



## SKP BEARING INDUSTRIES LIMITED

CIN: U29305GJ2022PLC128492

Registered Office	Corporate Office	Contact Person	Email and Telephone	Website
Survey No. 2127, Mulchand Road, Wadhwan – 363 030, Surendranagar, Gujarat, India	N.A.	Ms. Pooja Kamleshkumar Sharma, Company Secretary and Compliance Officer	<a href="mailto:info@skpbearings.com">info@skpbearings.com</a> +91 98242 31243	<a href="http://www.skpbearings.com">www.skpbearings.com</a>

## PROMOTERS OF OUR COMPANY: MR. SHRINAND KAMLAKAR PALSHIKAR AND MS. SANGITA SHRINAND PALSHIKAR

## DETAILS OF OFFER TO PUBLIC

Type	Fresh Offer Size	OFS Size	Total Offer Size	Eligibility 229(1) / 229(2) & share reservation among NII & RII
Fresh Offer & OFS	Up to 16,00,000 Equity Shares aggregating to ₹ [●] Lakhs	Up to 28,00,000 Equity Shares aggregating to ₹ [●] Lakhs	Up to 44,00,000 Equity Shares aggregating to ₹ [●] Lakhs	The Offer is being made pursuant to Regulation 229(2) of SEBI ICDR Regulations. As the Company's post offer face value capital exceeds ₹10.00 Crores but does not exceed ₹25.00 Crores.

OFS: Offer for sale

## DETAILS OF OFS BY PROMOTER(S)/ PROMOTER GROUP/ OTHER SELLING SHAREHOLDERS

NAME	NO OF SHARES OFFERED	WACA PER EQUITY SHARE (IN ₹)
Mr. Shrinand Kamalakar Palshikar	Up to 14,00,000 Equity Shares	10.00/-
Ms. Sangita Shrinand Palshikar	Up to 14,00,000 Equity Shares	10.00/-

WACA: Weighted Average Cost of Acquisition

**RISKS IN RELATION TO THE FIRST OFFER** – This being the first public offer of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹10/- each and the Offer Price is [●] times of the face value of the Equity Shares. The Offer Price (determined and justified by our Company and Selling Shareholders in consultation with the Lead Manager as stated in “Basis for Offer Price” on page 65 of this Draft Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

## GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Prospectus. Specific attention of the investors is invited to “Risk Factors” on page 21 of this Draft Prospectus.

## ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, 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. Selling Shareholders, severally and not jointly, accepts responsibility for and confirms only the statements expressly made by such Selling Shareholders in this Draft Prospectus solely in relation to itself and its respective portion of the Offered Shares, and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect.

## LISTING

The Equity Shares offered through the Draft Prospectus are proposed to be listed on the SME Platform of NSE i.e., NSE Emerge. Our Company has received ‘in-principle’ approval from the NSE for using its name in the offer document for the listing of the Equity Shares, pursuant to letter dated [●]. For the purpose of the Offer, the Designated Stock Exchange shall be NSE.

## LEAD MANAGER TO THE OFFER

Name and Logo	Contact Person	Email & Telephone
SHRENI SHARES PVT. LTD.	Ms. Kritika Rupda	E-mail: <a href="mailto:shrenishares@gmail.com">shrenishares@gmail.com</a> Telephone: 022 – 2808 8456

## REGISTRAR TO THE OFFER

Name and Logo	Contact Person	Email & Telephone
BIGSHARE SERVICES PVT LTD	Mr. Swapnil Kate	E-mail: <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> Telephone: 011 – 4045 0193/97

## OFFER PROGRAMME

OFFER OPENS ON: [●]	OFFER CLOSES ON: [●]
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### SKP BEARING INDUSTRIES LIMITED

Our Company was originally formed as a partnership firm under the name and style of “M/s. S K P Bearing Industries” pursuant to a deed of partnership dated November 21, 1991, as amended from time to time. M/s. S K P Bearing Industries was thereafter converted into a private limited company “SKP Bearing Industries Private Limited” on January 06, 2022 pursuant to the provisions of Chapter XXI of the Companies Act and fresh a certificate of Incorporation dated January 06, 2022 was issued by Registrar of Companies, Ahmedabad vide CIN No. U29305GJ2022PTC128492. Subsequently, our Company has been converted into a public limited company and the name of our Company changed to “SKP Bearing Industries Limited” pursuant to a special resolution passed at the Extra-Ordinary General Meeting of our Company held on January 31, 2022 and a fresh Certificate of Incorporation dated February 15, 2022 issued by the Registrar of Companies, Ahmedabad. The Corporate Identity Number of our Company is U29305GJ2022PLC128492. For further details on incorporation and registered office of our Company, see “History and Certain Corporate Matters” beginning on page 106 of this Draft Prospectus.

**Registered Office:** Survey No. 2127, Mulchand Road, Wadhwan - 363 030, Surendranagar, Gujarat, India

**Tel:** +91 98242 31243; **E-mail:** [info@skpbearings.com](mailto:info@skpbearings.com); **Website:** [www.skpbearings.com](http://www.skpbearings.com)

**Contact Person:** Ms. Pooja Kamleshkumar Sharma, Company Secretary and Compliance Officer

#### OUR PROMOTERS: MR. SHRINAND KAMLAKAR PALSHIKAR AND MS. SANGITA SHRINAND PALSHIKAR

INITIAL PUBLIC OFFERING OF UP TO 44,00,000 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH (“EQUITY SHARES”) OF SKP BEARING INDUSTRIES LIMITED (“SKP”) OR “OUR COMPANY” OR “THE ISSUER”) FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE) (“OFFER PRICE”) AGGREGATING UP TO ₹ [●] LAKHS COMPRISING OF FRESH OFFER OF UP TO 16,00,000 EQUITY SHARES AGGREGATING TO ₹ [●] LAKHS (“FRESH OFFER”) AND AN OFFER FOR SALE OF UP TO 28,00,000 EQUITY SHARES BY MR. SHRINAND KAMLAKAR PALSHIKAR AND MS. SANGITA SHRINAND PALSHIKAR (“SELLING SHAREHOLDERS”) AGGREGATING TO ₹ [●] LAKHS (“OFFER FOR SALE”) (“THE OFFER”) OF WHICH UP TO [●] EQUITY SHARES AGGREGATING TO ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER (“MARKET MAKER RESERVATION PORTION”). THE OFFER LESS THE MARKET MAKER RESERVATION PORTION I.E. OFFER OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹10/- EACH AT AN OFFER PRICE OF ₹ [●] PER EQUITY SHARE AGGREGATING TO ₹ [●] LAKHS (“NET OFFER”). THE OFFER AND THE NET OFFER WILL CONSTITUTE [●] % AND [●] % OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO CHAPTER TITLED “TERMS OF THE OFFER” BEGINNING ON PAGE 157 OF THIS DRAFT PROSPECTUS.

#### THE FACE VALUE OF THE EQUITY SHARES IS ₹10/- EACH AND THE OFFER PRICE IS [●] TIMES OF THE FACE VALUE

In terms of Rule 19(2)(b)(i) of the SCRR this Offer is being made for at least 25% of the post-offer paid-up Equity Share capital of our Company. This offer is being made through Fixed Price process in accordance and compliance with Chapter IX and other applicable provisions of SEBI ICDR Regulations wherein a minimum 50% of the Net Offer is allocated for Retail Individual Investors and the balance shall be offered to individual applicants other than Retail Individual Investors and other investors including corporate bodies or institutions, QIBs and Non-Institutional Investors. However, if the aggregate demand from the Retail Individual Investors is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid applications being received from them at or above the Offer Price. Additionally, if the Retail Individual Investors category is entitled to more than 50% on proportionate basis, the Retail Individual Investors shall be allocated that higher percentage. All potential investors shall participate in the Offer only through an Application Supported by Blocked Amount (“ASBA”) process including through UPI mode (as applicable) by providing details of the respective bank accounts and / or UPI IDs, in case of RIIs, if applicable, which will be blocked by the Self-Certified Syndicate Banks (“SCSBs”) for the same. For details in this regard, specific attention is invited to “Offer Procedure” beginning on page 164 of this Draft Prospectus. A copy will be filed with the Registrar of Companies as required under Section 26 and Section 28 of the Companies Act, 2013.

#### RISK IN RELATION TO THE FIRST OFFER

This being the first public offer of our Company, there has been no formal market for the securities of our Company. The face value of the Equity Shares of our Company is ₹10/- each and the Offer Price is [●] times of face value per Equity Share. The Offer Price (has been determined and justified by our Company and Selling Shareholders in consultation with the Lead Manager, as stated under chapter titled “Basis for Offer Price” beginning on page 65 of this Draft Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

#### GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Prospectus. Specific attention of the investors is invited to “Risk Factors” on page 21 of this Draft Prospectus.

#### ISSUER’S AND SELLING SHAREHOLDERS’ ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, 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. Selling Shareholders, severally and not jointly, accepts responsibility for and confirms only the statements expressly made by such Selling Shareholders in this Draft Prospectus solely in relation to itself and its respective portion of the Offered Shares, and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect.

#### LISTING

The Equity Shares offered through the Draft Prospectus are proposed to be listed on the SME Platform of NSE i.e., NSE Emerge. Our Company has received ‘in-principle’ approval from the NSE for using its name in the offer document for the listing of the Equity Shares, pursuant to letter dated [●]. For the purpose of the Offer, the Designated Stock Exchange shall be NSE.

#### LEAD MANAGER TO THE OFFER

#### REGISTRAR TO THE OFFER



#### SHRENI SHARES PRIVATE LIMITED

Office No. 102, 1st Floor, Sea Lord CHS, Ram Nagar, Borivali (West), Mumbai – 400 092, Maharashtra, India  
Telephone: 022 – 2808 8456

E-mail: [shrenishares@gmail.com](mailto:shrenishares@gmail.com)

Investors Grievance e-mail: [info@shreni.in](mailto:info@shreni.in)

Website: [www.shreni.in](http://www.shreni.in)

Contact Person: Ms. Kritika Rupda

SEBI Registration Number: INM000012759



#### BIGSHARE SERVICES PRIVATE LIMITED

1<sup>st</sup> Floor, Bharat Tin Works Building, Opposite Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai – 400 059 Maharashtra, India

Telephone: 022 – 6263 8200

E-mail: [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)

Investor Grievance e-mail: [investor@bigshareonline.com](mailto:investor@bigshareonline.com)

Website: [www.bigshareonline.com](http://www.bigshareonline.com)

Contact Person: Mr. Swapnil Kate

SEBI Registration Number: INR000001385

#### OFFER PROGRAMME

OFFER OPENS ON: [●]

OFFER CLOSES ON: [●]

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

This Draft Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulations, rules, guidelines or policies shall be to such legislation, act, regulations, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Draft Prospectus, but not defined herein shall have, to the extent applicable, the meaning ascribed to such terms under SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act, and the rules and regulations made thereunder.

Notwithstanding the foregoing, the terms not defined but used in the chapters titled “*Statement of Possible Tax Benefits*”, “*Restated Financial Statements*”, “*Outstanding Litigations and Material Developments*”, “*Key Industry Regulations and Policies*” and section titled “*Main Provisions of the Articles of Association*” on page 67, 126, 140, 97 and 185 respectively of this prospectus, shall have the meanings ascribed to such terms in the respective sections.

#### GENERAL TERMS

Term	Description
SKP / The Company / Our Company / The Issuer / SKP Bearing Industries Limited	SKP Bearing Industries Limited, a company incorporated under the Companies Act, 2013 having its Registered Office at Survey No. 2127, Mulchand Road, Wadhwan – 363 030, Surendranagar, Gujarat, India  Our Company was originally formed and registered as a partnership firm under the Partnership Act, 1932 in the name and style of “M/s S K P Bearing Industries”, pursuant to a deed of partnership dated November 21, 1991. Subsequently, the constitution of partnership firm was changed on March 28, 1992 due to change in ratio between the partners and on January 26, 2019 due to death of a partner. “M/s. S K P Bearing Industries” was thereafter converted from a partnership firm to a public limited company under Part I Chapter XXI of the Companies Act, 2013 in the name of “SKP Bearing Industries Private Limited”
We / us / our	Unless the context otherwise indicates or implies, refers to our Company
you / your / yours	Prospective Investors in this Offer

#### COMPANY RELATED TERMS

Term	Description
AoA / Articles / Articles of Association	The articles of association of our Company, as amended from time to time
Audit Committee	The audit committee of our Company, constituted on February 21, 2022 in accordance with Section 177 of the Companies Act, 2013, as described in “ <i>Our Management</i> ” beginning on page 109 of this Draft Prospectus
Auditors / Statutory Auditors / Peer Reviewed Auditors	The statutory auditors of our Company, currently being M/s Dipak P. Shah & Co., Chartered Accountants, having their office First Floor, Cotton Hall, Main Road. Surendranagar – 363 001, Gujarat, India
Bankers to our Company	State Bank of India
Board of Directors / Board / Directors (s)	The Board of Directors of SKP Bearing Industries Limited, including all duly constituted Committees thereof as the context may refer to
Chairman / Chairperson	The Chairman / Chairperson of Board of Directors of our Company being Mr. Shrinand Kamalakar Palshikar
Chief Financial Officer / CFO	The Chief Financial Officer of our Company is Ms. Shripada Shrinand Palshikar
Company Secretary and Compliance Officer	The Company Secretary and Compliance officer of our Company is Ms. Pooja Kamleshkumar Sharma
Corporate Identification Number / CIN	U29305GJ2022PLC128492
Equity Shares	Equity Shares of our Company of Face Value of ₹10/- each fully paid-up

<b>Term</b>	<b>Description</b>
Equity Shareholders / Shareholders	Persons / entities holding Equity Share of our Company
Erstwhile Partnership Firm	M/s. S K P Bearing Industries
Executive Directors	Executive Directors are the Managing Director & Whole Time Directors of our Company
Group Companies	In terms of SEBI ICDR Regulations, the term “ <i>Group Companies</i> ” includes companies (other than our Promoter and Subsidiaries) with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, any other companies as considered material by our Board, in accordance with the Materiality Policy and as disclosed in chapter titled “ <i>Our Group Company</i> ” beginning on page 124 of this Draft Prospectus
Independent Director(s)	Independent directors on the Board, and eligible to be appointed as an independent director under the provisions of Companies Act and SEBI LODR Regulations. For details of the Independent Directors, please refer to chapter titled “ <i>Our Management</i> ” beginning on page 109 of this Draft Prospectus
ISIN	International Securities Identification Number. In this case being INE0KZA01016
Key Management Personnel / KMP	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations, together with the Key Managerial Personnel of our Company in terms of Section 2(51) of the Companies Act, 2013 and as disclosed in the chapter titled “ <i>Our Management</i> ” beginning on page 109 of this Draft Prospectus
Materiality Policy	The policy adopted by our Board on February 21, 2022 for identification of Group Companies, material outstanding litigation and outstanding dues to material creditors, in accordance with the disclosure requirements under the SEBI ICDR Regulations
Managing Director	The Managing Director of our Company being Mr. Shrinand Kamalakar Palshikar
MOA / Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time
Nomination and Remuneration Committee	The Nomination and Remuneration Committee of our Company, constituted on February 21, 2022 in accordance with Section 178 of the Companies Act, 2013, the details of which are provided in “ <i>Our Management</i> ” beginning on page 109 of this Draft Prospectus
Non-Executive Director	A Director not being an Executive Director or is an Independent Director
Promoters	Mr. Shrinand Kamalakar Palshikar and Ms. Sangita Shrinand Palshikar
Promoter Group	Such persons, entities and companies constituting our promoter group pursuant to Regulation 2(1) (pp) of the SEBI ICDR Regulations as disclosed in the Chapter titled “ <i>Our Promoter and Promoter Group</i> ” beginning on page 120 of this Draft Prospectus
Registered Office	The Registered Office of our Company situated at Survey No. 2127, Mulchand Road, Wadhwan – 363 030, Surendranagar, Gujarat, India
Registrar of Companies / RoC	Registrar of Companies, Ahmedabad situated at ROC Bhavan, Opp Rupal Park, Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad – 380 013, Gujarat, India
Restated Financial Statements	Restated Financial Statements of our Company as at and for the period ended January 05, 2022 and financial years ended on 2021, 2020 and 2019 (prepared in accordance with the Indian GAAP read with Section 133 of the Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations) which comprises the restated summary statement of assets & liabilities, the restated summary statement of profit and loss and restated summary statement of cash flows along with all the schedules and notes thereto
Stakeholders’ Relationship Committee	The Stakeholders’ Relationship Committee of our Company, constituted on February 21, 2022 in accordance with Section 178 of the Companies Act, 2013, the details of which are provided in “ <i>Our Management</i> ” beginning on page 109 of this Draft Prospectus

## OFFER RELATED TERMS

<b>Term</b>	<b>Description</b>
Abridged Prospectus	Abridged Prospectus to be issued under SEBI ICDR Regulations and appended to the Application Forms
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form
Allot / Allotment / Allotted / Allotment of Equity shares	Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the Offer to the successful applicants, including transfer of the Equity Shares pursuant to the Offer for Sale to the successful applicants

