modify the quantity of Equity Shares and/ or bid price indicates therein in any of their Bid cum Application Forms or any previous Revision Form(s) |
| RoC | The Registrar of Companies |
| SEBI | The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 |
| SEBI ICDR Regulations | The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 |
| Self-Certified Syndicate Bank(s) or SCSB(s) | Banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at http://www.sebi.gov.in/cms/sebi_data/attachdocs/1480483399603.html and updated from time-to-time |
| Specified Locations | Refer to definition of Broker Centres |
| Stock Exchanges/ SE | The stock exchanges as disclosed in the RHP/ Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed |
| Syndicate | The Book Running Lead Manager(s) and the Syndicate Member collection of Bid cum Application Forms by Syndicate Members |
| Syndicate Member(s)/ SM | The Syndicate Member(s) as disclosed in the RHP/ Prospectus |
| Underwriters | The Book Running Lead Manager(s) and the Syndicate Member(s) |
| Underwriting Agreement | The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date |
| Working Day | Working Day” means all days, other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business, provided however, with reference to (a) announcement of Price Band; and (b) Bid/Issue Period, “Working Days” shall mean all days, excluding Saturdays, Sundays and public holidays, on which the commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 |

RESTRICTION ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India (“**Industrial Policy**”) and Foreign Exchange Management Act, 1999 (“**FEMA**”). While the Industrial Policy prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Accordingly, the process for Foreign Direct Investment (“**FDI**”) and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”).

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. DIPP issued Consolidated FDI Policy Circular of 2017 (“**FDI Policy 2017**”), which with effect from August 28, 2017. The FDI Policy incorporates the changes made in the past year, including liberalization of sectors such as construction, defence, broadcasting, single brand retail trading and LLPs. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a Non-resident does not require the prior approval of the FIPB or the RBI, subject to fulfilment of certain conditions as specified by DIPP / RBI, from time to time. Such conditions include (i) the activities of the investee company are under the automatic route under the foreign direct investment Policy (“**FDI Policy 2016**”) and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI and such other conditions as provided in the FDI Policy from time to time. Investors are advised to refer to the exact text of the relevant statutory provisions of law before investing and / or subsequent purchase or sale transaction in the Equity Shares of Our Company.

The Equity Shares have not been and will not be registered under the U.S Securities Act of 1933, as amended (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 exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transaction in reliance on Regulation S under the U.S Securities Act and the applicable laws of the jurisdiction where those offers and sale occur. However, the Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the 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 VIII-MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

(Adopted by the Members of the Company at the Extra-Ordinary General Meeting of the Company held on March 31, 2018 in pursuance of the Company Act, 2013)

Pursuant to Schedule I of the Companies Act, and the SEBI ICDR Regulations, the Main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and Transmission of equity shares or debentures, their consolidation or splitting are as provided below. Each provision below is numbered as per the corresponding article number in the articles of association and defined terms herein have the meaning given to them in the Articles of Association.

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| INTERPRETATION | <p>1. In these Regulations unless the context otherwise require:</p> <p>(a) "The Company" or this company' means: FUSION INDUSTRIES LIMITED.</p> <p>(b) "the Act" means the "Companies Act, 2013" and every statutory modification or re-enactment thereof and references to Sections or Rules of the Act shall be deemed to mean and include references to sections enacted in modification or replacement thereof.</p> <p>(c) "these Regulations" means these Articles of Association as originally framed or as altered, from time to time.</p> <p>(d) "the Office" means the Registered Office for the time being of the Company.</p> <p>(e) "the Seal" means the common seal of the Company.</p> <p>(f) Words imparting the singular shall include the plural and vice versa, words imparting the masculine gender shall include the feminine gender and words imparting persons shall include bodies corporate and all other persons recognized by law as such.</p> <p>(g) "month" and "year" means a calendar month and calendar year respectively.</p> <p>(h) Expression referring to writing shall be construed as including references to printing, lithography, photography and other modes of representing or reproducing words in visible form.</p> <p>(i) "Dematerialized Form" means the electronic form of holding shares or securities in a Depository within the meaning of the Depositories Act, 1996</p> <p>(j) Unless the context otherwise requires, the words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modifications thereof, in force at the date at which these regulations become binding on the Company.</p> |
| | <p>2. The Regulations contained in Table F in Schedule 1 to the Companies Act, 2013 shall not apply to the Company and the Regulations herein contained shall be the regulations for the management of the Company and for the observance of its members and their representatives. They shall be binding</p> |

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| | <p>on the company and its members as if they are the terms of an agreement between them.</p> |
| <p>SHARE CAPITAL</p> | <p>3. 1) The Authorised Share Capital of the company shall be such amount and be divided into such shares</p> <p style="padding-left: 40px;">as may, from time to time, be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital in accordance with the Company's regulations and legislative provisions for the time being in force on that behalf with the powers to divide the share capital, whether original or increased or decreased into several classes and attach thereto respectively such ordinary, preferential or special rights and conditions in such manner as may for the time being be provided by the Regulations of the Company and allowed by law.</p> <p>2) Shares and other securities issued by the Company from time to time may be issued in dematerialized form pursuant to the Depository Act, 1996. Besides, the Company shall be entitled to dematerialize its existing shares, rematerialize its shares held in the Depositories.</p> <p>3) The Company or an investor may exercise an option to issue, deal in, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialised, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification thereto or re-enactment thereof.</p> <p>4. Subject to the provisions of these Articles and of the Act, the shares shall be under the control of the Board of Directors, who may allot or otherwise dispose off the same to such persons, on such terms and conditions and at such time as they think fit and with full power to give any person the option to call of or be allotted shares of the Company of any class, either at a premium or at par and for such time and for such consideration as the Board of Directors think fit (subject to the provisions of Section 53, 54, 56 and 58 of the Act), provided that option or right to call of shares shall not be given to any person except with the sanction of the Company in General Meeting. The Board shall cause to be made the returns as the allotment provided for in Section 39 of the Act.</p> <p>5. Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles; and every person who thus or otherwise accepts any shares and whose name is on the register shall, for the purposes of the Articles, be a member.</p> <p>6. 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 of the Act, the consent in writing of the holders of three fourths of the issued shares</p> |