<b>Term</b>	<b>Description</b>
Allotment Advice	A note or advice or intimation of Allotment sent to the Applicants who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allotment Date	Date on which the Allotment is made
Allottees	The successful applicant to whom the Equity Shares are being / have been allotted
Applicant / Investor	Any prospective investor who makes an application pursuant to the terms of the Draft Prospectus. All the applicants should make application through ASBA only
Application lot	[●] Equity Shares and in multiples thereof
Application Amount	The amount at which the prospective investors shall apply for Equity Shares of our Company in terms of this Draft Prospectus
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by ASBA Applicant to make an application authorizing an SCSB to block the Application Amount in the specified Bank Account maintained with such SCSB and will include applications made by RIIs using the UPI Mechanism, where the Application Amount shall be blocked upon acceptance of UPI Mandate Request by RIIs using UPI Mechanism
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB or the account of the RII blocked upon acceptance of UPI Mandate Request by RIIs using the UPI Mechanism to the extent of the Application Amount of the Applicant
ASBA Applicant(s)	Any prospective investors in the Offer who intend to submit the Application through the ASBA process
ASBA Application / Application	An application form, whether physical or electronic, used by ASBA Applicants which will be considered as the application for Allotment in terms of the Prospectus
ASBA Form	An application form (with and without the use of UPI, as may be applicable), whether physical or electronic, used by the ASBA Applicants and which will be considered as an application for Allotment in terms of the Prospectus
Banker(s) to the Offer	The banks which are Clearing Members and registered with SEBI as Banker to an Offer with whom the Escrow Agreement is entered and in this case being [●]
Banker(s) to the Offer and Sponsor Bank Agreement	Agreement dated [●], entered into between our Company, Lead Manager, the Registrar to the Offer, Banker to the Offer and Sponsor Bank for collection of the Application Amount on the terms and conditions thereof
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Offer and which is described in the chapter titled “Offer Procedure” beginning on page 164 of this Draft Prospectus
Broker Centres	Broker centres notified by the Stock Exchanges where Applicants can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Broker are available on the respective websites of the Stock Exchange
CAN / Confirmation of Allocation Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Client ID	Client identification number maintained with one of the Depositories in relation to Demat account
Collecting Depository Participant(s) or CDP(s)	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular No. GR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branches	Such branches of the SCSBs which coordinate with the Lead Manager, the Registrar to the Offer and the Stock Exchange and a list of which is available at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time
Collection Centres	Centres at which the Designated intermediaries shall accept the Application Forms, being the Designated SCSB Branch for SCSBs, specified locations for syndicate, broker centre for registered brokers, designated RTA Locations for RTAs and designated CDP locations for CDPs
Demographic Details	The demographic details of the Applicants such as their Address, PAN, Occupation, Bank Account details and UPI ID (if applicable)
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the ASBA Forms and in case of RIIs only ASBA Forms with UPI. 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 website of the Stock Exchange

<b>Term</b>	<b>Description</b>
Designated Date	The date on which relevant amounts are transferred from the ASBA Accounts to the Public Offer Account or the Refund Account, as the case may be, and the instructions are issued to the SCSBs (in case of RIIs using UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account or the Refund Account, as the case may be, in terms of the Prospectus following which Equity Shares will be Allotted in the Offer
Designated Intermediaries / Collecting Agent	In relation to ASBA Forms submitted by RIIs authorising an SCSB to block the Application Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by RIIs where the Application Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism, Designated Intermediaries shall mean syndicate members, sub-syndicate members, Registered Brokers, CDPs and RTAs  In relation to ASBA Forms submitted by QIBs and NIBs, Designated Intermediaries shall mean SCSBs, syndicate members, sub-syndicate members, Registered Brokers, CDPs and RTAs
Designated Market Maker	Shreni Shares Private Limited will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations
Designated Locations	RTA Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange
Designated Branches	SCSB Such branches of the SCSBs which shall collect the ASBA Forms (other than ASBA Forms submitted by RIIs where the Application Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism), a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> Intermediaries or at such other website as may be prescribed by SEBI from time to time
Designated Exchange	Stock NSE Emerge
Draft Prospectus	This Draft Prospectus issued in accordance with the SEBI ICDR Regulations
Eligible NRI(s)	NRIs from jurisdictions outside India where it is not unlawful to make an Offer or invitation under the Offer and in relation to whom the ASBA Form and the Draft Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares and who have opened dematerialized accounts with SEBI registered qualified depository participants
Eligible QFIs	Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation to participate in the Offer and in relation to whom the Draft Prospectus constitutes an invitation to subscribe to Equity Shares issued thereby, and who have opened dematerialized accounts with SEBI registered qualified depository participants, and are deemed as FPIs under SEBI FPI Regulations
First Applicant	Applicant whose name shall be mentioned in the Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Foreign Institutional Investors/ FII	Foreign Institutional Investor (as defined under SEBI FII Regulations) registered with SEBI under applicable laws in India
Foreign Portfolio Investor / FPIs	Foreign Portfolio Investor as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
Fresh Offer	The fresh offer of up to 16,00,000 Equity Shares at a price of ₹ [●] per equity share aggregating to ₹ [●] Lakhs to be issued by our Company as part of this Offer, in terms of the Draft Prospectus

Term	Description
General Information Document or GID	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, the circular (CIR/CFD/DIL/1/2016) dated January 1, 2016 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019, circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019 and circular no. (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020, issued by SEBI. The General Information Document is available on the websites of the Stock Exchanges and the LM
LM / Lead Manager	Lead Manager to the Offer, in this case being Shreni Shares Private Limited
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and NSE
Lot Size	The Market lot and Trading lot for the Equity Share is [●] and in multiples of [●] thereafter; subject to a minimum allotment of [●] Equity Shares to the successful applicants
Market Maker Reservation Portion	The Reserved portion of up to [●] Equity shares of ₹10/- each at an Offer Price of ₹ [●] aggregating to ₹ [●] Lakhs for Designated Market Maker in the Public Offer of our Company
Market Making Agreement	The Agreement among the Market Maker, the Lead Manager and our Company dated [●]
Mobile App(s)	The mobile applications listed on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as may be updated from time to time, which may be used by RIIs to submit Applications using the UPI Mechanism
Mutual Fund	A Mutual Fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended
Net Offer	The Offer less the Market Maker reservation portion
Net Proceeds	The Gross Proceeds from the Fresh Offer less the Offer related expenses in relation to the Fresh Offer. For further details regarding the use of the Net Proceeds and the Offer expenses, see “ <i>Objects of the Offer</i> ” beginning on page 60 of this Draft Prospectus
Non – Institutional Investor	All Investors including FPIs that are not Qualified Institutional Buyers or Retail Individual Investors and who have Applied for Equity Shares for a cumulative amount more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Resident / NR	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FIIs registered with SEBI and FVCIs registered with SEBI
NSE Emerge	SME Platform of National Stock Exchange of India Limited
OCB / Overseas Corporate Body	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB’s) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Offer
Offer	This Initial Public Offer of up to 44,00,000 Equity Shares for cash at an Offer Price of ₹ [●] per Equity Share comprising of Fresh Offer of up to 16,00,000 Equity Shares for cash at an Offer Price ₹ [●] per Equity Share aggregating to ₹ [●] Lakhs by our Company and Offer for sale of up to 28,00,000 Equity Shares for cash at an Offer Price ₹ [●] per Equity Share aggregating to ₹ [●] Lakhs by the Selling Shareholders
Offer Agreement	The agreement dated March 07, 2022, entered amongst our Company, Selling Shareholders and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer Closing date	The date on which the Offer closes for subscription being [●]
Offer Opening date	The date on which the Offer opens for subscription being [●]

<b>Term</b>	<b>Description</b>
Offer Period	The period between the Offer Opening Date and the Offer Closing Date inclusive of both days and during which prospective Applicants can submit their applications inclusive of any revision thereof. Provided however that the applications shall be kept open for a minimum of three (3) Working Days for all categories of applicants. Our Company, in consultation with the Lead Manager, may decide to close applications by QIBs one (1) day prior to the Offer Closing Date which shall also be notified in an advertisement in same newspapers in which the Offer Opening Date was published
Offer Price	The final price at which Equity Shares will be Allotted to the successful Applicants, as determined in accordance with the Fixed Price Method and determined by our Company and the Selling Shareholders, in consultation with the LM in terms of the Prospectus on the Pricing Date
Offer Proceeds	The gross proceeds of the Offer which shall be available to our Company, based on the total number of Equity Shares Allotted at the Offer Price. For further information about use of the Offer Proceeds, see “ <i>Objects of the Offer</i> ” beginning on page 60 of this Draft Prospectus
Offered Shares	Shall mean the Equity Shares offered by the Selling Shareholders in the Offer by way of Offer for Sale
Offer for Sale	An offer for sale of up to 28,00,000 Equity Shares aggregating up to ₹ [●] Lakhs by the Selling Shareholders as part of this Offer, in terms of the Draft Prospectus
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
Prospectus	The Prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 containing, inter alia, the Offer opening and closing dates and other information
Public Offer Account	Account opened with Bankers to the Offer under section 40(3) of the Companies Act, 2013 for the purpose of transfer of monies from the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date
Qualified Institutional Buyers / QIBs	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Refund Account	The account to be opened with the Refund Bank, from which refunds, if any, of the whole or part of the Application Amount to the Applicants shall be made. Refunds through NECS, NEFT, direct credit, NACH or RTGS, as applicable
Refund Bank(s)	The Banker(s) to the Offer with whom the Refund Account(s) will be opened, in this case being [●]
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 04, 2012 issued by SEBI
Registrar Agreement	The agreement dated March 07, 2022 among our Company, Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
Registrar and Share Transfer Agents/RTAs	Registrar and Share Transfer Agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registrar / Registrar to the Offer	Registrar to the Offer being Bigshare Services Private Limited
Retail Individual Investors / RIIs	Individual Applicants or minors applying through their natural guardians (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹2,00,000 in this Offer
Revision Form	Form used by the Applicants to modify the quantity of the Equity Shares or the Applicant Amount in any of their ASBA Form(s) or any previous Revision Form(s). QIB Applicants and Non-Institutional Investors are not allowed to withdraw or lower their applications (in terms of quantity of Equity Shares or the Application Amount) at any stage. Retail Individual Investors can revise their Application during the Offer Period or withdraw their Applications until Offer Closing Date

Term	Description
Self-Certified Syndicate Bank(s) / SCSBs	The banks registered with SEBI, offering services, in relation to ASBA where the Application Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> or such other website as updated from time to time, and in relation to RIBs using the UPI Mechanism, a list of which is available on the website of SEBI at <a href="https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as updated from time to time. In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> ) and ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a> ) respectively, as updated from time to time
Selling Shareholders	Mr. Shrinand Kamalakar Palshikar and Ms. Sangita Shrinand Palshikar
Share Escrow Agent	Share Escrow Agent appointed pursuant to the Share Escrow Agreement, in this case being, [●]
Share Escrow Agreement	Agreement dated [●] entered into amongst the Selling Shareholders, our Company and the Share Escrow Agent in connection with the transfer of Equity Shares under the Offer by each Selling Shareholder and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Centres where the Syndicate shall accept ASBA Forms from Applicants and in case of RIIs only ASBA Forms with UPI
Sponsor Bank	A Banker to the Offer which is registered with SEBI and is eligible to act as a Sponsor Bank in a public Offer in terms of applicable SEBI requirements and has been appointed by the Company and Selling Shareholders, in consultation with the LM to act as a conduit between the Stock Exchanges and NPCI to push the UPI Mandate Request in respect of RIIs as per the UPI Mechanism, in this case being [●]
Systemically Important Non-Banking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
TRS / Transaction Registration Slip	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the Applicant, as proof of registration of the Application
Underwriters	The Underwriters in this case are Shreni Shares Private Limited
Underwriting Agreement	The Agreement among the Underwriters, our Company and Selling Shareholders dated [●]
Unified Payments Interface / UPI	The instant payment system developed by the National Payments Corporation of India
UPI Circulars	The bidding mechanism that may be used by an RII to make an Application in the Offer in accordance with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 01, 2018 read with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019 and SEBI Circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 08, 2019, the circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 and any subsequent circulars or notifications issued by SEBI in this regard
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India (NPCI)

Term	Description
UPI Mandate Request	A request (intimating the RII by way of a notification on the UPI application and by way of a SMS directing the RII to such UPI application) to the RII initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Application Amount and subsequent debit of funds in case of Allotment. In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors, Using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmid=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmid=40</a> ) and ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmid=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmid=43</a> ) respectively, as updated from time to time
UPI mechanism	The Application mechanism that may be used by an RII to make an Application in the Offer in accordance the UPI Circulars to make an ASBA Applicant in the Offer
UPI PIN	Password to authenticate UPI transaction
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Working Day	Any day, other than the second and fourth Saturdays of each calendar month, Sundays and public holidays, on which commercial banks in Mumbai are open for business; provided however, with reference to (i) announcement of Price Band; and (ii) Offer Period, “Working Day” shall mean any day, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and with reference to (iii) the time period between the Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI circular number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 and the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, including the UPI Circulars

## INDUSTRY RELATED TERMS

Term	Description
AGEL	Adani Green Energy Limited
AIC	Atal Incubation Centre
APIs	Active Pharmaceutical Ingredients
BCG	Boston Consulting Group
CAGR	Compound Annual Growth Rate
CARE	Cooperative for Assistance and Relief Everywhere
CDRI	Coalition for Disaster Resilient Infrastructure
CEA	Central Electricity Authority
CiC	Currency in Circulation
CII	Confederation of Indian Industry
CIP	Copenhagen Infrastructure Partners
CPI	Consumer Price Index
DPIIT	Department for Promotion of Industry and Internal Trade
EAC	Experts’ Advisory Committee
ESG	Environmental, Sustainability and Governance
EU	European Union
FDI	Foreign Direct Investment
FICCI	Federation of Indian Chambers of Commerce and Industry
FPI	Foreign Portfolio Investors
FSPV	Floating Solar Photo Voltaics
GDP	Gross Domestic Product
GE	General Electric
GHG	Reducing Greenhouse Gas
G-secs	Government Securities
GVA	Gross Value Added
GW	Giga Watt
ICEA	Indian Cellular and Electronics Association

<b>Term</b>	<b>Description</b>
IGST	Integrated Goods and Services Tax
IHS	Integrated Health Systems
IIoT	Industrial Internet of Things
IIP	Index of Industrial Production
IIP	Index of Industrial Production
IoT	Internet of Things
JICA	Japan International Cooperation Agency
KSMs	Key Starting Materials
LAF	Liquidity Adjustment Facility
LiBs	Lithium-Ion Batteries
LMT	Local Management Team
MITRA	Mega Investment Textiles Parks
MMF	Man-Made Fibre
MNRE	Ministry of New and Renewable Energy
MoU	Memorandum of Understanding
NSP	National Steel Policy
OEM	Oxford Economic Model
PECF	Pondicherry Engineering College Foundation
PMI	Purchasing Managers' Index
PIE	Potential Industry Earnings
PMI	Purchasing Managers' Index
PPP	Purchasing Power Parity
PV	Photo Voltic
R&D	Research and Development
RBI	Reserve Bank of India
RNESL	Reliance New Energy Solar Limited
SECI	Solar Energy Corporation of India
TCCL	Tata Cleantech Capital Limited
UK	United Kingdom
UPI	Unified Payments Interface
US	United States
US	United States
WEO	World Economic Outlook

#### CONVENTIONAL TERMS / ABBREVIATIONS

<b>Term</b>	<b>Description</b>
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the SEBI AIF Regulations
AS / Accounting Standards	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
Banking Regulation Act	Banking Regulation Act, 1949
BN	Billion
BSE	BSE Limited
CAGR	Compound Annual Growth Rate
CARO	Companies (Auditor's Report) Order, 2016, as amended
Category I foreign portfolio investor(s) / Category I FPIs	FPIs who are registered as "Category I foreign portfolio investors" under the SEBI FPI Regulations
Category II foreign portfolio investor(s) / Category II FPIs	FPIs who are registered as "Category II foreign portfolio investors" under the SEBI FPI Regulations