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| | <p>of that class or with a sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.</p> <p>7. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not unless otherwise 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.</p> <p>8. (1) The company may exercise the powers of paying commissions conferred by Section 40 of the Act, 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 the Section.</p> <p>(2) The rate of commission shall not exceed the rate of 5% (five percent) of the price at which the shares in respect whereof the same is paid are issued or an amount equal to 5% (five percent) of such price, as the case may be and in the case of debentures 2½% (two and a half per cent) of the price at which the debentures in respect whereof the same is paid are issued or an amount equal to 2½% (two and a half per cent) of such price, as the case may be.</p> <p>(3) The commission may be satisfied by payment in cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.</p> <p>(4) The Company may also, on any issue of shares, pay such brokerage as may be lawful.</p> <p>9. (1) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment (or within such other period as the conditions of issue shall provide) or within one month after the application for the registration of transfer is received by the Company.</p> <p>(a) One certificate for all his shares without payment, or</p> <p>(b) Several certificates, each for one or more of his shares, provided that any subdivision, consolidation or splitting of certificates required in marketable lots shall be done by the Company free of any charges.</p> <p>(2) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid up thereon.</p> <p>(3) 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.</p> <p>Provided that every person subscribing to securities offered by the Company shall have the option either to receive the share/ security certificates or to hold shares/ securities in a dematerialised form.</p> |

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| | <p>10. The Company agrees, that it will not charge any fees exceeding those which may be agreed upon with the Stock Exchange.</p> <ul style="list-style-type: none"> (i) for issue of new certificates in replacement of those that are torn out, defaced lost or destroyed; (ii) for sub-division and consolidation of shares and debenture certificates and for subdivision of Letters of Allotment and Split, Consolidation, Renewal and Pucca Transfer Receipts into denominations other than those fixed for the market units of trading". <p>11. If any shares stands in the names of two or more persons, the person first named in the register of members shall as regards receipt of dividends, the service of notices and subject to the provisions of these Articles, all or any other matter connected with the Company except the issue of share certificates, voting at meeting and the transfer of the share, be deemed the sole holder thereof.</p> |
| <p style="text-align: center;">LIEN</p> | <p>12. Subject to the provisions of Companies Act, 2013 the Company shall have a first and paramount lien upon all the shares (not being a fully paid up share) for all monies (presently payable) registered in the name of such member (whether solely or jointly with others) and upon the proceeds of sale thereof for his debts, liabilities and engagements (whether presently payable or not) solely or jointly with any other person, to or with the Company, whether the period for the payment, fulfillment or discharge thereof shall have actually lien or not and such lien shall extend to all dividends, from time to time, declared in respect of shares, subject to section 123 of the Companies Act 2013. The Board of Directors may at any time declare any shares to be wholly or in part exempt from the provisions of this clause.</p> <p>13. The Company may sell, in such manner as the Board think fit, any share on which the Company has a lien provided that no sale shall be made: -</p> <ul style="list-style-type: none"> (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. <p>14. (1) To give effect to any such sale as given in Article 13, the Board may authorise some person to transfer the shares sold to the purchaser thereof.</p> <ul style="list-style-type: none"> (2) The purchaser shall be registered as the shareholder of the shares comprised in any such transfer. (3) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the sale. |

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| | <p>15. (1) The proceeds of the sale shall be received by the company and applied in payment of the whole or part of the amount in respect of which the lien exist as is presently payable.</p> <p>(2) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares as the date of sale, be paid to the person entitled to the shares at the date of the sale.</p> |
| CALLS ON SHARES | <p>16. (1) The Board of Directors may, from time to time, make calls upon the members in respect of money 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.</p> <p>(2) Each member shall, subject to receiving at least Fourteen days notice specifying the time or times and place of payment of the call money pay to the Company at the time or times and place so specified, the amount called on his shares.</p> <p>(3) A call may be revoked or postponed at the discretion of the Board.</p> <p>17. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed. Call money may be required to be paid by instalments.</p> <p>18. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.</p> <p>19. (1) 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 percent or at such lower rate, if any as the Board may determine.</p> <p>(2) The Board shall be at liberty to waive payment of any such interest wholly or in part.</p> <p>20. (1) Any sum which by the terms of issue of a share become payable on allotment or at any fixed date, whether on account of the nominal value of the shares or by way of premium, shall for 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.</p> <p>(2) 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.</p> <p>21. Subject to the provisions of Section 50 and 179 of the Act, the Board: -</p> |