<b>Term</b>	<b>Description</b>
Category III foreign portfolio investor(s) / Category III FPIs	FPIs who are registered as “Category III foreign portfolio investors” under the SEBI FPI Regulations
CDSL	Central Depository Services (India) Limited
CFPI	Consumer Food Price Index
CFO	Chief Financial Officer
CGST Act	Central Goods and Services Tax Act, 2017
CIBIL	Credit Information Bureau (India) Limited
CIN	Company Identification Number
CIT	Commissioner of Income Tax
Client ID	Client identification number of the Applicant’s beneficiary account
Companies Act	Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 (to the extent notified) and /or Provisions of Companies Act, 1956 w.r.t. the sections which have not yet been replaced by the Companies Act, 2013 through any official notification
Companies Act, 1956	The Companies Act, 1956, as amended from time to time
Companies Act, 2013	The Companies Act, 2013 published on August 29, 2013 and applicable to the extent notified by MCA till date
CSR	Corporate Social Responsibility
CST	Central Sales Tax
COVID – 19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
CPI	Consumer Price Index
CY	Calendar Year
Depositories	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, CDSL and NSDL
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
DP	Depository Participant, as defined under the Depositories Act 1996
DP ID	Depository Participant’s identification
EBITDA	Earnings before Interest, Taxes, Depreciation and Amortization
ECS	Electronic Clearing System
EGM/ EoGM	Extra-ordinary General Meeting
EMDEs	Emerging Markets and Developing Economies
EPS	Earnings Per Share
EPFO	Employees’ Provident Fund Organization
EPF Act	The Employees’ Provident Funds and Miscellaneous Provisions Act, 1952
ESIC	Employee State Insurance Corporation
ESOP	Employee Stock Option Plan
ESPS	Employee Stock Purchase Scheme
FCNR Account	Foreign Currency Non-Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
FIIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017) registered with SEBI under applicable laws in India
FIPB	Foreign Investment Promotion Board
FPIs	Foreign Portfolio Investors as defined under the SEBI FPI Regulations
FTP	Foreign Trade Policy
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign Venture Capital Investors as defined and registered under the SEBI FVCI Regulations
FY / Fiscal / Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated

<b>Term</b>	<b>Description</b>
GDP	Gross Domestic Product
GoI / Government	Government of India
GST	Goods & Services Tax
HNIs	High Net worth Individuals
HUF	Hindu Undivided Family
I.T. Act	Income Tax Act, 1961, as amended from time to time
IAS Rules	Indian Accounting Standards, Rules 2015
ICAI	The Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
IGST Act	Integrated Goods and Services Tax Act, 2017
IMF	International Monetary Fund
Indian GAAP	Generally Accepted Accounting Principles in India
Ind AS	Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015
IPO	Initial Public Offer
IRDAI Investment Regulations	Insurance Regulatory and Development Authority (Investment) Regulations, 2016
ISO	International Organization for Standardization
IST	Indian Standard Time
KM / Km / km	Kilo Meter
KMP	Key Managerial Personnel
Ltd	Limited
MCA	Ministry of Corporate Affairs, Government of India
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended
MoF	Ministry of Finance, Government of India
MICR	Magnetic Ink Character Recognition
MOU	Memorandum of Understanding
NA / N. A.	Not Applicable
NACH	National Automated Clearing House
NAV	Net Asset Value
NBFC	Non-Banking Financial Company
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
NPCI	National Payments Corporation of India
NRE Account	Non-Resident External Account
NRO Account	Non-Resident Ordinary Account
NECS	National Electronic Clearing Service
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
PLR	Prime Lending Rate
PMI	Purchasing Managers' Index
PPP	Purchasing power parity
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RoC	Registrar of Companies
ROE	Return on Equity
RONW	Return on Net Worth
Rupees / Rs. / ₹	Rupees, the official currency of the Republic of India
RTGS	Real Time Gross Settlement

<b>Term</b>	<b>Description</b>
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI MB Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended
SEBI PIT Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
SEBI SAST Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as repealed by the SEBI AIF Regulations, as amended
Sec.	Section
Securities Act	U.S. Securities Act of 1933, as amended
SGST Act	State Goods and Services Tax Act, 2017
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
STT	Securities Transaction Tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
TIN	Taxpayers Identification Number
TDS	Tax Deducted at Source
UGST Act	Union Territory Goods and Services Tax Act, 2017
UPI	Unified Payments Interface, a payment mechanism that allows instant transfer of money between any two persons bank account using a payment address which uniquely identifies a person's bank account.
US/ United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the United States of America
VAT	Value Added Tax
VC	Venture Capital
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
WIP	Work in process
Wilful Defaulter(s) or Fraudulent Borrower	Wilful defaulter or Fraudulent Borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations
WHO	World Health Organization
WEO	World Economic Outlook
YoY	Year on Year

## PRESENTATION OF FINANCIAL INDUSTRY AND MARKET DATA

### CERTAIN CONVENTIONS

All references in this Draft Prospectus to ‘India’ are to the Republic of India and its territories and possessions and all references herein to the ‘Government’, ‘Indian Government’, ‘GoI’, ‘Central Government’ or the ‘State Government’ are to the GoI, central or state, as applicable.

Unless otherwise specified, any time mentioned in this Draft Prospectus is in Indian Standard Time (“IST”).

Unless indicated otherwise, all references to a year in this Draft Prospectus are to a calendar year.

Unless stated otherwise, all references to page numbers in this Draft Prospectus are to the page numbers of this Draft Prospectus. In this Draft Prospectus, our Company has presented numerical information in “lakhs” units. One lakh represents 1,00,000.

### FINANCIAL DATA

Unless stated otherwise, the financial statements in this Draft Prospectus are derived from our Financial Statements. The Restated Financial Statements included in this Draft Prospectus is as at and for the period ended on January 05, 2022 and financial years ended on 2021, 2020 and 2019 has been prepared in accordance with Indian GAAP and the Companies Act, and has been restated in accordance with the SEBI ICDR Regulations. For further information, see please refer section titled “*Restated Financial Statements*” beginning on page 126 of this Draft Prospectus.

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 figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

Our Company’s financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the 12-month period ended on March 31 of that year. Unless stated otherwise, or the context requires otherwise, all references to a “year” in this Draft Prospectus are to a calendar year.

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 Restated 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.

Unless the context otherwise indicates, any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 21, 82 and 129 respectively, of this Draft Prospectus, and elsewhere in this Draft Prospectus have been calculated on the basis of the “*Restated Financial statements*” of our Company as beginning on page 126 of this Draft Prospectus.

### CURRENCY AND UNITS OF PRESENTATION

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

All references to the word ‘Lakh’ or ‘Lac’, means ‘One hundred thousand’ and the word ‘Million’ means ‘Ten Lakhs’ and the word ‘Crore’ means ‘Ten Million’ and the word ‘Billion’ means ‘One thousand Million’.

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 figures derived from our Restated Financial Statements in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

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

## **DEFINITIONS**

For definitions, please refer the chapter titled “*Definitions and Abbreviations*” beginning on page 1 of this Draft Prospectus. In the section titled “*Main Provisions of the Articles of Association*” beginning on page 185 of this Draft Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

## **INDUSTRY AND MARKET DATA**

Unless stated otherwise, the industry and market data and forecasts used throughout this Draft Prospectus has been obtained from industry sources as well as Government Publications. Industry sources as well as Government Publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Further, the extent to which the industry and market data presented in this Draft Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

## FORWARD LOOKING STATEMENTS

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

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

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

- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Inability to identify the new premises may adversely affect the operations, finances and profitability of the Company;
- Inability to identify or effectively respond to customer needs, expectations or trends in a timely manner;
- Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various projects;
- Our failure to keep pace with rapid changes in technology;
- Our ability to meet our further capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- Conflict of Interest with affiliated companies, the promoter group and other related parties;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- Volatility of loan interest rates and inflation;
- 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;

- Our inability to maintain or enhance our brand recognition;
- Inability to protect our IP or any third-party claims in relation to infringement of our existing intellectual property rights or in future;
- Inability to cater to the evolving consumer preferences, in India and abroad, in the information technology industry;
- Failure to anticipate or successfully adopt and incorporate new technologies in our offerings;
- The occurrence of natural disasters or calamities; and
- Failure to successfully upgrade our service portfolio, from time to time.

For further discussions of factors that could cause our actual results to differ, please refer the section titled “*Risk Factors*” and chapter titled “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 21, 82, and 129 of this Draft Prospectus, respectively.

By their nature, certain market risk disclosures are only estimating and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect the current views as of the date of this Draft Prospectus and are not a guarantee of future performance.

Neither our Company, our Directors, Selling Shareholders, our Promoters, the Lead Manager nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company will ensure that investors in India are informed of material developments from the date of this Draft Prospectus until the time of the grant of listing and trading permission by the Stock Exchange. The Selling Shareholders shall ensure that it will keep the Company and LM informed of all material developments pertaining to its respective portion of the Equity Shares under the Offer for Sale and themselves, as Selling Shareholders from the date of the Prospectus until receipt of final listing and trading approvals by the Stock Exchange for this Offer, that may be material from the context of the Offer.

## SECTION II – SUMMARY OF OFFER DOCUMENT

### SUMMARY OF OUR BUSINESS

Our Company is in the business of manufacturing and exporting of needle rollers, cylindrical rollers, pins and steel balls (“Rolling Elements”). Our company is also engaged in the business of generating, distributing, supply, accumulation and sale of electricity from solar and wind energy.

For more details, please refer chapter titled “*Our Business*” beginning on page 82 of this Draft Prospectus.

### SUMMARY OF OUR INDUSTRY

We operate in Manufacturing of Industrial rollers and bearings. For more details, please refer chapter titled “*Industry Overview*” beginning on page 69 of this Draft Prospectus.

### OUR PROMOTERS

The promoters of our company are Mr. Shrinand Kamlakar Palshikar and Ms. Sangita Shrinand Palshikar.

### SIZE OF OFFER

<b>Present Offer of Equity Shares by our Company</b>	Up to 44,00,000 Equity shares of ₹10/- each for cash at a price of ₹ [●] per Equity shares aggregating to ₹ [●] Lakhs
<b>The Offer consists of:</b>	
<b>Fresh Offer</b>	Up to 16,00,000 Equity Shares of face value of ₹10/- each fully paid for cash at a price of ₹ [●] per Equity Share aggregating ₹[●] Lakhs
<b>Offer for Sale</b>	Up to 28,00,000 Equity Shares of face value of ₹10/- each fully paid for cash at a price of ₹ [●] per Equity Share aggregating ₹[●] Lakhs
<b>Of which:</b>	
<b>Offer Reserved for the Market Maker</b>	Up to [●] Equity shares of ₹10/- each for cash at a price of ₹ [●] per Equity shares aggregating to ₹ [●] Lakhs
<b>Net Offer</b>	Up to [●] Equity shares of ₹10/- each for cash at a price of ₹ [●] per Equity shares aggregating to ₹ [●] Lakhs

For further details, please refer to chapter titled “*Terms of the Offer*” beginning on page 157 of this Draft Prospectus.

### OBJECTS OF THE OFFER

Our Company intends to utilize the Net Proceeds for the following objects (“Objects of the Offer”):

(₹ in Lakhs)

Sr No	Particulars	Amount
1.	Funding Working Capital Requirements	[●]
2.	General Corporate Purposes	[●]
	<b>Total</b>	[●]

For further details, please refer to chapter titled “*Objects of the Offer*” beginning on page 60 of this Draft Prospectus.

### PRE-OFFER SHAREHOLDING OF OUR PROMOTERS, PROMOTER GROUP AND SELLING SHAREHOLDERS AS A PERCENTAGE OF THE PAID-UP SHARE CAPITAL OF THE COMPANY

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

Particular	Pre-Offer	
	Number of Shares	Percentage (%) holding
<b>Promoters</b>		
Mr. Shrinand Kamlakar Palshikar	74,99,995	49.99
Ms. Sangita Shrinand Palshikar	75,00,000	50.00
<b>Promoter Group</b>		
Ms. Shrichi S Palshikar	1	Negligible

Particular	Pre-Offer	
	Number of Shares	Percentage (%) holding
Ms. Shripada Shrinand Palshikar	1	Negligible
Mr. Vikrant Saharan	1	Negligible
Mr. Pankaj Prafullakumar Patil	1	Negligible
Mr. Jani Bharatkumar Indravadanbhai	1	Negligible
<b>Total</b>	<b>1,50,00,000</b>	<b>100.00</b>

## SUMMARY OF RESTATED FINANCIAL STATEMENTS

The details are as follows:

(₹ in lakhs other than share data)

Particulars	For the period ended January 05, 2022	For the year ended March 31		
		2021	2020	2019
Share Capital/ Partners Fixed Capital	1,500.00	-	-	-
Partners Current Capital	2,630.47	4,580.08	3,913.92	3,086.87
Net worth	4,130.47	4,580.08	3,913.92	3,086.87
Total Revenue	3,444.35	3,709.29	3,258.18	4,081.15
Profit after Tax	940.41	745.60	812.47	992.64
Earnings per share (Basic & diluted) (₹)	6.27	4.97	5.42	6.62
Net Asset Value per Equity Share (₹)	27.54	30.53	26.09	20.58
Total borrowings	-	35.96	40.56	36.01

## QUALIFICATIONS OF AUDITORS

The Restated Financial Statements do not contain any qualifications which have not been given effect in the restated financial statements.

## SUMMARY OF OUTSTANDING LITIGATIONS & MATERIAL DEVELOPMENTS

A summary of pending legal proceedings and other material litigations involving our Company, Directors and Promoters is provided below:

Nature of Case	Number of cases / Notices issued	Amount involved
<b>Litigations involving our Company</b>		
-Litigation Involving Actions by Statutory/ Regulatory Authorities;	7	1,03,140/-
-Litigation involving Tax Liabilities;	5	84,07,739/- <sup>@#</sup>
-Proceedings involving issues of moral turpitude or criminal liability on the part of our Company;	Nil	Nil
-Proceedings involving Material Violations of Statutory Regulations by our Company;	Nil	Nil
-Matters involving economic offences where proceedings have been initiated against our Company;	Nil	Nil
-Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company;	1	Un ascertained
<b>Litigation involving our directors cum Promoters (direct Taxes)</b>	1	3,42,780/-*
<b>Litigation involving our directors other than promoters (direct taxes)</b>	2	2,78,110/-
<b>Litigation involving our Group Companies (direct Tax)</b>	Nil	Nil
<b>Litigation involving our Group Companies (Others)</b>	Nil	Nil

<sup>@</sup> Includes an amount of interest of Rs. 1908/- for A.Y. 2007-08 and 2008-09 for which no principal demand is pending.

<sup>#</sup> Includes demand for indirect tax for an amount of Rs. 13,82,541/-

<sup>\*</sup>Includes an amount of interest of Rs. 1,74,304/-

For further details, please refer chapter titled “*Outstanding Litigations and Material Developments*” beginning on page 140 of this Draft Prospectus.

## RISK FACTORS

For details relating to risk factors, please refer section titled “*Risk Factors*” beginning on page 21 of this Draft Prospectus.

## SUMMARY OF CONTINGENT LIABILITIES OF OUR COMPANY

As per Restated Financial Statements, no contingent liability exists for the period ended on January 05, 2022 and financial years ended on 2021, 2020 and 2019.

For details, please refer to Section titled “*Restated Financial Statements*” beginning on page 126 of this Draft Prospectus.

## SUMMARY OF RELATED PARTY TRANSACTIONS

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.

### i. List of Related Parties and Nature of Relationship:

Particulars	Name of Related Parties
a) Key Management Personnel’s	Shrinand Kamlakar Palshikar
b) Key Management Personnel’s	Sangita Shrinand Palshikar
c) Key Management Personnel’s	Urmila Bhonde
d) Relative of Key Management Personnel’s	Shrichi S Palshikar
e) Key Management Personnel’s	Shripada Shrinand Palshikar

Transactions carried out with related parties referred to in (i) above, in ordinary course of business:

Nature of Transactions	Name of Related Parties	As at January 05, 2022	As at March 31		
			2021	2020	2019
Int. on capital	Shrinand Kamlakar Palshikar	106.17	87.33	76.39	78.51
Rent for Pune office		1.42	1.94	2.10	2.10
<b>TOTAL</b>		<b>107.58</b>	<b>89.28</b>	<b>78.49</b>	<b>80.61</b>
Int. on capital	Sangita Shrinand Palshikar	139.29	120.95	107.98	61.47
Rent for Pune office		1.42	1.94	2.10	2.10
Guest house rent		-	4.32	0.00	2.52
<b>TOTAL</b>		<b>140.71</b>	<b>127.21</b>	<b>110.08</b>	<b>66.09</b>
Int. on capital	Urmila Bhonde	-	-	-	34.27
Guest house rent		-	-	-	1.80
<b>TOTAL</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>36.07</b>
Salary	Shrichi S Palshikar	-	-	-	4.50
Int. on unsecured loan		3.29	4.87	4.08	2.08
Professional fees		47.20	70.80	60.00	20.00
Sales promotion expenses		5.90	-	-	-
<b>TOTAL</b>		<b>56.39</b>	<b>75.67</b>	<b>64.08</b>	<b>26.58</b>
Salary	Shripada Shrinand Palshikar	4.48	5.16	4.41	4.44
Int. on unsecured loan		-	1.29	2.07	2.35
<b>TOTAL</b>		<b>4.48</b>	<b>6.45</b>	<b>6.48</b>	<b>6.79</b>

For details, please refer to Section titled “*Restated Financial Statements*” beginning on page 126 of this Draft Prospectus.

## FINANCING ARRANGEMENTS

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

#### **WEIGHTED AVERAGE PRICE OF EQUITY SHARES ACQUIRED BY OUR PROMOTERS AND SELLING SHAREHOLDERS**

Our promoters and selling shareholders have acquired 1,50,00,00,00 Equity Shares in the last one (1) year preceding the date of this Draft Prospectus, pursuant to conversion of erstwhile partnership into company, thus the weighted average price of equity share is ₹10.00/-.

#### **AVERAGE COST OF ACQUISITION OF PROMOTERS AND SELLING SHAREHOLDERS**

The average cost of acquisition of Equity Shares by our Promoters and Selling Shareholders is set forth in the table below:

<b>S. No.</b>	<b>Name of the Promoter</b>	<b>No of Equity Shares held</b>	<b>Average cost of Acquisition (in ₹)*</b>
1.	Shrinand Kamlakar Palshikar	74,99,995	10.00/-
2.	Sangita Shrinand Palshikar	75,00,000	10.00/-

*\*As certified by M/s Dipak P. Shah & Co., Chartered Accountants, by way of their certificate dated March 08, 2022.*

#### **DETAILS OF PRE-IPO PLACEMENT**

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

#### **ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE (1) YEAR**

Our company has not issued Equity Shares for consideration other than cash in the one (1) year preceding the date of this Draft Prospectus.

#### **SPLIT / CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR**

Our Company has not undertaken a split or consolidation of the Equity Shares in the one (1) year preceding the date of this Draft Prospectus.

#### **EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI**

Our Company has filed an application dated February 15, 2022 with SEBI under Regulation 300(1) of the SEBI ICDR Regulations, seeking an exemption from identifying and disclosing as a member of the Promoter Group, Ms. Samata Puranik (sister of our Promoter, Mr. Shrinand Kamlakar Palshikar) and body corporates/entities and HUFs in which Ms. Samata Puranik holds 20% or more of the equity share capital. Accordingly, the list of members of our Promoter Group does not include such individual/entities.

## SECTION III – RISK FACTORS

*An investment in Equity Shares involves a high degree of financial risk. Investors should carefully consider all information in this Draft Prospectus, including the risks described below, before making an investment in our Equity Shares. 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, cash flows and financial condition could suffer, the price of the Equity Shares could decline, and you may lose all or part of your investment. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Offer including the merits and risks involved. Investors should consult their tax, financial and legal advisors about particular consequences to them of an investment in the Offer. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, such financial impact cannot be disclosed in such risk factors. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Any of the following risks, as well as the other risks and uncertainties discussed in this Draft Prospectus, could have a material adverse effect on our business and could cause the trading price of our Equity Shares to decline and you may lose all or part of your investment.*

*This Draft Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Prospectus. See chapter titled “Forward Looking Statements” beginning on page 15 of this Draft Prospectus.*

*To obtain a better understanding of our business, you should read this chapter in conjunction with other chapters of this Draft Prospectus, including the chapters titled “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Industry Overview” and “Restated Financial Statements” on page 82, 129, 69 and 126 respectively of this Draft Prospectus, together with all other Restated Financial Statements contained in this Draft Prospectus. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Prospectus.*

*Unless otherwise stated, the financial data in this chapter is derived from our Restated Financial Statements for the period ended January 05, 2022 and financial years ended March 31, 2021, 2020 and 2019 as included in “Restated Financial Statements” beginning on page 126 of this Draft Prospectus.*

### **MATERIALITY**

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

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

### **BUSINESS RELATED RISKS**

1. ***The continuing effect of the COVID-19 pandemic on our business, results of operations, operations and financial condition is highly uncertain and cannot be predicted.***

During the first half of 2020, COVID-19 spread to a majority of countries across the world, including India and other countries where our suppliers and customers are located. The COVID-19 pandemic has had, and may continue to have, significant repercussions across local, national and global economies and financial markets. In particular, a number of governments and organizations have revised GDP growth forecasts for the financial year 2021 downwards in response to the economic slowdown caused by the spread of COVID-19, and it is possible that the COVID-19 pandemic can cause a prolonged global economic crisis or recession. The global impact of the COVID-19 pandemic has been rapidly evolving and public health officials and governmental authorities have responded by taking measures, such as prohibiting people from assembling in large numbers, instituting quarantines, restricting travel, issuing “stay-at-home” orders and restricting the types of businesses that may continue to operate physically, among many others. The outbreak of COVID-19 was

recognized as a public health emergency and international concern on January 30, 2020 and as a pandemic by WHO on March 11, 2020. On March 14, 2020, Government of India declared COVID-19 as a “notified disaster” and imposed a nationwide lockdown beginning on March 25, 2020. While that lockdown lasted until May 31, 2020, and was extended periodically by varying degrees by state governments and local administrations, the second wave of COVID-19 in April 2021 led to lockdowns imposed by the state governments and local administrations.

Despite the lifting of the lockdown, there is significant uncertainty regarding the duration and long-term impact of the COVID-19 pandemic, as well as possible future responses by the Government, which makes it impossible for us to predict with certainty the impact that COVID-19 can have on our business, operations or potential expansion plans in the future. The COVID-19 pandemic has affected and may continue to affect our business, results of operations and financial condition in a number of ways. For example, the spread of COVID-19 has caused us to modify our business practices, cancellation of physical participation in meetings, events and conferences, which poses new challenges to our operations. In future, we may take further actions as may be required by government authorities or that we determine are in the best interests of our employees, customers, partners, and suppliers. We also incurred and may continue to incur additional expenses in complying with evolving government regulations and measures, such as social distancing measures and sanitization practices. If any of our employees are suspected of contracting COVID-19 or any other epidemic disease, this could require us to quarantine some or all of these employees or suspend operations in our facilities for disinfection. While our operations had slowed down during early 2020 and we have almost resumed to full normalcy with requisite precautions, the continuing impact of COVID-19 pandemic on our financial condition remains uncertain and is dependent on the spread of COVID-19 and steps taken by the Government to mitigate the economic impact and may differ from our estimates. We are closely monitoring the impact of COVID-19 on our financial condition, liquidity, operations, suppliers and work force. Any intensification of the COVID-19 pandemic or any future outbreak of another highly infectious or contagious disease may adversely affect our business, results of operations and financial condition. Further, we have experienced and may further experience, Government authorities’ imposition of various measures such as travel bans and restrictions, quarantines, shelter-in-place orders, and shutdowns. Beginning in March 2020, due to the nationwide lockdown, quarantines, stay-at-home and shelter-in-place orders, the promotion of social distancing, and other travel related restrictions, we experienced closure of our production facilities. We may continue to be subject to temporary as well as permanent closures and reduced manufacturing operations, logistical delays during which we shall be required to incur additional expenses in connection with, among other things, retaining employees, fixed costs payable for maintaining our manufacturing plants, and loss of inventory, which may adversely affect our business, results of operations and financial condition. Further, any intensification of the COVID-19 pandemic or any future outbreak of another highly infectious or contagious disease may adversely affect our business.

**2. There are outstanding litigations pending against us, which, if determined adversely, could affect our operations.**

There are certain outstanding legal proceedings against our Company and Directors.

<b>Nature of Case</b>	<b>Number of cases / Notices issued</b>	<b>Amount involved</b>
<b>Litigations involving our Company</b>		
-Litigation Involving Actions by Statutory/ Regulatory Authorities;	7	1,03,140/-
-Litigation involving Tax Liabilities;	5	84,07,739/- <sup>@#</sup>
-Proceedings involving issues of moral turpitude or criminal liability on the part of our Company;	Nil	Nil
-Proceedings involving Material Violations of Statutory Regulations by our Company;	Nil	Nil
-Matters involving economic offences where proceedings have been initiated against our Company;	Nil	Nil
-Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company;	1	Un ascertained
<b>Litigation involving our directors cum Promoters (direct Taxes)</b>	1	3,42,780/-*
<b>Litigation involving our directors other than promoters (direct taxes)</b>	2	2,78,110/-
<b>Litigation involving our Group Companies (direct Tax)</b>	Nil	Nil
<b>Litigation involving our Group Companies (Others)</b>	Nil	Nil

<sup>@</sup> Includes an amount of interest of Rs. 1908/- for A.Y. 2007-08 and 2008-09 for which no principal demand is pending.

# Includes demand for indirect tax for an amount of Rs. 13,82,541/-

\*Includes an amount of interest of Rs. 1,74,304/-

For further details of certain material legal proceedings involving our Company, our Promoters, our directors, see “*Outstanding Litigations and Material Developments*” beginning on page 140 of this Draft Prospectus.

**3. *The steel industry is highly cyclical and volatility in steel prices may have an adverse effect on the Company’s results of operations and financial condition.***

The steel industry is highly cyclical. Steel prices fluctuate based on macroeconomic factors, including, amongst others, consumer confidence, employment rates, interest rates and inflation rates, general levels of infrastructure activities in the region of sale etc. We aim to grow our business in a sustainable manner with a vision to create quality conscious customers and give them value for their money accompanied by technological drive. However, we cannot ascertain the consistency of our profitability and heavy volatility in steel prices may have an adverse effect on the Company’s results of operations and financial condition.

**4. *Manufacturing Plants involve hazardous processes that can cause personal injury and loss of life, severe damage to and destruction of property and equipment, which could result in incurring material liabilities, loss of revenues and increased expenses.***

Owing to the risks associated with the manufacturing process carried out at the manufacturing plant are prone to accidents which may involve moving machinery, on-site transport, forklifts and overhead cranes, fires in control rooms, electrical switch rooms, fires caused by contact of molten metal in the induction furnaces, hot billets in reheating, spills and spattering of molten materials, extreme temperatures, vibration and noise and exposure to, through inhalation or contact with, hazardous chemicals. Occurrence of any accidents may result in destruction of property and equipment, injuries and even fatalities to employees (including contract labour) interrupting our operations, damaging our reputation and brand name.

Our aggrieved employees, members of the public or government authorities may bring claims or initiate criminal proceedings/public interest litigation, class action against us and/or our Directors in relation to accidents at our Manufacturing Plant. If it is determined by the appropriate authorities that provisions and measures for safety within our premises are inadequate or non-compliant of stipulated guidelines/directions, the licenses granted to us for operations at such premises may be revoked or suspended, thereby adversely affecting our business, operations financial condition and results of operations.

**5. *Our operations have significant raw material requirements in the form of bearing steel wire rods, and we may not be able to ensure the availability of raw materials for our operations at competitive prices and in a timely manner, which could have an adverse effect on our business, financial condition, results of operations and prospects.***

We are into the business of manufacturing of needle rollers, cylindrical rollers, pins and steel balls. We operate our manufacturing facility that are heavily dependent on steel in the form of bearing steel wire rods as a raw material. Our suppliers are mainly Jindal Steel & Power Ltd., Jayaswal Neco Industries Ltd, Etc. We have not entered into long-term supply agreements for procurement of raw materials from our suppliers. We also procure our raw materials on spot basis from the open market from and also import the same from China, South Korea, France and Japan.

Though we maintain our inventory of raw materials to avoid situations of irregular supply, we cannot assure you that we would be able to procure sufficient quantities of raw materials on a continuous basis for carrying out our operations. The availability and prices of raw materials may also be negatively affected by, among other factors, new laws or regulations; number of available suppliers, suppliers’ allocations to other purchasers; business continuity of suppliers; interruptions in production by suppliers; accidents or other similar events at suppliers’ premises or along the supply chain; wars, natural disasters and other similar events; fluctuations in exchange rates; consolidation in steel-related industries; demand and supply of raw materials; the bargaining power of raw material suppliers and the availability and cost of transportation. However, we typically undertake purchase of some raw materials in bulk when they are processed at a lower level.

If, for any reason, we are unable to procure sufficient raw materials of requisite quantity and quality, and at acceptable prices, it could disrupt our production, delay our delivery cycle leading to breach of contractual arrangement with our customers, increase our production costs or reduce our production volumes. Where the prices of raw materials rise significantly, we may not be able to realize such additional costs from our customers due to various factors including the demand and supply dynamics and competition in the market. Further, the raw materials require to be of a certain quality. Whilst we avoid undertaking purchase of some of our critical raw materials in monsoon to ensure quality, in the event we do not adhere to the quality control processes, we may have to recall our products or face product liability claims if our products do not meet our customers’ expectation, thereby having an adverse impact on our business, results of operations

and financial position. Unavailability of raw materials of desired quality or increase in price of raw materials would have a material adverse effect on our business and operations, financial condition, results of operations and prospects.

**6. *Our Promoter Group does not include disclosures in relation to Ms. Samata Puranik (Sister of Ms. Shrinand Kamlakar Palshikar) and our company has applied for exemption with SEBI under Regulation 300 of SEBI ICDR Regulations.***

Our Company has filed an application dated February 15, 2022 with SEBI under Regulation 300(1) of the SEBI ICDR Regulations, seeking an exemption from identifying and disclosing as a member of the Promoter Group, Ms. Samata Puranik (sister of our Promoter, Ms. Shrinand Kamlakar Palshikar) and body corporates/entities and HUFs in which Ms. Samata Puranik holds 20% or more of the equity share capital. Accordingly, the list of members of our Promoter Group does not include such individual/entities in this Draft Prospectus.

**7. *Our business is dependent on developing and maintaining continuing relationships with our clients and customers. The loss of any significant client or customer could have a material adverse effect on our business, financial condition and results of operations.***

Although, we generally do not enter into long-term supply contracts with our customers, our business is dependent on developing and maintaining a continuing relationship with our key clients and customers. In the event of a significant decline in the demand for our products by our key clients, our business, results of operations and financial condition may be materially and adversely affected. There can be no assurance that we will be able to maintain the historic levels of business from these clients and customers or that we will be able to replace these clients in case we lose any of them.

**8. *Substantial portion of our revenues has been dependent upon on few customers and we do not have firm commitment supply agreements with our customers. If our customers choose not to source their requirements from us, our business and results of operations may be adversely affected.***

Our revenue for the period ended January 05, 2022 and for the financial years ended on March 31, 2021, 2020 and 2019 is majorly dependent on few customers. The revenue from these customers constituted 26.45%, 45.04%, 53.38% and 48.20% of our revenue from operations in the period ended January 05, 2022 and for financial year ended March 31, 2021, 2020 and 2019. The loss of such significant clients would have a material effect on our financial results. We cannot assure you that we can maintain the historical levels of business from these clients or that we will be able to replace these clients in case we lose any of them. While we are constantly striving to increase our customer base and reduce dependence on any particular customer, there is no assurance that we will be able to broaden our customer base in any future periods or that our business or results of operations will not be adversely affected by a reduction in demand or cessation of our relationship with any of our major customer. The Orders received may be amended or cancelled prior to finalisation, and should such an amendment or cancellation take place, we may be unable to seek compensation for any surplus unpurchased service that we provide. In cases where we have agreements with our customers, they are general terms contracts which do not bind customers to any specific products or specification or purchase volumes. Further, such general terms contracts provide flexibility to our customers to place order for a lesser quantity of products in the purchase orders in spite of a higher number being specified in the contract. Customers may also place order for products with specifications that are in variance to those mentioned in the contract. There is no commitment on the part of the customer to continue to pass on new orders to us and as a result, our sales from period to period may fluctuate significantly as a result of changes in our customers' vendor preferences. Any failure to meet our customers' expectations could result in the cancellation of orders. There are also a number of factors other than our performance that are beyond our control and that could cause the loss of a customer. Customers may demand price reductions, set-off any payment obligations, require indemnification for themselves or their affiliates, change their outsourcing strategy by moving more work in-house, or replace their existing products with alternative products, any of which may have an adverse effect on our business, results of operations and financial condition.

**9. *Our revenues are significantly dependent upon sales of cylindrical and needle rollers.***

Our core business is the manufacture of various types of cylindrical and needle rollers, steel balls and pins. Consequently, our income is significantly dependent on sales of cylindrical and needle rollers manufactured by us and over the years, such sales have emerged the largest single contributor to our revenue and business. Our continued reliance on sales of cylindrical and needle roller for a significant portion of our revenue exposes us to risks, including the potential reduction in the demand for such bearings in the future; increased competition from domestic and international manufacturers; the invention of superior and cost-effective friction management technology; fluctuations in the price and availability of the raw materials; changes in regulations and import duties; and the cyclical nature of our customers' businesses. One or more such reasons may affect our revenues and income from sales of roller and thereby adversely affect our business, profitability, cash flows and results of operations.

**10. *The pricing in the steel industry is subject to market demand, volatility and economic conditions. Fluctuations in steel prices may have a material adverse impact on our business, results of operations, prospects and financial conditions.***

Low steel prices adversely affect the businesses and results of operations of steel product producers generally, including ours, resulting in lower revenue and margins and write-downs of products and raw material inventories. Further, substantial decreases in steel and steel product prices during periods of economic weakness have not always been balanced by commensurate price increases during periods of economic strength. Any sustained price recovery shall require a broad economic recovery, in order to underpin an increase in real demand for steel and steel products by end users. In addition, the volatility, length and nature of business cycles affecting the steel and steel products industry may become increasingly unpredictable, and the recurrence of another major downturn in the industry may have a material adverse impact on our business, results of operations, financial condition and prospects.