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| | <p>(a) May, if it thinks fit, receive from any member willing to advance all or any part of the money uncalled and unpaid upon any shares held by him; and</p> <p>(b) If it thinks fit, may pay interest upon all or any of the moneys advanced on uncalled and unpaid shares (until the same would but for such advance become presently payable) at such rate not exceeding, unless the Company in general meeting shall otherwise direct, 12% (twelve percent) per annum as may be agreed upon between the Board and the member paying the sums or advances, Money so paid in advance shall not confer a right to dividend or to participate in profits.</p> <p>22. On the trial or hearing on any suit or proceedings brought by the Company against any member or his representative to recover any debt or money claimed to be due to the Company in respect of his share, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose, on the Register of members of the company as a holder or one of the holders of the number of shares in respect of which such claim is made and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Directors who resolved to make any call, nor that a quorum of Directors was present at Board Meeting at which any call was resolved to be made, nor that the meeting at which any call was resolved to be made was duly convened or constituted nor any other matter, but the proof of the matters aforesaid shall be conclusive evidence of the debt.</p> <p>23. Neither the receipt by the Company of a portion of any money which shall, from time to time, be due from any member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall, preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.</p> |
| <p>TRANSFER AND TRANSMISSION OF SECURITIES</p> | <p>24. The Company shall keep a "Register of Transfers" and therein shall fairly and distinctly enter particulars of every transfer or transmission of any share(s) or securities.</p> <p>25. (1) the instrument of transfer of any securities in the Company shall be executed by or on behalf of both the transferor and the transferee;</p> <p>Provided that no instrument of transfer/ deed of transfer shall be necessary as regards transfer of shares or other securities held in dematerialized form and such transfers shall be registered in accordance with the applicable regulations of the Depositories Act, 1996;</p> <p>(2) the transferor shall be deemed to remain a holder of the security until a properly signed deed of transfer is received by the Company within 2 months of its execution and proper note thereof has been taken and name of transferee has been entered in the Register of Members/Securities, as the case may be;</p> |

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| | <p>(3) that there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law;</p> <p>(4) that a common form of transfer shall be used;</p> <p>(5) that 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 moneys called or payable at a fixed time in respect of such shares;</p> <p>(6) that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever;</p> <p>(7) that any amount paid up in advance of calls on any share may carry interest but shall not in respect thereof confer a right to dividend or to participate in profits;</p> <p>(8) that option or right to call of shares shall not be given to any person except with the sanction of the Company in general meetings;</p> <p>(9) Permission for Sub-Division/Consolidation of Share Certificate.</p> <p>26. The instrument of transfer shall be in writing and all the provisions of Companies Act 2013 and modification thereof for the time being shall be complied with in respect of all transfers of shares and registration thereof.</p> <p>27. Unless the Directors decide otherwise, when an instrument of transfer is tendered by the transferee, before registering any such transfer, the Directors shall give notice as per Rules to the Act to the registered holder that such transfer has been lodged and that unless objection is taken the transfer will be registered. If such registered holder fails to lodge an objection in writing at the office within ten days from the posting of such notice to him, he shall be deemed to have admitted the validity of the said transfer. Where no notice is received by the registered holder, the Directors shall be deemed to have decided not to give notice and in any event to the non-receipt by the registered holder of any notice shall not entitle him to make any claim of any kind against the Company or the Directors in respect of such non-receipt.</p> |
| TRANSFER OF SECURITIES | <p>28. The Board of Directors may, subject to the right of appeal conferred by Section 58 of the Companies Act, 2013 decline to register: -</p> <p>(a) the transfer of a share not being a fully paid up share, to a person of whom they do not approve; or</p> <p>(b) any transfer of the share on which the Company has a lien, provided that the registration transfer shall not be refused on the ground of transferor being either alone or jointly with any person or persons indebted to the Company on any account except a lien.</p> <p>29. The Board may decline to recognize any instrument of transfer unless: -</p> <p>(a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;</p> |

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| | <p>(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</p> <p>(c) the instrument of transfer is in respect of only one class of shares.</p> <p>30. All instruments of transfer which shall be registered shall be retained by the Company, but may be destroyed upon the expiration of such period as the Board may from time to time determine. Any instrument of transfer which the Board declines to register shall (except in any case of fraud) be returned to the person depositing the same.</p> <p>31. (a) 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:</p> <p>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.</p> <p>(b) There shall be no charge for:</p> <p>(a) registration of shares or debentures.</p> <p>(b) sub-division and/or consolidation of shares and debentures certificates and sub-division of Letters of Allotment and split consolidation, renewal and pucca transfer receipts into denominations corresponding to the market unit or trading;</p> <p>(c) sub-division of renounceable Letters of Right;</p> <p>(d) issue of new certificates in replacement of those which are decrepit or worn out or where the cages on the reverse for recording transfers have been fully utilised;</p> <p>(e) registration of any Powers of Attorney, Letter of Administration and similar other documents.</p> |
| <p>TRANSMISSION OF SECURITIES</p> | <p>32. (a) 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 recognised by the company as having any title to his interest in the shares.</p> <p>(b) Nothing in clause (a) 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.</p> <p>33. (a) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as</p> |

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| | <p>may from time to time properly be required by the Board and subject as hereinafter provided, elect, either: -</p> <p>(i) to be registered himself as holder of the share; or</p> <p>(ii) to make such transfer of the share as the deceased or insolvent member could have made.</p> <p>(b) 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.</p> <p>34. (a) 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.</p> <p>(b) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.</p> <p>(c) 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.</p> <p>35. On the transfer of the share being registered in his name 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.</p> <p>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 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share, until the requirements of the notice have been complied with.</p> <p>36. Where the Company has knowledge through any of its principal officers within the meaning of Section 2 of the Estate Duty Act, 1953 of the death of any member of or debenture holder in the company, he shall furnish to the controller within the meaning of such section, the prescribed particulars in accordance with that Act and the rules made thereunder and it shall not be lawful for the Company to register the transfer of any shares or debentures standing in the name of the deceased, unless the transferor has acquired such shares for valuable consideration or a certificate from the Controller is produced before the Company to the effect that the Estate Duty in respect of such shares and debentures has been paid or will be paid or that none is due, as the case may be.</p> <p>37. The Company shall incur liability whatever in consequence of its registering or giving effect, to any transfer of share made or purporting to be made by</p> |