**11. *We face competition, including from other large and established competitors, and we may fail to compete successfully against existing or new competitors, which may reduce the demand for our Products which may lead to reduced prices, operating margins, profits and further result in loss of market share.***

We face increasing competition from our existing and potential competitors in India and in overseas markets that may have substantially greater brand recognition, longer operating histories, greater financial, product development, sales, marketing, more experienced management, access to a cheaper cost of capital and other resources than we do. Some of our competitors may have lower costs, or be able to offer lower prices and a larger variety of products in order to gain market share. Our competitors may also make acquisitions or establish cooperative or other strategic relationships, among themselves or with third parties, including dealers and distributors of our Products, thereby increasing their ability to address the needs of our targeted customers and offering lower cost products than we do which may have a negative effect on our sales. Further, new competitors may emerge at any time. Our competitors may be able to respond more quickly to new or emerging technologies or customer requirements, and may bring with them customer loyalties that may limit our ability to compete, which could erode our market share. In addition, a variety of known and unknown events could have a material adverse impact on our ability to compete. The success of our Products as well as our ability to maintain or increase our market share may also depend upon the effectiveness of our marketing initiatives which may adversely affect our ability to compete effectively.

Competition in our industry is based on a range of factors including pricing, marketing, delivery time, payment terms etc. To remain competitive, we must continue to invest significant resources in capital expenditure, research and development, sales and marketing and customer support. There can be no assurance that we shall have sufficient resources to make these investments or that we shall be able to make the technological advances necessary to be competitive. In case we fail to effectively compete, including any delays in responding to changes in the industry and the market, we may also have to incur additional costs and expenses to conduct marketing campaigns, market research and investing in newer technologies and infrastructure to effectively compete. Increased competition could result in, amongst other things, a slowdown in the growth of our corporate accounts, a loss of our market share, price reductions, reduced demand for our Products, reductions in revenue and reduced margins and profit ability. Further, we may be subject to risk of consolidation amongst our competitors who may leverage their financial strength and market dominance to secure financing at competitive terms. Such a consolidation shall enable these market players to take aggressive steps, including but not limited to, making additional acquisitions, investing more aggressively in product development and capacity and displacing demand for our Products. The market in which we operate is fragmented and in case there is a trend of consolidation in future, our business could be at a comparatively disadvantageous position and as a result our business, results of operations, financial condition and prospects could be materially and adversely affected.

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

We use third party transportation providers for the delivery of our raw material and products. Transportation strikes could have an adverse effect on our receipt of raw materials and our ability to deliver our products to our customers. In addition, transportation costs in India have been steadily increasing over the past several years. Continuing increases in transportation costs or unavailability of transportation services for our products may have an adverse effect on our business, financial condition, results of operations and prospects. In addition, India's physical infrastructure is less developed than that of many developed nations, and problems with its road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activity, including our supply of raw materials and the delivery of our products to customers by third-party transportation providers. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems

could interrupt our business operations, which could have a material adverse effect on our results of operations and financial condition.

**13. *Our manufacturing capacity may not correspond precisely to our customers' demands. An inability to effectively utilize our manufacturing capacities may affect our business, results of operations, cash flows and financial condition.***

We believe that with our industry knowledge, expertise and production capabilities, we are in a position to manufacture our Products in order to satisfy our customers' demands and our manufacturing capacity further enables us to expand our potential customer base. However, our customers may require us to have a certain percentage of excess capacity that would allow us to meet unexpected increases in supply orders. The volume and timing of sales to our customers may vary due to a number of reasons, including but not limited to, manufacturing strategy, growth strategy and macroeconomic factors affecting the economy in general and our customers in particular.

In the event that we are unable to procure sufficient raw materials, we would not be able to effectively utilize our current manufacturing capacities, resulting in operational inefficiencies which could have a material adverse effect on our business and financial condition. Further, if our customers place orders for less than anticipated volume or cancel existing orders or change their policies resulting in reduced quantities being supplied by us, it could result in the under-utilization of our manufacturing capacities.

Further, we make significant decisions, including determining the levels of business that we shall seek and accept, production schedules, personnel requirements and other resource requirements, based on our internal estimates and targets and strive to ensure that our production capacity is, at all times, utilized at optimum levels.

Although, we have been able to generally achieve optimum capacity levels in the past, there can be no assurance that the same shall be maintained in the future. Occasionally, our customers may require rapid increase in order quantities beyond our available capacity, and we may not have sufficient capacity at any given time to meet sharp increases in these requirements. While we strive to ensure that we achieve and maintain the optimum capacity levels, our inability to forecast the level of customer demand for our Products, as well as inability to accurately schedule our raw material purchases and production and manage our inventory, may result in we not being able to achieve and maintain the optimum capacity levels at all times or at all, which may adversely affect our business and cash flows from operations. In addition, our inability to accurately forecast demand of our Products may result in mismatches in our production demand and our capacity and any such mismatches leading to under-utilization of our Manufacturing Facility could affect our business, results of operations, cash flows and financial condition.

**14. *Our Company purchases majority of its basic raw materials viz bearing steel wire rods from few suppliers and will continue to rely in the near future.***

Our Company purchases more than 50% of our basic raw material viz. bearing steel wire rods from its suppliers i.e., Jindal Steel and Power Limited, Jayaswal Neco Industries Limited, etc. Currently, we do not have any agreement with our raw material suppliers. While we believe that we can find additional vendors to supply raw materials, any failure of our existing supplier to deliver these raw materials in the desired quantities or to adhere to delivery schedules or specified quality standards and technical specifications would adversely affect our production schedule and our ability to deliver orders on time and at the desired level of quality. This may have negative impact on our reputation, profitability and results of operations.

**15. *Exchange rate fluctuations may adversely affect the Company's financial performance.***

Since, we import few of our raw materials from our suppliers located in international markets, and export our products from to our customers located in international markets, our Company is exposed to foreign exchange rate risks. Accordingly, adverse movements in foreign exchange rates may increase procurement costs and adversely affect the Company's results of operations. While our Company has been hedging itself against the currency fluctuations in order to appropriately mitigate risks, which we believe is adequate to protect the Company from such fluctuations, there can be no assurance that the risks arising out of the same can be fully mitigated.

**16. *We have historically derived, and may continue to derive, a significant portion of our income from our top 10 customers.***

We have a diversified customer base and we do not currently have any material dependency on a single or few customers. Although, we have long term relationships with some of our customers, we have not entered into long-term agreements with them and the success of our business is significantly dependent on us maintaining good relationships with our customers. The actual sales by our Company may differ from the management estimates and the loss of one or more of these significant or key customers or a reduction in the amount of business we obtain from them could have an adverse

effect on our business, results of operations, financial condition and cash flows. There can be no assurance that we shall be able to maintain historic levels of business and/or negotiate and execute long-term contracts on terms that are commercially viable with our significant customers or that we shall be able to significantly reduce customer concentration in the future.

**17. *Our existing international operations and our plans to expand into additional overseas markets subject us to various business, economic, political, regulatory and legal risks.***

We supply our Products in overseas markets such as the Brazil, Argentina, UAE, etc. The revenues from exports aggregated to ₹ 115.50 Lakhs, ₹ 78.91 Lakhs, ₹ 43.28 Lakhs and ₹ 45.00 Lakhs for the period ended January 05, 2022 and for Fiscal 2021, Fiscal 2020 and Fiscal 2019 respectively and as a percentage of our revenue from operations, were 3.67%, 2.18%, 1.36% and 1.13%, respectively. Although we have not experienced such downward fluctuations in our revenues on a regular basis, there can be no assurance that fluctuations on account of unfavourable market conditions shall not occur in the future. Any such fluctuations, if they occur, may adversely affect our profitability, results of operations and financial condition.

**18. *Our raw material cost constitutes a significant percentage of our total expenses.***

We undertake procurement of raw materials from domestic and international sources based on factors including but not limited to market availability, pricing and quality. Our basic raw material is bearing steel wire rods in hot rolled conditions and we procure our raw materials based on market availability, pricing and quality through two main channels: (i) domestic suppliers such as manufacturers, stockists and traders; and (ii) international suppliers from China, South Korea, France and Japan. The cost of materials consumed (including manufacturing expenses and changes in inventory) by us in our operations accounted for 40.34%, 49.77%, 42.29% and 48.00% of our revenue from operations for the period ended January 05, 2022 and for Fiscal 2021, Fiscal 2020 and Fiscal 2019 respectively.

**19. *Our industry is labour intensive and our business operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees or those of our suppliers.***

Our industry being labour intensive is highly dependent on labour force for carrying out its business operations. Shortage of skilled/unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations.

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits.

**20. *Any shortage or non-availability of electricity may adversely affect our manufacturing processes and have an adverse impact on our results of operations and financial condition.***

Our manufacturing process requires a substantial amount of electricity and we depend mainly on state electricity supply for our power. Further, our Company also utilises electricity generated through its wind mill situate at Survey No. 646, vill: Seth Vadala, Taluka: Jamjodhpur, Jamnagar Forest Division, Gujarat, for running its factory. While we have not in the past been affected by any major power interruptions, in the event the Company fails to produce the requisite power from its wind mill or there is disruption in the generation of electricity from our wind mill on account of any factor or there is disruption of power supply from the state electricity department, the same could result in an increase in the cost of power and disruption of our manufacturing process which may adversely affect our results of operations. Further, we are sub-lessees of the land from which our windmill is operating. In the event we are in breach of the terms of the sub lease or if the sub lessor is in breach of the head lease or if the lease/sub-lease does not get renewed then there may be disruption in the supply of electricity and the same could result in an increase in the cost of power and disruption of our manufacturing process which may adversely affect our results of operations.

**21. *The shortage or non-availability of water facilities may adversely affect our manufacturing processes and have an adverse impact on our results of operations and financial condition.***

Our manufacturing processes requires substantial amount of water, particularly for self-tempering and cooling process. Currently, our Company has made adequate arrangement by water tankers and effluent treatment plant to meet its water requirements. Any disruption / non availability of water supply shall directly affect our production which in turn shall have an impact on profitability and turnover of our Company.

- 22. *We could become liable to customers, suffer adverse publicity and incur substantial costs as a result of defects in our products, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity.***

Any failure or defect in our products could result in a claim against us for damages, regardless of our responsibility for such a failure or defect. We currently carry no products liability insurance with respect to our products. Although we attempt to maintain quality standards, we cannot assure that all our products would be of uniform quality, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity.

Also, our business is dependent on the trust our customers have in the quality of our products. Any negative publicity regarding our company, brand, or products, including those arising from a drop in quality of merchandise from our vendors, mishaps resulting from the use of our products, or any other unforeseen events could affect our reputation and our results from operations.

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

We may encounter problems in executing the orders in relation to our products, or executing it on a timely basis. Moreover, factors beyond our control or the control of our customers, including delays or failure to obtain necessary permits, authorizations, permissions and other types of difficulties or obstructions, may result in the postponement of the delivery of products or cause its cancellation. Further, since we do not execute contracts with our customers, the order could be cancelled or there could be changes in scope and / or scheduled delivery of the products. Accordingly, it is difficult to predict with certainty if, when, and to what extent we may be able to deliver the orders placed. Failure to deliver products on time could lead to customers delaying or refusing to pay the amount, in part or full, which may adversely affect our business. In addition, even where a delivery proceeds as scheduled, it is possible that the contracting parties may default or otherwise fail to pay amounts owed. While we have not yet experienced any material delay, reduction in scope, cancellation, execution difficulty, delay or default in payment with regard to the orders placed with us, or any material disputes with customers in respect of any of the foregoing, any such adverse event in the future could materially harm our cash flow position and income. Any delay, modification, cancellation of order by our large customers may have material adverse effect on our financial condition and results of operations.

- 24. *A slowdown or shutdown in our manufacturing operations could have an adverse effect on our business, results of operations, financial condition and cash flows.***

Our business is dependent upon our ability to manage our Manufacturing Facility, which are subject to various operating risks, including productivity of our workforce, compliance with regulatory requirements and those beyond our control, such as the breakdown and failure of equipment or industrial accidents, severe weather conditions, natural disasters, as well as loss of licenses, certifications and permits, regulatory changes and government imposition of closure or lockdown. Any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs, difficulties with production costs, product quality issues, disruption in electrical power or water resources and could cause disruptions in our operations or shut down the affected Manufacturing Facility. Our inability to effectively respond to any shutdown or slowdown and rectify any disruption, in a timely manner and at an acceptable cost, could result in us being unable to satisfy our contractual commitments, which could have an adverse effect on our business, financial condition and results of operations.

- 25. *We rely on our Manufacturing Facility in Surendranagar, Gujarat, India as our only Manufacturing Facility and any adverse developments affecting this facility and the region could have an adverse effect on our business, results of operations and financial condition.***

We currently operate only one Manufacturing Facility for manufacturing all of our Products, which is located in Wadhwan, Surendranagar, Gujarat India. Our Manufacturing Facility is subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output, efficiency, labour disputes, strikes, environmental issues, lockouts, non-availability of services of our external contractors etc. Further, any significant malfunction or breakdown of our machinery or equipment at the Manufacturing Facility may entail significant repair and maintenance costs and cause delays in our operations. In the event that we are forced to shut down our Manufacturing Facility for a significant period of time, it would have a material adverse effect on our earnings, our results of operations and our financial condition as a whole.

- 26. *Changes in technology may render our current technologies obsolete or require us to make substantial capital investments.***

Modernization and technology upgradation is essential to provide better products. Although we strive to keep our technology in line with the latest standards, we may be required to implement new technology or upgrade the existing employed by us. Further, the costs in upgrading our technology could be significant which could substantially affect our finances and operations.

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

We require several statutory and regulatory permits, licenses and approvals to operate our business. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Non-renewal of the said permits and licenses would adversely affect our Company's operations, thereby having a material adverse effect on our business, results of operations and financial condition. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. Further, some of our permits, licenses and approvals are subject to several conditions and we cannot provide any assurance that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, which may lead to the cancellation, revocation or suspension of relevant permits, licenses or approvals. Any failure by us to apply in time, to renew, maintain or obtain the required permits, licenses or approvals, or the cancellation, suspension or revocation of any of the permits, licenses or approvals may result in the interruption of our operations and may have a material adverse effect on the business. For further details, please see chapters titled "Key Regulations and Policies" and "Government and Other Statutory Approvals" at pages 97 and 144 respectively of this Draft Prospectus.

28. *We require working capital for our smooth day-to-day operations of business and any discontinuance or our inability to acquire adequate working capital timely and on favourable terms may have an adverse effect on our operations, profitability and growth prospects.*

Our business demands working capital requirements. In case there are insufficient cash flows to meet our working capital requirement or we are unable to arrange the same from other sources or there are delays in disbursement of arranged funds, or we are unable to procure funds on favourable terms, it may result into our inability to finance our working capital needs on a timely basis which may have an adverse effect on our operations, profitability and growth prospects.

The details of our Company's working capital are derived from Restated Financial Statements are provided in the table below:

(₹ In Lakhs)

Sr No	Particulars	April 01, 2021 to January 05, 2022	Fiscal 2021	Fiscal 2020	Fiscal 2019
<b>I</b>	<b>Current Assets</b>				
	Inventories	365.05	560.64	359.33	310.33
	Trade receivables	1,258.50	962.27	631.56	670.25
	Cash and cash equivalents	68.66	12.03	105.32	29.00
	Short Term Loans and Advances	144.24	204.52	3.19	70.64
	Other Current Assets	512.62	229.82	1,211.98	976.82
	<b>Total (A)</b>	<b>2,349.07</b>	<b>1,969.28</b>	<b>2,311.38</b>	<b>2,057.03</b>
<b>II</b>	<b>Current Liabilities</b>				
	Short Term Borrowings	-	-	-	-
	Trade payables	100.86	109.42	56.55	93.97
	Other Current Liabilities	76.81	54.76	16.50	7.84
	Short Term Provisions	634.08	382.70	1,336.69	1,098.52
	<b>Total (B)</b>	<b>811.74</b>	<b>546.87</b>	<b>1,409.75</b>	<b>1,200.34</b>
<b>III</b>	<b>Total Working Capital Gap (A-B)</b>	<b>1,537.33</b>	<b>1,422.41</b>	<b>901.63</b>	<b>856.69</b>

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

Our Company have entered into certain related party transactions with our Promoters and Directors in the past. For details, please see "Annexure J(i), J(ii) and J(iii) of Restated Financial Statements" under the chapter titled "Restated Financial Statements" beginning on page 126 of this Draft Prospectus. While our Company believes that all such transactions have been conducted on the arm's length basis, there can be no assurance that it could not have been achieved on more favourable terms had such transactions not been entered into with unrelated parties. Further, it is likely that we may enter into related party transactions in the future and such transactions may potentially involve conflicts of interest. In terms of the Companies

Act, 2013 and SEBI LODR Regulations, we are required to adhere to various compliance requirements such as obtaining prior approvals from our Audit Committee, Board and Shareholders for certain party transactions and our undertakes that such related party transactions shall not be done against the interests of the Company and its shareholders as prescribed in the SEBI LODR Regulations. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations.

**30. *Our inability to obtain, renew or maintain our statutory and regulatory permits and approvals required to operate our business may have a material adverse effect on our business, financial condition and results of operations.***

We will be required to renew permits and approvals in relation to our existing operations and obtain new permits and approvals for any proposed operations as may be required under the applicable laws of the sector or region that we are operating in. There can be no that will or any of permits or approvals in the time-frame anticipated by us or at all. Our failure to renew, maintain or obtain the required permits or approvals may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations. Compliance with many of the regulations applicable to our operations may involve incurring costs and otherwise may impose restrictions on our operations. Previously, we were a Partnership firm in the name of “SKP Bearing Industries” after complying with the relevant provisions and procedures of Companies Act 2013, the firm was converted into Private limited company followed by the incorporation of the company to “SKP Bearing Industries Private Limited” and thereafter converted into Limited Company in the name of “SKP Bearing Industries Limited”. There are some of the approvals which are in the previous name, we are taking necessary steps for transferring the same in the new name of our company. In case we fail to transfer/obtain the same in the name of our company same may adversely affect our business or we may not be able to carry our business. We cannot assure you that we will not be subject to any adverse regulatory action in the future. If the interpretation of the regulators and authorities varies from our interpretation, we may be subject to penalties and the business of our Company could be adversely affected. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, our business may be adversely affected. If we fail to comply, or a regulator claims we have not complied, with any of the terms and conditions stipulated under any of our licenses or permits, one or several of our licenses and certificates may be suspended or cancelled and we shall not be able to carry on the activities permitted thereunder. For further information, see “Government and Other Statutory Approvals” beginning on page 144 of this Draft Prospectus.

**31. *Since our business is based on trust and identity and using the same for maintain, acquiring and servicing our clients, it is very important for us to ensure confidentiality of our intellectual property rights. We may be unable to protect them from being infringed by others, including our current and / or future competitors / employees.***



As on date of this Draft Prospectus, the Company logo  has been applied for Trademark Registration under Class 7 of the Trade Mark Act, 1999 in the name of Erstwhile Partnership Firm and stands objected.

If we are unable to obtain a registration for our corporate logo i.e., we may still continue to use the above-mentioned logo but remain vulnerable to infringement and passing-off by third parties and will not be able to enforce any rights against them. We may also need to change our logo which may adversely affect our reputation, existing brand market and business and could require us to incur additional costs. Our efforts to protect our intellectual property may not be adequate and any third-party claim on any of our unprotected name logo may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time-consuming and costly and a favourable outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property. We cannot assure that any unauthorized use by third parties of the trademarks will not similarly cause damage to our business prospects, reputation and goodwill.

**32. *Interruptions or performance problems associated with our technology and infrastructure may harm our business and results of operations.***

Our continued growth depends in part on the ability of our existing and potential customers to access our solutions at any time. Although there have not been instances in the past where interruptions or problems with our technology and infrastructure have caused performance issues, we may in future experience disruptions, data loss, outages and other performance problems with our technology infrastructure due to a variety of factors, including infrastructure changes, introductions of new functionality, human or software errors, capacity constraints, denial of service attacks or other security-related incidents. In some instances, we may not be able to identify the cause or causes of these performance problems within an acceptable period of time. It may become increasingly difficult to maintain and improve our performance, especially during peak usage times and as our products and websites of our customers become more complex and user traffic increases. If our products and websites of our customers are unavailable or if users of such products and websites

are unable to access products and websites within a reasonable amount of time, or at all, our business would also be harmed. Any disruptions in these services, including as a result of actions outside of our control, would significantly impact the continued performance of our products. Any loss of the right to use any of these services could result in decreased functionality of our products until equivalent technology is either developed by us or, if available from another provider, is identified, obtained and integrated into our infrastructure. To the extent that we do not effectively address capacity constraints, upgrade our systems as needed, and continually develop our technology and network architecture to accommodate actual and anticipated changes in technology, our business, results of operations and financial condition could be harmed.

**33. *If we are unable to source business opportunities effectively, we may not achieve our financial objectives.***

Our ability to achieve our financial objectives will depend on our ability to identify, evaluate and accomplish business opportunities. To grow our business, we will need to hire, train, supervise and manage new employees and to implement systems capable of effectively accommodating our growth. However, we cannot assure you that any such employees will contribute to the success of our business or that we will implement such systems effectively. Our failure to source business opportunities effectively could have a material adverse effect on our business, financial condition and results of operations. It is also possible that the strategies used by us in the future may be different from those presently in use. No assurance can be given that our analyses of market and other data or the strategies we use or plans in future to use will be successful under various market conditions.

**34. *We are dependent on a number of key managerial personnel, including our Promoters, senior management, and the loss of or our inability to attract or retain such persons with specialized technical know-how could adversely affect our business, results of operations, cash flows and financial condition.***

Our performance depends largely on the efforts and abilities of our Promoters, senior management and other key managerial personnel, including our present officers who have specialized technical know-how. The inputs and experience of our senior management and key managerial personnel are valuable for the development of our business and operations strategy. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. Our Company does not maintain any director's and officer's insurance policy. The loss of the services of such persons could have an adverse effect on our business, results of operations, cash flows and financial condition. For further details on the senior management and key managerial personnel of our Company, please refer to the chapter titled "*Our Management*" beginning on page 109 of this Draft Prospectus.

**35. *Our Promoters and Promoter Group will continue to retain significant control in our Company, which will allow them to influence the outcome of matters submitted to shareholders for approval.***

As of the date of this Draft Prospectus, our Promoters and Promoter Group hold 100% of pre-offer share capital of our Company. Furthermore, after the completion of this Issue, our Promoters and Promoter Group will control, directly or indirectly our Company and continue to hold substantial percentage of the issued and paid-up equity share capital of our Company. As a result, our Promoters and Promoter Group will continue to exercise significant control over us, including being able to control the composition of our Board and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may be unable to affect the outcome of such voting. Our Promoters and Promoter Group may take or block actions with respect to our business which may conflict with the best interests of our Company or that of minority shareholders. We cannot assure you that our Promoters and Promoter Group will exercise their rights as shareholders to the benefit and best interest of our Company.

**36. *In addition to normal remuneration, other benefits and reimbursement of expenses some of our directors (including our Promoter) are interested in our Company to the extent of their shareholding and dividend entitlement in our Company.***

Some of our directors (including our Promoters) 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 would always exercise their rights as shareholders to the benefit and best interest of our Company. For further information, see the chapters titled "*Our Management*" and "*Our Promoters and Promoter Group*" beginning on page 109 and 120 respectively of this Draft Prospectus and the section titled "*Financial Information*" beginning on page 126 of this Draft Prospectus.

**37. *Our actual results could differ from the estimates and projections used to prepare our financial statements.***

The estimates and projections are based on and reflect our current expectations, assumptions and/ or projections as well as our perception of historical trends and current conditions, as well as other factors that we believe are appropriate and reasonable under the circumstances. There can be no assurance that our expectations, estimates, assumptions and/or

projections, including with respect to the future earnings and performance will prove to be correct or that any of our expectations, estimates or projections will be achieved.

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

Few of our agreements may not be stamped adequately. The effect of inadequate stamping is that the document is not admissible as evidence in legal proceedings and parties to that agreement may not be able to legally enforce the same, except after paying a penalty for inadequate stamping. Further, our sub-lease agreement entered for our wind mill at Survey No. 646, vill: Seth Vadala, Taluka: Jamjodhpur, Jamnagar Forest Division, Gujarat is not registered. The effect of nonregistration, in certain cases, is to make the document inadmissible in legal proceedings. Any potential dispute due to non-compliance of local laws relating to stamp duty and registration may adversely impact the operations of our Company.

**39. *Our Company's insurance coverage may not be adequate to protect us against all material hazards which may result in disruptions of operations/monetary loss on account of stoppage of work.***

Our business and assets could suffer damage from fire, natural calamities, misappropriation or other causes, resulting in losses, which may not be fully compensated by insurance. There can be no assurance that the terms of our insurance policies will be adequate to cover any damage or loss suffered by our Company or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. Further, our Company is required to renew these insurance policies from time to time and in the event, we fail to renew the insurance policies within the time period prescribed in the respective insurance policies or not obtain at all, our Company may face significant uninsured losses. If our Company suffers a large uninsured loss or if any insured loss suffered, significantly exceeds our insurance coverage, our business, financial condition and results of operations may be adversely affected.

**40. *If we fail to maintain an effective system of internal controls, we may not be able to successfully manage, or accurately report, our financial risks.***

Effective internal controls are necessary for us to prepare reliable and avoid fraud. Moreover, any internal controls that we may implement, or our level of compliance with such controls, may deteriorate over time, due to evolving business conditions. We cannot assure you that deficiencies in our internal controls will not arise in the future, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls. Any inability on our part to adequately detect, rectify or mitigate any such deficiencies in our internal controls may affect ability to accurately report, or successfully manage, our financial risks, and to avoid fraud, which may in turn adversely affect our business, financial condition or results of operations.

**41. *We have been recently incorporated the company and any non-compliance with the provisions of Companies Act, 2013 may attract penalties against our Company which could impact our financial and operational performance and reputation.***

Our Company has been incorporated under Companies Act, 2013 on January 06, 2022 pursuant to conversion of Erstwhile Partnership firm "S K P Bearing Industries" of our Promoter Mr. Shrinand Kamlakar Palshikar and Ms. Sangita Shrinand Palshikar. Prior to conversion, the provisions of the Companies Act were not applicable to the Partnership firm. Any non-compliance with the provisions of Companies Act, 2013 in the future may attract penalties against our Company which could impact our financial and operational performance and reputation.

**42. *We may not be successful in implementing our business strategies.***

The success of our business depends substantially on our ability to implement our business strategies effectively. Even though we have successfully executed our business strategies in the past, there is no guarantee that we can implement the same on time and within the estimated budget going forward, or that we will be able to meet the expectations of our targeted clients. Changes in regulations applicable to us may also make it difficult to implement our business strategies. Failure to implement our business strategies would have a material adverse effect on our business and results of operations.

**43. *Industry information included in this Draft Prospectus has been derived from industry reports. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.***

We have relied on the reports of certain independent third party for purposes of inclusion of such information in this Draft Prospectus. These reports are subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified data from such industry reports and other sources. Although we believe that the data

may be considered to be reliable, their accuracy, completeness and underlying assumptions are not guaranteed and their dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective 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 for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Prospectus.

- 44. *Within the parameters as mentioned in the chapter titled “Objects of the Offer” beginning on page 60 of this Draft Prospectus, our Company’s management will have flexibility in applying the proceeds of this Offer. The fund requirement and deployment mentioned in the Objects of this Offer have not been appraised by any bank or financial institution.***

We intend to use entire Net Proceeds towards meeting the working capital requirement and general corporate purpose. We intend to deploy the Net Proceeds in financial year 2022-2023 and such deployment is based on certain assumptions and strategy which our Company believes to implement in future. The funds raised from the Offer may remain idle on account of change in assumptions, market conditions, strategy of our Company, etc., For further details on the use of the Offer Proceeds, please refer chapter titled “*Objects of the Offer*” beginning on page 60 of this Draft Prospectus.

The deployment of funds for the purposes described above is at the discretion of our Company’s Board of Directors. The fund requirement and deployment are based on internal management estimates and has not been appraised by any bank or financial institution. Accordingly, within the parameters as mentioned in the chapter titled “*Objects of the Offer*” beginning on page 60 of this Draft Prospectus, the Management will have significant flexibility in applying the proceeds received by our Company from the Offer. Our Board of Directors will monitor the proceeds of this Offer.

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

Since the offer size is less than ₹10,000 Lakhs, there is no mandatory requirement of appointing an Independent Monitoring Agency for overseeing the deployment of utilization of funds raised through this Offer. The deployment of these funds raised through this Offer, is hence, at the discretion of the management and the Board of Directors of our Company and will not be subject to monitoring by any independent agency. Any inability on our part to effectively utilize the Offer proceeds could adversely affect our financials.

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

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, see “*Dividend Policy*” beginning on page 125 of this Draft Prospectus.

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

The funds that we receive would be utilized for the Objects of the Offer as has been stated in the Chapter “*Objects of the Offer*” beginning on page 60 of this Draft Prospectus. The proposed schedule of implementation of the objects of the Offer is based on our management’s estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Offer, we may have to revise our business and development plans resulting in unprecedented financial mismatch and this may adversely affect our revenues and results of operations.

- 48. *We have not made any alternate arrangements for meeting our capital requirements for the Objects of the Offer. Further we have not identified any alternate source of financing the Objects of the Offer. Any shortfall in raising / meeting the same could adversely affect our growth plans, business operations and financial condition***

As on date of this Draft Prospectus, we have not made any alternate arrangements for meeting our capital requirements for some of the objects of the offer. We meet our capital requirements through, owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this offer or any shortfall in the net offer proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details, please refer to the chapter titled “*Objects of the Offer*” beginning on page 60 of this Draft Prospectus.

**49. *We could be harmed by employee misconduct or errors that are difficult to detect and any such incidences could adversely affect our financial condition, results of operations and reputation.***

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

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

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

**51. *We are subject to foreign currency exchange rate fluctuations which could have a material and adverse effect on our results of operations and financial conditions.***

We derive a part of our revenue from international operations also. Changes in value of currencies with respect to the Rupee may cause fluctuations in our operating results expressed in Rupees. The exchange rate between the Rupee and other currencies is variable and may continue to fluctuate in future. Fluctuations in the exchange rates may affect us to the extent of cost of goods and sales in foreign currency terms. Any adverse or unforeseen fluctuations with respect to the unhedged exchange rate of any foreign currency for Indian Rupees may affect our results of operations.

**52. *The average cost of acquisition of Equity Shares by our Promoters and the Selling Shareholders could be lower than the price determined at time of registering the Draft Prospectus.***

Our Promoters and the Selling Shareholders’ average cost of acquisition of Equity Shares in our Company may be lower than the Price as may be decided by the Company and the Selling Shareholders in consultation with the LM. For further details regarding average cost of acquisition of Equity Shares by our Promoters and the Selling Shareholders in our Company and build-up of Equity Shares by our Promoters in our Company, please refer chapter title “*Capital Structure*” beginning on page 52 of this Draft Prospectus.

## **OFFER RELATED RISKS**

**53. *An investment in the Equity Shares is subject to general risk related to investments in Indian Companies.***

Our Company is incorporated in India and all of our assets and employees are located in India. Consequently, our business, results of operations, financial condition and the market price of the Equity Shares will be affected by changes in interest rates in India, policies of the Government of India, including taxation policies along with policies relating to industry, political, social and economic developments affecting India.

**54. *Any variation in the utilization of the Net Proceeds of the Offer as disclosed in this Draft Prospectus shall be subject to certain compliance requirements, including prior Shareholders’ approval.***

We propose to utilize the Net Proceeds for funding working capital requirements and general corporate purposes. For further details of the proposed objects of the Offer, please see chapter titled “*Objects of the Offer*” beginning on page 60 of this Draft Prospectus. In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds from the Fresh Offer as disclosed in this Draft Prospectus without obtaining the shareholders’ approval through a special resolution. In the event of any such circumstances that requires us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the Shareholders’ approval in a timely manner, or at all. Any delay or inability in obtaining such Shareholders’ approval may adversely affect our business or operations. Further, our Promoters or controlling shareholders would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to modify the objects of the Offer as prescribed in the SEBI ICDR Regulations. If our shareholders exercise such exit option, our business and financial condition could be adversely affected. Therefore, we may not be able to undertake variation of objects of the Offer to use any unutilized proceeds of the Offer, if any, even if such variation is in the interest of our Company, which may restrict our ability to respond to any change in our business or financial condition, and may adversely affect our business and results of operations.

**55. *We have issued Equity Shares during the last one year at a price below the Offer Price.***

During the last one year we have issued Equity Shares at a price lower than the Offer Price pursuant to conversion of our erstwhile partnership firm to company. For further details, see “*Capital Structure*” on page 52 of this Draft Prospectus. The prices at which Equity Shares have been issued by us in last one year should not be taken to be indicative of the Offer Price and the trading price of our Equity Shares after listing.

**56. *The Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer.***

The Offer Price of the Equity Shares will be determined by our Company in consultation with the and the Lead Manager, and through Fixed Price Process. This price will be based on numerous factors, as described under “*Basis for Offer Price*” beginning on page 65 of this Draft Prospectus and may not be indicative of the market price for the Equity Shares after the Offer. The market price of the Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price. We cannot assure you that the investor will be able to resell their Equity Shares at or above the Offer Price.