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| | <p>any apparent legal owner thereof (as shown or appearing in the register of members) to the prejudice of persons having or claiming any equitable right, title of interest to or in the said shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company though not bound so to do, shall be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.</p> |
| <p style="text-align: center;">FORFEITURE OF SHARES</p> | <p>38. If a member fails to pay any call, or instalment 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 instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.</p> <p>39. The notice aforesaid shall: -</p> <p>(a) name a further day (not being earlier than the expiry of 14 (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</p> <p>(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.</p> <p>40. 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. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the date of forfeiture, which shall be the date on which the resolution of the Board is passed forfeiting the shares.</p> <p>41. (1) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.</p> <p>(2) At any time before a sale or disposal, as aforesaid, the Board may annul the forfeiture on such terms as it thinks fit.</p> <p>42. (1) 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 moneys which, at date of forfeiture, were presently payable by him to the Company in respect of the shares together with interest thereon from the time of forfeiture until payment at the rate of 9 % (nine percent) per annum.</p> |

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| | <p>(2) The Liability of such person shall cease if and when the Company shall have received payments in full of all such money in respect of the shares.</p> <p>43. (1) 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.</p> <p>(2) 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 off.</p> <p>(3) The transferee shall thereupon be registered as the holder of the share.</p> <p>(4) The transferee shall not 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 of disposal of the share.</p> <p>44. The provisions of these regulations as to forfeiture shall apply, in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.</p> <p>45. The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company in respect of the share, and all other rights incidental thereto except only such of those right as by these Articles are expressly saved.</p> <p>46. Upon any sale, after forfeiture or for enforcing a lien in purported exercise of powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings or to be application of the purchase money and after his name has been entered in the Register in respect of such shares, the validity, of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.</p> <p>47. Upon any sale, re-allotment or other disposal under the provisions of these Articles relating to lien or to forfeiture, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect. When any shares, under the powers in that behalf herein contained are sold by the Board and the certificate in respect thereof has not been delivered up to the Company by the former holder of such shares, the Board may, issue a new</p> |

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| | <p>certificate for such shares distinguishing it in such manner as it may think fit, from the certificate not so delivered.</p> <p>48. The Directors may subject to the provisions of the Act, accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof.</p> |
| <p>CONVERSION OF SHARES INTO STOCK</p> | <p>49. The Company may, by an ordinary resolution: -</p> <p>(a) convert any paid-up shares into stock; and</p> <p>(b) reconvert any stock into paid-up shares of any denomination authorised by these regulations.</p> <p>50. 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:</p> <p>Provided 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.</p> <p>51. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regard dividends voting and meeting 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.</p> <p>52. Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholders" in those regulations shall include "stock" and "stockholder" respectively.</p> |
| <p>SHARE WARRANTS</p> | <p>53. The Company may issue share warrant, subject to and in accordance with, the provisions of the Companies Act 2013 and accordingly the Board may in its discretion with respect of any share which is fully paid up, on application in writing signed by the person registered as holder of the share and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the person signing the application and on receiving the certificate (if any) of the share; and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.</p> <p>54. (1) The bearer of a share warrant may at any time deposit the warrant at the office of the Company and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for</p> |

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| | <p>calling a meeting of the Company and of attending and voting and exercising, the other privileges of a member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the register of members as the holder of the shares included in the deposited warrant.</p> <p>(2) Not more than one person shall be recognised as depositor of the share warrant.</p> <p>(3) The Company shall, on two days written notice, return the deposited share warrant to the depositor.</p> <p>55. (1) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling meeting of the Company or attend or vote or exercise any other privilege of a member at a meeting of the company or be entitled to receive any notice from the Company.</p> <p>(2) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he was named in the register of member as the holder of the shares including in the warrant and he shall be deemed to be a member of the Company in respect thereof.</p> <p>56. The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction of the original.</p> |
| <p>ALTERATION OF CAPITAL</p> | <p>57. The Company may, from time to time, by ordinary resolution increase its share capital by such sum, to be divided into shares of such amount, as the resolution shall specify.</p> <p>58. The Company may, by ordinary resolution in general meeting:</p> <p>(a) consolidate and divide all or any of its capital into shares of larger amounts than its existing shares:</p> <p>(b) sub-divide its shares or any of them, into shares of similar amounts than is fixed by the Memorandum of Association, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;</p> <p>(c) cancel any share which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.</p> <p>59. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law: -</p> <p>(a) its share capital;</p> <p>(b) any capital redemption reserve account; or</p> |

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| | <p>(c) any share premium account.</p> <p>60. The Company may, from time to time, by special resolution and on compliance with the provisions of Section 66 of the Act, reduce its share capital.</p> <p>61. The Company shall have power to establish Branch Offices, subject to the provisions of the Act or any statutory modifications thereof.</p> <p>62. The Company shall have power to pay interest out of its capital on so much of shares which were issued for the purpose of raising money to defray the expenses of the construction of any work or building or the provision of any plant for the Company in accordance with the provisions of the Act.</p> <p>63. The Company, if authorised by a special resolution passed at a General Meeting may amalgamate or cause itself to be amalgamated with any other person, firm or body corporate, subject however, to the provisions of Section 230 to 232 of the Act.</p> |
| BUY-BACK OF SHARES | <p>64. 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.</p> |
| GENERAL MEETING | <p>65. All General Meetings other than the Annual General Meetings of the Company shall be called Extra-Ordinary General Meetings.</p> <p>66. (1) The Board may, whenever it thinks fit call an Extraordinary General Meeting.</p> <p>(2) 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.</p> |
| CONDUCT OF GENERAL MEETINGS | <p>67. No general meeting, annual or extraordinary, shall be competent to enter upon, discuss or transact any business which has not been stated in the notice by which it was convened or called.</p> <p>68. (1) 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.</p> <p>(2) Save as otherwise provided in Section 103 of the Act, a minimum of: -</p> <p>a) five members personally present if the number of members as on the date of meeting is not more than one thousand;</p> |