**57. *Our Company will not receive any proceeds from the Offer for Sale.***

The Offer includes an Offer for Sale of up to 28,00,000 Equity Shares, in the aggregate, by the Selling Shareholders. Our Company will not receive any proceeds of the Offer for Sale by the Selling Shareholders. However, in the event that the Offer is withdrawn or not completed for any reason whatsoever, all the Offer related expenses will be exclusively borne by our Company. The expenses of the Selling Shareholders will, at the outset, be borne by our Company and the Selling Shareholders will reimburse our Company for such expenses incurred by our Company on behalf of the Selling Shareholders, in relation to the Offer, upon successful completion of the Offer in the manner as prescribed under applicable law and agreed amongst the Company and the Selling Shareholders. For further information, please see “*Objects of the Offer*” on page 60 of this Draft Prospectus.

**58. *Our Equity Shares have never been publicly traded, and may experience price and volume fluctuations following the completion of the Offer. Further, our Equity Shares may not result in an active or liquid market and the price of our Equity Shares may be volatile and you may be unable to resell your Equity Shares at or above the Offer Price or at all.***

Prior to the Offer, there has been no public market for our Equity Shares, and an active trading market may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for our Equity Shares will develop or, if developed, does not guarantee the liquidity of such market for the Equity Shares. Investors might not be able to rapidly sell the Equity Shares at the quoted price if there is no active trading in the Equity Shares. The Offer Price of the Equity Shares has been determined by our Company and the Selling Shareholders in consultation with the LM through the Fixed Price Process. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

**59. *There is no guarantee that the Equity Shares issued pursuant to the Offer will be listed on the NSE Emerge in a timely manner or at all.***

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Offer 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 failure or delay in listing the Equity Shares on the NSE Emerge. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

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

Any future equity issuances by us, including in a primary offering, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our Promoter or other major shareholders 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.

**61. There are restrictions on daily weekly monthly movement in the price of the equity shares, which may adversely affect the shareholder's ability to sell for the price at which it can sell, equity shares at a particular point in time.**

Once listed, we would be subject to circuit breakers imposed by the stock exchange, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI. The percentage limit on circuit breakers is said by the stock exchange based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchange does not inform us of the percentage limit of the circuit breaker in effect from time to time, and may change it without our knowledge. This circuit breaker limits the upward and downward movements in the price of the Equity Shares. As a result of the circuit breaker, no assurance may be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized in excess of Rs. 1,00,000/- on the sale of listed equity shares on a stock exchange held for more than 12 months will be subject to long term capital gains tax in India at the specified rates in case STT was paid on the sale transaction. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of Securities Transaction Tax ("STT"), on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

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

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

Our restated financial statements, including the financial statements provided in this Draft Prospectus, are prepared in accordance with Indian GAAP. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Draft Prospectus, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Indian GAAP. For details, refer chapter titled "*Presentation of Financial Industry and Market Data*" beginning on Page 13 of this Draft Prospectus.

Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Prospectus should accordingly be limited. India has decided to adopt the "Convergence of its existing standards with IFRS" and not the "International Financial Reporting Standards" ("IFRS"), which was announced by the MCA, through the press note dated January 22, 2010. These "IFRS based / synchronized Accounting Standards" are referred to in India as IND (AS). Public companies in India, including our Company, may be required to prepare annual and interim financial statements under IND (AS). The MCA, through a press release dated February 25, 2011, announced that it will implement the converged accounting standards in a phased manner after various issues, including tax related issues, are resolved. Further, MCA Notification dated February 16, 2015, has provided an exemption to the Companies proposing to list their

shares on the SME Exchange as per Chapter IX of the SEBI ICDR Regulations and hence the adoption of IND (AS) by a SME exchange listed Company is voluntary. Accordingly, we have made no attempt to quantify or identify the impact of the differences between Indian GAAP and IFRS or to quantify the impact of the difference between Indian GAAP and IFRS as applied to its financial statements. There can be no assurance that the adoption of IND-AS will not affect our reported results of operations or financial condition. Any failure to successfully adopt IND-AS may have an adverse effect on the trading price of our Equity Shares. Currently, it is not possible to quantify whether our financial results will vary significantly due to the convergence to IND (AS), given that the accounting principles laid down in the IND (AS) are to be applied to transactions and balances carried in books of accounts as on the date of the applicability of the converged standards, i.e., IND (AS) and for future periods.

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

**64. *Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

## **EXTERNAL RISKS**

**65. *Natural calamities could have a negative impact on the Indian economy and cause our Company's business to suffer.***

India has experienced natural calamities such as earthquakes, tsunami, floods etc. In recent years, the extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares.

**66. *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 terrorist attacks, other incidents such as those in US, Indonesia, Madrid and London, 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.

**67. *If there is any change in tax laws or regulations, or their interpretation, such changes may significantly affect our financial statements for the current and future years, which may have a material adverse effect on our financial position, business and results of operations.***

Having our business operations in multiple jurisdictions, we are subject to varying central and state tax regimes. The applicable categories of taxes and tax rates also vary significantly from jurisdiction to jurisdiction, which may be amended from time to time. The final determination of our tax liabilities involves the interpretation of local tax laws and related regulations in each country as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned, and expenditure incurred. Our business and financial performance may be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business or the regulator enforcing them in any one of those countries may adversely affect our results of operations.

To the extent that we are entitled to certain tax benefits in India which are available for a limited period of time, our profitability will be affected if such benefits will no longer be available, or are reduced or withdrawn prematurely or if we

are subject to any dispute with the tax authorities in relation to these benefits or in the event, we are unable to comply with the conditions required to be complied with in order to avail ourselves of each of these benefits. Please see “*Statement of Possible Tax Benefits*” beginning on page 67 of this Draft Prospectus for details in relation to possible tax benefits available to our Company. In the event that any adverse development in the law or the manner of its implementation affects our ability to benefit from these tax incentives, our business, results of operations, financial condition and prospects may be adversely affected.

Changes in the operating environment, including changes in tax law, could impact the determination of our tax liabilities for any given tax year. Taxes and other levies imposed by the Government of India that affect our industry include income tax, goods and services tax and other taxes, duties or surcharges introduced from time to time. The tax scheme in India is extensive and subject to change from time to time and any adverse changes in any of the taxes levied by the Government of India may adversely affect our competitive position and profitability. We cannot assure you that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the countries in which we operate may materially and adversely affect our business, results of operations and financial condition. In addition, we may have to incur expenditure to comply with the requirements of any new regulations, which may also materially harm our results of operations. We are also subject to these risks in all our overseas operations depending on each specific country. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities. As a result, any such changes or interpretations may adversely affect our business, financial condition and financial performance. Further, changes in capital gains tax or tax on capital market transactions or sale of shares may affect investor returns.

**68. *Global 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.

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

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

**70. *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.

**71. *The ability of Indian companies to raise foreign capital may be constrained by Indian law.***

As an Indian Company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA. Such regulatory restrictions limit our financing sources for our projects under development and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may adversely affect our business growth, results of operations and financial condition.

## SECTION IV – INTRODUCTION

### THE OFFER

<b>Equity Shares Offered<sup>(1)</sup>: Present Offer of Equity Shares by our Company:<sup>(2)</sup></b>	Up to 44,00,000 Equity Shares of face value of ₹10/- each fully paid for cash at a price of ₹ [●] per Equity Share aggregating ₹ [●] Lakhs
<b>The Offer consists of:</b>	
<b>Fresh Offer</b>	Up to 16,00,000 Equity Shares of face value of ₹10/- each fully-paid up for cash at a price of ₹ [●] per Equity Share aggregating ₹ [●] Lakhs
<b>Offer for Sale<sup>(3)</sup></b>	Up to 28,00,000 Equity Shares of face value of ₹10/- each fully-paid up for cash at a price of ₹ [●] per Equity Share aggregating ₹ [●] Lakhs
<b>Of which:</b>	
<b>Offer Reserved for the Market Maker</b>	Up to [●] Equity Shares of face value of ₹10/- each fully paid up for cash at a price of ₹ [●] per Equity Share aggregating ₹ [●] Lakhs
<b>Net Offer to Public</b>	Up to [●] Equity Shares of face value of ₹10/- each fully paid for cash at a price of ₹ [●] per Equity Share aggregating ₹ [●] Lakhs
	<b>Of which<sup>(4)</sup>:</b>
	Up to [●] Equity Shares of having face value of ₹10/- each fully paid-up for cash at a price of ₹ [●] per Equity Share will be available for allocation for Investors of up to ₹2.00 Lakhs
	Up to [●] Equity Shares of having face value of ₹10/- each fully paid-up for cash at a price of ₹ [●] per Equity Share will be available for allocation for Investors of above ₹2.00 Lakhs
<b>Equity shares outstanding prior to the Offer</b>	1,50,00,000 Equity Shares of face value of ₹10/- each fully paid-up
<b>Equity shares outstanding after the Offer</b>	Up to 1,66,00,000 Equity Shares of face value of ₹ 10/- each fully paid-up
<b>Use of Net Proceeds</b>	Please refer to the chapter titled “ <i>Objects of the Offer</i> ” beginning on page 60 of this Draft Prospectus

**Notes:**

- (1) This Offer is being made in terms of Chapter IX of the SEBI ICDR Regulations. For further details, please see the chapter titled “Offer Structure” beginning on page 162 of this Draft Prospectus.
- (2) The present Offer has been authorized pursuant to a resolution of our Board dated February 15, 2022 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 February 17, 2022.
- (3) The Equity Shares being offered by the Selling Shareholders have been held for a period of at least one year immediately preceding the date of this Draft Prospectus (in the form of fixed capital in the Erstwhile Partnership Firm) and are eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations. The Selling Shareholders have confirmed and approved their portion in the Offer for Sale as set out below:

Selling Shareholders	Number of Equity Shares Offered	Date of Transmittal Letter
Mr. Shrinand Kamlakar Palshikar	Up to 14,00,000	February 22, 2022
Ms. Sangita Shrinand Palshikar	Up to 14,00,000	February 22, 2022

- (4) Since present offer is a Fixed Price Offer, the allocation in the Net Offer to the public category in terms of Regulation 253 of the SEBI ICDR Regulations 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.*

*If the Retail individual investor category is entitled to more than fifty per cent. of the offer size on a proportionate basis, the retail individual investors shall be allocated that higher percentage.*

For details, including in relation to grounds for rejection of Applications, refer to “*Offer Structure*” and “*Offer Procedure*” beginning on 162 and 164, of this Draft Prospectus respectively. For details of the terms of the Offer, see “*Terms of the Offer*” beginning on page 157 of this Draft Prospectus.

**SUMMARY OF FINANCIAL INFORMATION**

**ANNEXURE – A: RESTATED STATEMENT OF ASSETS AND LIABILITIES**

Sr. No.	Particulars	Note No.	As at January 05, 2022	As at 31st March		
				2021	2020	2019
<b>I.</b>	<b>Equity and Liabilities</b>					
<b>(1)</b>	<b>Shareholders' Funds</b>					
(a)	Share Capital/Partners' Fixed Capital	<b>A.1.1</b>	1,500.00	-	-	-
(b)	Partners' Current Capital	<b>A.1.2</b>	2,630.47	4,580.08	3,913.92	3,086.87
(c)	Reserves & Surplus		-	-	-	-
	Money received against share warrants		-	-	-	-
<b>(2)</b>	<b>Share application money pending allotment</b>		-	-	-	-
<b>(3)</b>	<b>Non-Current Liabilities</b>					
(a)	Long-Term Borrowings	<b>A.2</b>	-	35.96	40.56	36.01
(b)	Other Long-Term Liabilities		-	-	-	-
(c)	Long-Term Provisions		-	-	-	-
(d)	Deferred Tax Liabilities (Net)	<b>A.8</b>	136.46	118.16	84.48	35.14
<b>(4)</b>	<b>Current Liabilities</b>					
(a)	Short Term Borrowings		-	-	-	-
(b)	Trade Payables:	<b>A.3</b>				
	(A) total outstanding dues of micro enterprises and small enterprises; and		-	-	-	-
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises		100.86	109.42	56.55	93.97
(c)	Other Current Liabilities	<b>A.4</b>	76.81	54.76	16.50	7.84
(d)	Short Term Provisions	<b>A.5</b>	634.08	382.70	1,336.69	1,098.52
	<b>Total</b>		<b>5,078.66</b>	<b>5,281.07</b>	<b>5,448.70</b>	<b>4,358.36</b>
<b>II.</b>	<b>Assets</b>					
<b>(1)</b>	<b>Non-Current Assets</b>					
(a)	Property, Plant and Equipment and Intangible Assets:					
	(i) Property, Plant and Equipment	<b>A.6</b>	2,346.64	2,407.17	2,375.95	1,906.20
	(ii) Intangible Assets		-	-	-	-
	(iii) Capital Work-in-Progress		107.16	24.58	-	224.98
	(iv) Intangible Assets under development		-	-	-	-
(b)	Non-Current Investments	<b>A.7</b>	79.64	743.36	731.86	127.16
(c)	Deferred Tax Assets (net)		-	-	-	-
(d)	Long Term Loans & Advances	<b>A.9</b>	169.68	136.68	29.51	42.98
(e)	Other Non-Current Assets	<b>A.10</b>	26.48	-	-	-
<b>(2)</b>	<b>Current Assets</b>					
(a)	Current Investments		-	-	-	-
(b)	Inventories	<b>A.11</b>	365.05	560.64	359.33	310.33
(c)	Trade Receivables	<b>A.12</b>	1,258.50	962.27	631.56	670.25
(d)	Cash and Cash Equivalents	<b>A.13</b>	68.66	12.03	105.32	29.00
(e)	Short-Term Loans and Advances	<b>A.14</b>	144.24	204.52	3.19	70.64
(f)	Other Current Assets	<b>A.15</b>	512.62	229.82	1,211.98	976.82
	<b>Total</b>		<b>5,078.66</b>	<b>5,281.07</b>	<b>5,448.70</b>	<b>4,358.36</b>

**ANNEXURE – B: RESTATED STATEMENT OF PROFIT AND LOSS**

Sr. No	Particulars	Note No.	As at January 05, 2022	For The Year Ended 31st March		
				2021	2020	2019
I.	Revenue from Operations	<b>B.1</b>	3,147.50	3,627.91	3,189.45	3,997.33
II.	Other Income	<b>B.2</b>	296.85	81.38	68.74	83.82
<b>III.</b>	<b>Total Income (I + II)</b>		<b>3,444.35</b>	<b>3,709.29</b>	<b>3,258.18</b>	<b>4,081.15</b>
<b>IV.</b>	<b>Expenses:</b>					
	Cost of Material Consumed	<b>B.3</b>	1,325.96	1,884.95	1,458.88	1,987.77
	Change in Inventories	<b>B.4</b>	63.60	(38.83)	(80.87)	(28.85)
	Employees Benefit Expenses	<b>B.5</b>	158.71	183.24	192.00	190.69
	Finance costs	<b>B.6</b>	252.98	219.97	198.46	203.37
	Depreciation and Amortization	<b>B.7</b>	116.49	141.17	120.90	96.97
	Other expenses	<b>B.8</b>	217.40	270.26	267.58	262.50
	<b>Total Expenses</b>		<b>2,135.14</b>	<b>2,660.77</b>	<b>2,156.94</b>	<b>2,712.45</b>
<b>V.</b>	<b>Profit before exceptional and extraordinary items and tax (III - IV)</b>		<b>1,309.21</b>	<b>1,048.52</b>	<b>1,101.24</b>	<b>1,368.71</b>
VI.	Exceptional Items		-	-	-	-
<b>VII.</b>	<b>Profit before extraordinary items and tax (V - VI)</b>		<b>1,309.21</b>	<b>1,048.52</b>	<b>1,101.24</b>	<b>1,368.71</b>
VIII.	Extraordinary items		-	-	-	-
<b>IX.</b>	<b>Profit before tax (VII - VIII)</b>		<b>1,309.21</b>	<b>1,048.52</b>	<b>1,101.24</b>	<b>1,368.71</b>
<b>X.</b>	<b>Tax expense:</b>					
	Current tax		350.49	269.24	239.44	340.93
	Deferred Tax		18.30	33.68	49.33	35.14
<b>XI.</b>	<b>Profit (Loss) for the period from continuing operations (IX - X)</b>		<b>940.41</b>	<b>745.60</b>	<b>812.47</b>	<b>992.64</b>
<b>XII.</b>	<b>Earning per equity share in Rs.:</b>					
	(1) Basic		6.27	4.97	5.42	6.62
	(2) Diluted		6.27	4.97	5.42	6.62