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| | <p>b) fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand;</p> <p>c) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand;</p> <p>Furthermore, A body corporate, being member, shall be deemed to be personally present if it is represented in accordance with Section 113 of the Act.</p> |
| <p style="text-align: center;">CONDUCT OF MEETINGS</p> | <p>69. The Chairman, if any of the Board shall preside as Chairman at every general meeting of the company.</p> <p>70. If there is no such Chairman or if he is not present within fifteen minutes of the time appointed for holding the meeting or is unwilling to act as Chairman of the meeting, the Directors present shall elect one of their members to be the Chairman of the meeting.</p> <p>71. If at any meeting no Director is willing to act as Chairman or if no Director is present within 15 (fifteen) minutes of the time appointed for holding the meeting, the members present shall choose one of their members to be the Chairman of the meeting.</p> <p>72. No business shall be discussed at any general meeting except the election of a Chairman, whilst the chair is vacant.</p> <p>73. (1) The Chairman 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 place to place.</p> <p>(2) No business shall be transacted at any adjourned meeting, other than the business left unfinished at the meeting from which the adjournment took place.</p> <p>(3) When a meeting is adjourned for thirty days or more, fresh notice of any adjourned meeting shall be given as in the case of an original meeting.</p> <p>(4) Save as aforesaid, it shall not be necessary to give any notice of any adjournment or of the business to be transacted at an adjourned meeting.</p> <p>74. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes places or at which the poll is demanded shall be entitled to a second or casting vote.</p> <p>75. Any business other than that upon which a poll has been demanded, may be proceeded with, pending the taking of the poll.</p> |
| <p>VOTES OF MEMBERS</p> | <p>76. Subject to any rights or restrictions for the time being attached to any class or classes of shares:</p> |

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| | <p>(a) on a show of hands, every member present in person shall have one vote; and</p> <p>(b) on a poll, the voting rights of members shall be as laid down in Section 47 of the Act.</p> <p>77. 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. For this purpose, seniority shall be determined by the order in which the names of joint holders stand in the Register of members.</p> <p>78. 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, provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the office not less than 24 hours before the time of holding the meeting or adjourned meeting at which such person claims to vote on poll.</p> <p>79. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.</p> <p>80. No member shall be entitled to vote at any general meeting unless all calls and other sums presently payable by him in respect of shares in the Company or in respect of shares, on which the Company has exercised any right of lien, have been paid.</p> <p>81. (1) 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.</p> <p>(2) Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision thereon shall be final and conclusive.</p> <p>82. 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.</p> <p>83. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.</p> <p>84. 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</p> |

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| | <p>commencement of the meeting or adjourned meeting at which the proxy is used.</p> |
| <p>BOARD OF DIRECTORS</p> | <p>85. The number of Directors of the Company shall not be less than three and not more than fifteen.</p> <p>86. The following are the first directors of the Company: -</p> <ol style="list-style-type: none"> 1. Trilok Chand Chandana. 2. Tarun Chandna <p>87. At every Annual General Meeting of the Company one-third of such of the Directors for the time being as are liable to retire by rotation in accordance with the provisions of Section 152 of the Act or if their number is not three or a multiple of three, then the number nearest to one third shall retire from office in accordance with the provisions of Sections 152 of the Act.</p> <p>88. (1) Subject to the provisions of the Companies Act, 2013 and Rules made there under each Director shall be paid sitting fees for each meeting of the Board or a committee thereof, attended by him a sum not exceeding the amount decided by the Board in their meeting but not exceeding Rs. 1 Lac per meeting per Director.</p> <p>(2) Subject to the provisions of Section 197 of the Act, the Directors shall be paid such further remuneration, whether in the form of monthly payment or by a percentage of profit or otherwise, as the Company in General Meeting may, from time to time, determine and such further remuneration shall be divided among the Directors in such proportion and in such manner as the Board may, from time to time, determine and in default of such determination, shall be divided among the directors equally of is so determined paid on a monthly basis.</p> <p>(3) The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day to day.</p> <p>(4) Subject to the provisions of Sections 197 of the Act, if any Director be called upon to perform any extra services or make special exertions or efforts (which expression shall include work done by a Director as a member of any committee formed by the Directors) the Board may pay such Director special remuneration for such extra services or special exertions or efforts either by way of a fixed sum or by percentage of profit otherwise and may allow such Director at the cost and expense of the Company such facilities or amenities (such as rent free house, medical aid and free conveyance) as the Board may determine from time to time.</p> <p>(5) In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid in accordance with company's rules to be made by the Board all travelling, hotel and other expenses properly incurred by them: -</p> |

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| | <p>(a) In attending and returning from meetings or adjourned meeting of the Board of Directors or any committee thereof; or</p> <p>(b) In connection with the business of the Company.</p> <p>89. The Directors shall not be required to hold any qualification shares in the Company.</p> <p>90. 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.</p> <p>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.</p> <p>91. If it is provided by any trust deed securing or otherwise in connection with any issue of debentures of the Company that any person or persons shall have power to nominate a Director of the Company then in the case of any and every such issue of debentures, the persons having such power may exercise such power, from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as a Debenture Director. A Debenture Director may be removed from office at time by the person or persons in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A debenture Director shall not be liable to retire by rotation.</p> <p>92. In the course of its business and for its benefit the Company shall, subject to the provisions of the Act, be entitled to agree with any person, firm, corporation, government, financing institution or other authority that he or it shall have the right to appoint his or its nominee on the Board of Directors of the Company upon such terms and conditions as the Directors may deem fit. Such nominees and their successors in office appointed under this Article shall be called Nominee Directors. Nominee Directors shall be entitled to hold office until requested to retire by the government, authority, person, firm, institution or corporation who may have appointed them and will not be bound to retire by rotation. As and whenever a Nominee Director vacates office whether upon request as aforesaid or by death, resignation or otherwise the government, authority, person, firm, institution or corporation who appointed such Nominee Director may if the agreement so provide, appoint another Director in his place.</p> <p>93. Subject to the provisions of Section 161 of the Act, the Board of Directors shall have power to appoint an alternate Director to act for a Director during his absence for a period of not less than three months from India.</p> <p>94. The Directors shall have power, at any time and from time to time, to appoint any qualified person to be a director to fill a casual vacancy. Such casual vacancy shall be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall held office only upto the date upto which the</p> |

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| | <p>director in whose place he is appointed would have held office if it had not been vacated as aforesaid but he shall then be eligible for re-election.</p> <p>95. A person may be or become a director of any company promoted by the company or in which it may be interested as a vendor, shareholder or otherwise and no such Director shall be accountable for any benefits received as director or shareholder of such company. Such Director, before receiving or enjoying such benefits in case in which the provisions of Section 188 of the Act are attracted will ensure that the same have been complied with.</p> <p>96. Every nomination, appointment or removal of a Special Director shall be in writing and in accordance with the rules and regulations of the government, corporation or any other institution. A Special Director shall be entitled to the same rights and privileges and be subject to same obligations as any other Director or the Company.</p> <p>97. The office of a Director shall become vacant: -</p> <ul style="list-style-type: none"> (i) on the happening of any of the events provided for in Section 167 of the Act; (ii) on the contravention of the provisions of Sections 188 of the Act, or any statutory modifications thereof; (iii) if a person is a Director of more than twenty Companies at a time, out of which not more than 10 (Ten) shall be Public Companies. (iv) in the case of alternate Director on return of the original Director to the State, in terms of Section 161 of the Act; or (v) on resignation of his office by notice in writing and is accepted by the Board. <p>98. Every Director present at any meeting of the Board or a committee thereof shall sign his name in a book to be kept for that purpose, to show his attendance thereat.</p> |
| <p style="text-align: center;">POWERS OF BOARD OF DIRECTORS</p> | <p>99. The Board of directors may pay all expenses incurred in the formation, promotion and registration of the Company.</p> <p>100. The Company may exercise the powers conferred on it by Section 88 of the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of those Sections) make and vary such regulations as it may think fit with respect to the keeping of any such register.</p> <p>101. The Directors may enter into contracts or arrangements on behalf of the Company subject to the necessary disclosures required by the provisions of Section 184 of the Act being made wherever any Director is in any way, whether directly or indirectly concerned or interested in the contract or arrangements.</p> |

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| BORROWING POWER | <p>102. Subject to the provisions of Sections 73, 76, 179, and 180 of the Act, and the Regulations thereunder and Directions issued by the RBI, Directors may exercise all the powers of the company to borrow money and to mortgage or charge its undertaking, property (both present and future), or any part thereof and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.</p> <p>103. The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit subject to the provisions of Section 73 & 76 of the Act and rules framed thereunder.</p> <p>104. 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.</p> |
| PROCEEDINGS OF THE BOARD | <p>105. Subject to Section 174 of the Act, the quorum for a meeting of the Board of Directors shall be one third of its total strength (any fraction contained in that one third being rounded off as one) or two Directors, whichever is higher; provided that where at any time the number of interested Directors exceeds or is equal to two thirds of the total strength, the number of the remaining Directors, that is to say, the number of directors, who are not interested, present at the meeting, being not less than two, shall be the quorum during such time.</p> <p>106. The participation of the Directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum under clause 105 of the Articles.</p> <p>107. If a meeting of the Board could not be held for want of quorum, whatever number of Directors not being less than two, shall be present at the adjourned meeting, notice where of shall be given to all the Directors, shall form a quorum.</p> <p>108. (1) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of vote. (2) In case of an equality of votes, the Chairman of the meeting shall have a second or casting vote.</p> <p>109. 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 for summoning a General meeting of the Company, but for no other purpose.</p> |

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| | <p>110. (1) The Board may elect one of its members as Chairman of its meetings and determine the period for which he is to hold office as such.</p> <p>(2) If no such Chairman is elected or if at any meeting the Chairman is not present within fifteen minutes after the time appointed for holding the meeting, the Directors present may choose one of their members to be Chairman of the meeting.</p> <p>111. Subject to the restrictions contained in Section 179 & 180 of the Act, the Board may delegate any of its powers to committees of the Board consisting of such member or members of its body as it think fit and it may, from time to time, revoke such delegation and discharge any such committee of the Board either wholly or in part, and either as to persons or purposes, but every committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such committee of the Board in conformity with such regulations and in fulfilment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.</p> <p>112. The meetings and proceedings of any such committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last proceeding Article.</p> <p>113. (1) A committee may elect a chairman of its meetings.</p> <p>(2) If no such chairman is elected or if at any meeting the chairman is not present within five minutes of the time appointed for holding the meeting, the members present may choose one of their members to be chairman of the meeting.</p> <p>114. (1) A committee may meet and adjourn as it think proper.</p> <p>(2) 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 chairman shall have a second or casting vote.</p> <p>115. All acts done by any meeting of the Board or by a committee thereof by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment or continuance in office of any such Directors or persons acting as aforesaid: or that they or any of them were disqualified or had vacated office or were not entitled to act as such or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, had duly continued in office was qualified, had continued to be a Director his appointment had not been terminated and he had been entitled to be a Director provided that nothing in this Article shall be deemed to give validity to any act done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.</p> |

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| | <p>116. Subject to Section 175 of the Act and except a resolution which the Act requires specifically to be passed in any board meeting, a resolution in writing, signed by the majority 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 as valid and effectual as if it had been passed at a meeting of the Board or committee, duly convened and held.</p> |
| <p>MANAGING DIRECTOR(S) AND WHOLE TIME DIRECTOR(S)</p> | <p>117. Subject to provisions of Section 196 & 197 of the Act, the Board of Directors may, from time to time, appoint one or more of their body to the office of Managing Directors or whole time Directors for a period not exceeding 5 (five) years at a time and on such terms and conditions as the Board may think fit and subject to the terms of any agreement entered into with him, may revoke such appointment, and in making such appointments the Board shall ensure compliance with the requirements of the Companies Act, 2013 and shall seek and obtain such approvals as are prescribed by the Act, provided that a Director so appointed, shall not be whilst holding such office, be subject to retirement by rotation but his appointment shall automatically be determined if he ceases to be a Director.</p> <p>118. The Board may entrust and confer upon Managing Director/s or whole time Director/s any of the powers of management which would not otherwise be exercisable by him upon such terms and conditions and with such restrictions as the Board may think fit, subject always to the superintendence, control and direction of the Board and the Board may, from time to time revoke, withdraw, alter or vary all or any of such powers.</p> <p>119. Subject to Section 203 of the Act, a Secretary of the Company may be appointed by the Board on such terms, at such remuneration and upon such conditions as it may think fit, and any Secretary so appointed may be removed by the Board.</p> |
| <p>THE SEAL</p> | <p>120. (1) The Board shall provide a common seal for the purposes of the Company and shall have power, from time to time, to vary or cancel the same and substitute a new seal in lieu thereof. The Board shall provide for the safe custody of the seal for the time being.</p> <p>(2) Subject to any statutory requirements as to Share Certificates or otherwise, 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.</p> |
| <p>DIVIDENDS AND RESERVES</p> | <p>121. The Company in General meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.</p> |

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| | <p>122. 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.</p> <p>123. (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.</p> <p>(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</p> <p>124. (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.</p> <p>(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.</p> <p>(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.</p> <p>125. 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.</p> <p>126. (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.</p> <p>(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p> <p>127. 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.</p> <p>128. 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.</p> |

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| | 129. No dividend shall bear interest against the Company, irrespective of the reason for which it has remained unpaid. |
| ACCOUNTS | <p>130. (1) The Board shall cause proper books of accounts to be maintained under Sections 128 & 129 of the Act.</p> <p>(2) 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 or them, shall be open to the inspection of members not being Directors.</p> <p>(3) 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.</p> |
| BALANCE SHEET AND PROFIT AND LOSS ACCOUNT | 131. Balance Sheet and Profit and Loss Account of the Company will be audited once in a year by a qualified auditor for correctness as per provision of the Act. |
| AUDIT | <p>132. (a) The first Auditor of the Company shall be appointed by the Board of Directors within thirty days from the date of registration of the Company and the Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.</p> <p>(b) The auditor shall be hold office from the conclusion of First Annual General Meeting till conclusion of Sixth Annual General Meeting.</p> <p>(c) The remuneration of the Auditor shall be fixed by the Company in the Annual General Meeting or in such manner as the Company in the Annual General Meeting may determine. In case of an Auditor appointed by the Board his remuneration shall be fixed by the Board.</p> <p>(d) The Board of Director may fill any casual vacancy in the office of the auditor and where any such vacancy continues, the remaining auditor, if any may act, but where such vacancy is caused by the resignation of the auditors and vacancy shall be filled up by the Company in General Meeting.</p> |
| CAPITALISATION OF PROFITS | <p>133. (1) The company in General Meeting may, upon the recommendation of the Board resolve: -</p> <p>(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, or otherwise available for distribution; and</p> |

| Title of Article | Article Number and Contents |
|------------------|--|
| | <p>(b) that such sum be accordingly set free for distribution in the manner specified in clause (2) among the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p> <p>(2) The sum aforesaid shall not be paid in cash, but shall be applied, subject to the provisions contained in clause (3), either in or towards: -</p> <p>(i) paying up any amounts for the time being unpaid on any shares held by such members respectively;</p> <p>(ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or</p> <p>(iii) partly in the way specified in sub-clause (i) and partly in that is specified in sub-clause (ii).</p> <p>(3) Any share/securities premium account and any capital redemption reserve fund may, for the purpose of this regulation, only be applied in the paying up of unissued share to be issued to members of the Company as fully paid bonus shares.</p> <p>(4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.</p> <p>134. (1) Whenever such as resolution as aforesaid shall have been passed, the Board shall: -</p> <p>(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</p> <p>(b) do all acts and things required to give effect thereto.</p> <p>(2) The Board shall have full power: -</p> <p>(a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit in the case of shares becoming distributable in fractions; and also</p> <p>(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;</p> <p>(3) Any agreement made under such authority shall be effective and binding on all such members</p> |

| Title of Article | Article Number and Contents |
|------------------|---|
| SECRECY | <p>135. Subject to the provisions of law of land and the act, every manager, auditor trustee, member of a committee, officer servant, agent accountant or other persons employed in the business of the company shall, if so required by the Board of Directors before entering upon his duties, sign, declaration, pledging himself to observe strict secrecy respecting all transactions of the Company with its customers and the state of account with individuals and in matters relating thereto and shall by such declaration pledge himself, not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the directors or by any court of law and except so far as may be necessary in order to comply with any of the provisions in these presents.</p> |
| WINDING UP | <p>136. Subject to the provisions of Chapter XX of the Act and rules made thereunder:</p> <p>-</p> <ul style="list-style-type: none"> (i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not. (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability. |
| INDEMNITY | <p>137. Subject to the provisions of Companies Act 2013, every Director, Manager, Auditor, Secretary and other officers or servants of the Company shall be indemnified, out of the assets of the Company against any bonafide liability incurred by him in defending any bonafide proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under section 463 of the Companies Act 2013, in which relief is granted to him by the Court.</p> |

SECTION IX – OTHER INFORMATION
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Draft Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Prospectus to be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at SSI Plot No- 4, Block-H, NH-2, Near FCI Godown, NIT, Faridabad Haryana – 121 001, India, from date of filing Prospectus with RoC to Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.

MATERIAL CONTRACTS TO THE ISSUE

1. Mandate letter dated April 16, 2018 issue by the Lead manager to our Company.
2. Issue Agreement dated May 30, 2018 between our Company and the Lead Manager.
3. Underwriting Agreement dated May 30, 2018 between our Company and the Underwriter.
4. Market Making Agreement dated May 30, 2018 between our Company, the Lead Manager and the Market Maker.
5. Agreement dated May 30, 2018 between our Company and the Registrar to the Issue.
6. Public Issue Account agreement dated [●] among our Company, the Lead Manager, the Public Issue Bank/Banker to Issue, and the Registrar to the Issue.
7. Tripartite agreement dated April 26, 2018, among NSDL, our Company and the Registrar to the Issue.
8. Tripartite agreement dated April 16, 2018, among CDSL, our Company and the Registrar to the Issue.

MATERIAL DOCUMENTS TO THE ISSUE

1. Our Memorandum and Articles of Association, as amended from time to time.
2. Our certificate of incorporation dated December 12, 2002, fresh certificate of incorporation dated December 11, 2012 consequent to change of name, and fresh certificate of incorporation dated January 23, 2013 consequent to conversion of our Company to a public limited company.
3. Resolution of the Board of Directors dated March 10, 2018, authorising the Issue.
4. Resolution of the shareholders dated March 31, 2018, under section 62(1)(c) of the Companies Act, 2013 authorising the Issue.
5. Examination reports of the Auditors, M/s SANMARKS & Associates, Chartered Accountants, dated July 10, 2018 on the Restated Financial Statements and Restated Consolidated Financial Statements included in this Draft Prospectus.
6. Statement of tax benefits from Satish Gupta & Associates, Chartered Accountants dated June 26, 2018.

7. Consents of Promoters, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditors, Peer Review Auditors, Banker to our Company, the Lead Manager, the Underwriter, the Market Maker, Registrar to the Issue, Legal Advisor to act in their respective capacities.
8. Copy of approval from NSE vide letter dated [●] to use the name of NSE in the Prospectus for listing of Equity Shares on Emerge Platform of NSE.
9. Due Diligence Certificate dated July 18, 2018 from the Lead Manager.
10. Copy of Managing Director Agreement with Mr. Trilok Chand Chandana and our Company dated March 31, 2018 for his appointment.
11. Copy of the Special Resolution dated March 31, 2018 for the detailed terms of appointment of Mr. Trilok Chand Chandana as Managing Director of the Company

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 other parties, with the approval of shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We, the person/persons mentioned herein below, as Directors or otherwise, as mentioned, certify that all relevant provisions of the Companies Act, 2013, applicable provisions of Companies Act, 1956 and the rules or guidelines or regulations issued by the Government of India or the regulations / guidelines issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with while issuing the Draft Prospectus. No statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 2013, applicable provisions of Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. We further certify that all the disclosures and statements made in this Draft Prospectus are true and correct.

Signed by the Directors of our Company

| Name | DIN | Designation | Signature |
|-----------------------|----------|--------------------------------------|-----------|
| Trilok Chand Chandana | 00225184 | Managing Director | Sd/- |
| Yunik Chandna | 00225203 | Executive Director | Sd/- |
| Karan Chandna | 00225207 | Executive Director | Sd/- |
| Ashish Ahuja | 08110974 | Non-Executive & Independent Director | Sd/- |
| Jagan Nath Chawla | 08123870 | Non-Executive & Independent Director | Sd/- |
| Veena Mitra | 08160345 | Non-Executive & Independent Director | Sd/- |

Signed by Company Secretary & Compliance Officer and Chief Financial Officer

Sd/-
Vinita Matta
 PAN: APZPM4416J
Company Secretary & Compliance Officer

Sd/-
Aditya Gupta
 PAN: AHJPG6238J
Chief Financial Officer

Date: July 18, 2018
Place: Faridabad, Haryana

Annexure A

DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY KHAMBATTA SECURITIES LIMITED

TABLE 1

| Sr. No. | Issue Name | Issue Size (Cr) | Issue Price (Rs.) | Listing date | Opening price on listing date | +/- % change in closing price, [+/- % change in closing Benchmark]- 30 th calendar day from listing | +/- % change in closing price, [+/- % change in closing Benchmark]- 90 th calendar day from listing | +/- % change in closing price, [+/- % change in closing Benchmark]- 180 th calendar day from listing |
|---------|-----------------------------------|-----------------|-------------------|---------------|-------------------------------|--|--|---|
| 1 | Rudrabhishek Enterprises Limited* | 18.73 | 41.00 | July 13, 2018 | 41.25 | - | - | - |

TABLE 2: SUMMARY STATEMENT OF DISCLOSURE

| Financial year | Total no. of IPOs | Total funds raised (Rs. Cr.) | No. of IPOs trading at discount – 30 th calendar days from listing | | | No. of IPOs trading at premium – 30 th calendar days from listing | | | No. of IPOs trading at discount – 180 th calendar day from listing | | | No. of IPOs trading at premium – 180 th calendar day from listing | | |
|----------------|-------------------|------------------------------|---|----------------|---------------|--|----------------|---------------|---|----------------|---------------|--|----------------|---------------|
| | | | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% |
| 2018-19 | 1* | 18.73 | - | - | - | - | - | - | - | - | - | - | - | - |

*In Table 1 and Table 2 the shares of company have not reached the consequent milestones.

Sources: All share price data is from www.nseindia.com