**ANNEXURE – C: RESTATED STATEMENT OF CASH FLOWS**

Particulars	As at January 05, 2022	For The Year Ended 31st March		
		2021	2020	2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit/ (Loss) before tax	1,309.21	1,048.52	1,101.24	1,368.71
<i>Adjustments for:</i>				
Depreciation	116.49	141.17	120.90	96.97
Finance Cost	252.98	219.97	198.46	203.37
Gratuity/Leave Encashment Expenses	-	-	-	-
Interest Income	-	-	(1.52)	(2.33)
<b>Operating profit before working capital changes</b>	<b>1,678.68</b>	<b>1,409.66</b>	<b>1,419.07</b>	<b>1,666.72</b>
Movements in working capital:				
(Increase)/Decrease in Inventories	195.59	(201.31)	(49.00)	(159.33)
(Increase)/Decrease in Trade Receivables	(296.23)	(330.71)	38.69	(144.06)
(Increase)/Decrease in Loans & Advances	60.28	(201.33)	67.45	(71.54)
(Increase)/Decrease in Other Current Assets/ Non-Current Assets	(282.79)	982.16	(235.17)	(653.02)
Increase/(Decrease) in Trade Payables	(8.56)	52.87	(37.42)	37.07
Increase/(Decrease) in Other Current Liabilities	273.43	(915.75)	246.83	322.72
<b>Cash generated from operations</b>	<b>1,620.39</b>	<b>795.60</b>	<b>1,450.45</b>	<b>998.55</b>
Income tax paid during the year	350.49	269.24	239.44	340.93
<b>Net cash from operating activities (A)</b>	<b>1,269.90</b>	<b>526.36</b>	<b>1,211.02</b>	<b>657.62</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Interest Income	-	-	1.52	2.33
Purchase of Fixed Assets	(138.54)	(196.97)	(365.66)	(179.09)
Increase in Other Non-Current Assets	604.24	(118.67)	(591.23)	(126.16)
<b>Net cash from investing activities (B)</b>	<b>465.70</b>	<b>(315.64)</b>	<b>(955.36)</b>	<b>(302.91)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Interest paid on borrowings	(252.98)	(219.97)	(198.46)	(203.37)
Proceeds from Share Capital	(1,390.03)	(79.44)	14.58	54.43
Proceeds/(Repayment) of Borrowings	(35.96)	(4.60)	4.55	(207.01)
<b>Net cash from financing activities (C)</b>	<b>(1,678.96)</b>	<b>(304.01)</b>	<b>(179.33)</b>	<b>(355.95)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>56.63</b>	<b>(93.29)</b>	<b>76.32</b>	<b>(1.24)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>12.03</b>	<b>105.32</b>	<b>29.00</b>	<b>30.24</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>68.66</b>	<b>12.03</b>	<b>105.32</b>	<b>29.00</b>

## GENERAL INFORMATION

Our Company was originally formed as a partnership firm under the name and style of “M/s. S K P Bearing Industries” pursuant to a deed of partnership dated November 21, 1991, as amended from time to time. M/s. S K P Bearing Industries was thereafter converted into a private limited company “SKP Bearing Industries Private Limited” on January 06, 2022 pursuant to the provisions of Chapter XXI of the Companies Act and fresh a certificate of Incorporation dated January 06, 2022 was issued by Registrar of Companies, Ahmedabad vide CIN No. U29305GJ2022PTC128492. Subsequently, our Company has been converted into a public limited company and the name of our Company changed to “SKP Bearing Industries Limited” pursuant to a special resolution passed at the Extra-Ordinary General Meeting of our Company held on January 31, 2022 and a fresh Certificate of Incorporation dated February 15, 2022 issued by the Registrar of Companies, Ahmedabad. The Corporate Identity Number of our Company is U29305GJ2022PLC128492.

For further details and details of changes in the registered office of our company, please refer to the chapter titled “History and Certain Corporate Matters” beginning on page 106 of this Draft Prospectus.

### REGISTERED OFFICE

**SKP Bearing Industries Limited**  
Survey No. 2127, Mulchand Road  
Wadhwan - 363 030, Surendranagar  
Gujarat, India  
**Tel No.:** +91 9824231243  
**Email:** [info@skpbearings.com](mailto:info@skpbearings.com)  
**Website:** [www.skpbearings.com](http://www.skpbearings.com)

### REGISTRAR OF COMPANIES

**Registrar of Companies, Ahmedabad**  
ROC Bhavan, Opp. Rupal Park Society,  
Behind Ankur Bus Stop, Naranpura,  
Ahmedabad - 380 013, Gujarat, India  
**Tel No.:** 079 – 2743 8531  
**Email:** [roc.ahmedabad@mca.gov.in](mailto:roc.ahmedabad@mca.gov.in)

### DESIGNATED STOCK EXCHANGE

**NSE Emerge**  
**National Stock Exchange of India Limited**  
Exchange Plaza, Plot no. C/1, G Block  
Bandra – Kurla Complex  
Bandra (E) Mumbai – 400 051  
Maharashtra, India  
**Tel No.:** 022 – 2659 8100/ 8114  
**Website:** [www.nseindia.com](http://www.nseindia.com)

### BOARD OF DIRECTORS

As on the date of this Draft Prospectus, the Board of Directors of our Company comprises of the following:

Name	Designation	DIN	Residential Address
Mr. Shrinand Kamlakar Palshikar	Chairman & Managing Director	08992832	Block No. 11, Banker Society, Near Milk Dairy, Wadhwan – 363 030, Surendranagar, Gujarat, India
Ms. Sangita Shrinand Palshikar	Non- Executive Director	09054303	Block No. 11, Banker Society, Near Milk Dairy, Wadhwan – 363 030, Surendranagar, Gujarat, India
Mr. Rajeev Vinayak Lokare	Independent Director	07463201	201, Leera Apartment, Plot No. 32, Manisha Society, Karve Nagar, Pune – 411 052, Maharashtra, India
Mr. Kishorbhai Chhanalal Parikh	Independent Director	09478557	Near Parivar Appartment, Near Kamal Temple, Ghar Ho Toh Aisa Compound Area, Surendranagar – 363 002, Gujarat, India

For detailed profile of our Board of Directors, please see chapter titled “*Our Management*” beginning on page 109 of this Draft Prospectus.

#### **CHIEF FINANCIAL OFFICER**

**Ms. Shripada Shrinand Palshikar**

Survey No. 2127, Mulchand Road  
Wadhwan - 363 030, Surendranagar  
Gujarat, India

**Tel No.:** +91 9824231243

**Email:** [info@skpbearings.com](mailto:info@skpbearings.com)

**Website:** [www.skpbearings.com](http://www.skpbearings.com)

#### **COMPANY SECRETARY AND COMPLIANCE OFFICER**

**Ms. Pooja Kamleshkumar Sharma**

Survey No. 2127, Mulchand Road  
Wadhwan - 363 030, Surendranagar  
Gujarat, India

**Tel No.:** +91 9824231243

**Email:** [info@skpbearings.com](mailto:info@skpbearings.com)

**Website:** [www.skpbearings.com](http://www.skpbearings.com)

#### **INVESTOR GRIEVANCES**

Investors may contact the Company Secretary and Compliance Officer and /or the Registrar to the Offer and/or Lead Manager in case of any pre- Offer or post- Offer related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders, non-receipt of funds by electronic mode etc.

All grievances may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary with whom the Application Form was submitted, giving full details such as name of the sole or First Applicant, Application Form number, Applicant’s DP ID, Client ID, PAN, address of Applicant, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Application Amount was blocked or the UPI ID (for Retail Individual Investors who make the payment of Application Amount through the UPI Mechanism), date of Application Form and the name and address of the relevant Designated Intermediary where the Application was submitted. Further, the Applicant shall enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove.

#### **LEAD MANAGER TO THE OFFER**

**Shreni Shares Private Limited**

A-102, Sea Lord CHS, Above Axis Bank,  
Ram Nagar, Borivali (West),  
Mumbai - 400 092, Maharashtra, India

**Tel No:** 022 - 2808 8456

**Email:** [shrenishares@gmail.com](mailto:shrenishares@gmail.com)

**Website:** [www.shreni.in](http://www.shreni.in)

**Investor Grievance E-mail:** [info@shreni.in](mailto:info@shreni.in)

**Contact Person:** Ms. Kritika Rupda

**SEBI Registration Number:** INZ000268538

#### **REGISTRAR TO THE OFFER**

**Bigshare Services Private Limited**

1<sup>st</sup> Floor, Bharat Tin Works Building,  
Opposite Vasant Oasis, Makwana Road,  
Marol, Andheri (East), Mumbai – 400 059  
Maharashtra, India

**Tel No:** 022 – 6263 8200

**Email:** [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)

**Investor Grievance E-mail:** [investor@bigshareonline.com](mailto:investor@bigshareonline.com)  
**Website:** [www.bigshareonline.com](http://www.bigshareonline.com)  
**Contact Person:** Mr. Swapnil Kate  
**SEBI Registration Number:** INR000001385

#### LEGAL ADVISOR TO THE OFFER

**M/s. Asha Agarwal & Associates**  
30/24/08, Varun Path, Mansorvar  
Jaipur – 302 020, Rajasthan, India  
**Tel No.:** 99509 33137  
**Email:** [asha.agarwal6@gmail.com](mailto:asha.agarwal6@gmail.com)  
**Contact Person:** Ms. Nisha Agarwal

#### BANKERS TO THE OFFER / REFUND BANK / SPONSOR BANK

[•]

#### BANKERS TO THE COMPANY

**State Bank of India**  
GIDC Wadhwan Branch,  
Marketing Yard, Ta Wadhwan  
Surendranagar, Gujarat, India  
**Tel No.:** 02752 – 241 304  
**Contact Person:** Mr. Abhishek Mehrotra  
**Email:** [sbi.05744@sbi.co.in](mailto:sbi.05744@sbi.co.in)  
**Website:** [www.sbi.co.in](http://www.sbi.co.in)

#### STATUTORY AUDITORS OF OUR COMPANY

**M/s. Dipak P. Shah & Co.**  
First Floor, Cotton Hall, Main Road,  
Surendranagar – 363 001, Gujarat, India  
**Tel No.:** 02752 - 224 534  
**Email:** [dipakpshahca@yahoo.com](mailto:dipakpshahca@yahoo.com)  
**Contact Person:** Mr. Dipak P. Shah  
**Firm Registration No.:** 0112132W  
**Peer Review No. :** 010984

#### SHARE ESCROW AGENT

[•]

#### STATEMENT OF INTER-SE ALLOCATION OF RESPONSIBILITIES

Shreni Shares Private Limited is the sole Lead Manager to this Offer and all the responsibilities relating to co-ordination and other activities in relation to the Offer shall be performed by them and hence a statement of inter-se allocation of responsibilities is not required.

#### SELF-CERTIFIED SYNDICATE BANKS (“SCSBs”)

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>. Details relating to designated branches of SCSBs collecting the ASBA application forms are available at the above-mentioned link.

The list of banks that have been notified by SEBI to act as SCSBs for the UPI process provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. The list of Branches of the SCSBs named by the respective SCSBs to receive deposits of the application forms from the designated intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and it's updated from time to time.

## **INVESTORS BANKS OR ISSUER BANKS FOR UPI**

The list of Self Certified Syndicate Banks that have been notified by SEBI to act as Investors Bank or Issuer Bank for UPI mechanism are provide on the website of SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. For details on Designated Branches of SCSBs collecting the Bid Cum Application Forms, please refer to the above-mentioned SEBI link.

## **REGISTERED BROKERS**

In terms of SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012, Applicant can submit Application Form for the Offer using the stock brokers network of the Stock Exchanges, i.e., through the Registered Brokers at the Brokers Centres.

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)), and updated from time to time. For details on Registered Brokers, please refer <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

## **REGISTRAR TO THE OFFER AND SHARE TRANSFER AGENTS (“RTA”)**

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the list of the RTAs eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)), and updated from time to time. For details on RTA, please refer <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

## **COLLECTING DEPOSITORY PARTICIPANTS (“CDP”)**

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the list of the CDPs eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Application Forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

## **CREDIT RATING**

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

## **IPO GRADING**

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

## **DEBENTURE TRUSTEES**

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

## **MONITORING AGENCY**

Since our Offer size does not exceeds one hundred crore rupees, we are not required to appoint monitoring agency for monitoring the utilization of Net Proceeds in accordance with Regulation 262(1) of SEBI ICDR Regulations. Our Company has not appointed any monitoring agency for this Offer. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Offer.

## **FILING OF THE DRAFT PROSPECTUS/ PROSPECTUS**

The Draft Prospectus and Prospectus shall be filed on NSE Emerge.

Pursuant to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022, Draft Prospectus has not been submitted to SEBI, however, soft copy of Prospectus shall be submitted to SEBI pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. SEBI will not issue any observation on the offer document in term of Regulation 246(2) of the SEBI ICDR Regulations.

A copy of the Prospectus along with the material contracts and documents referred elsewhere in the Prospectus required to be filed under Section 26 and Section 28 of the Companies Act, 2013 will be delivered to the Registrar of Companies, Ahmedabad, situated at ROC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad – 380 013, Gujarat, India at least (3) three working days prior from the date of opening of the Offer.

#### APPRAISING ENTITY

No appraising entity has been appointed in respect of any objects of this Offer.

#### TYPE OF OFFER

The present Offer is considered to be 100% Fixed Price Offer.

#### GREEN SHOE OPTION

No green shoe option is contemplated under the Offer.

#### EXPERT OPINION

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

Our Company has received written consent from the Statutory Auditor & Peer Reviewed Auditor namely, M/s Dipak P. Shah & Co., Chartered Accountants, to include their name in respect of the reports on the Restated Financial Statements dated March 08, 2022 and the Statement of Special Tax Benefits dated March 08, 2022 issued by them and included in this Draft Prospectus, as required under section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Prospectus and as “Expert” as defined under section 2(38) of the Companies Act, 2013 and such consent has not been withdrawn as on the date of this Draft Prospectus.

However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

#### CHANGES IN AUDITORS

Our Company has appointed M/s Dipak P Shah & Co., Chartered Accountants as its first statutory auditors on January 28, 2022.

#### UNDERWRITING AGREEMENT

This Offer is 100% Underwritten by Shreni Shares Private Limited in the capacity of Underwriter to the Offer.

Pursuant to the terms of the Underwriting Agreement dated [●], the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Offer:

Details of the Underwriter	No. of Equity Shares Underwritten	Amount Underwritten	% of total Offer size underwritten
<b>Shreni Shares Private Limited</b> A-102, Sea Lord CHS, Above Axis Bank, Ram Nagar, Borivali West, Mumbai – 400 092, Maharashtra, India Tel No.: 022 - 2808 8456 Email: <a href="mailto:shrenishares@gmail.com">shrenishares@gmail.com</a> SEBI Registration Number: INM000012759 Contact Person: Ms. Kritika Rupda	Up to 44,00,000*	[●]	100.00%
<b>Total</b>	<b>Up to 44,00,000</b>	<b>[●]</b>	<b>100.00%</b>

\*Includes up to [●] Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in order to claim compliance with the requirements of Regulation 261 of the SEBI ICDR Regulations, as amended.

In accordance with Regulation 260(2) of the SEBI ICDR Regulations, this Offer has been 100% underwritten and shall not restrict to the minimum subscription level. As per Regulation 260 of SEBI ICDR Regulations the Lead Manager has agreed to underwrite to a minimum extent of 15% of the Offer (Including the Market Maker Reservation portion) out of its own account and the remaining shall be underwritten by Lead Manager.

## MARKET MAKER

### Shreni Shares Private Limited

A-102, Sea Lord CHS, Above Axis bank,

Ram Nagar, Borivali (West),

Mumbai - 400 092, Maharashtra, India

Tel No.: 022 - 2808 8456

Email: [shrenisharespvtltd@yahoo.in](mailto:shrenisharespvtltd@yahoo.in)

Website: [www.shreni.in](http://www.shreni.in)

Contact Person: Mr. Hitesh Punjani

SEBI Registration Number: INZ000268538

NSE Clearing Number: 14109

## DETAILS OF THE MARKET MAKING AGREEMENT

In accordance with Regulation 261 of the SEBI ICDR Regulations, we have entered into an agreement with the Lead Manager and the Market Maker (duly registered with NSE to fulfil the obligations of Market Making) dated [●] to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Offer.

Shreni Shares Private Limited, registered with NSE Emerge will act as the Market Maker and has agreed to receive or deliver of 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 any amendment to SEBI ICDR Regulations.

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI ICDR Regulations, as amended from time to time and the circulars issued by 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 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. The spread (difference between the sell and buy quote) shall not be more than 10% or as specified by the Stock Exchange from time to time. Further, the Market Maker shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
2. The prices quoted by the Market Maker shall be in compliance with the Market Maker Spread requirements and other particulars as specified or as per the requirements of NSE Emerge and SEBI from time to time.
3. The minimum depth of the quote shall be ₹1,00,000. However, the investors with holdings of value less than ₹1,00,000 shall be allowed to issue their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker. Based on the IPO price of ₹ [●]/- per share the minimum lot size is [●] Equity Shares thus minimum depth of the quote shall be [●] until the same, would be revised by NSE.
4. After a period of three (3) months from the market making period, the market maker would be exempted to provide quote if the Equity Shares of market maker in our Company reaches to 25%. Or upper limit (Including the 5% of Equity Shares ought to be allotted under this Offer). Any Equity Shares allotted to Market Maker under this Offer over and above 25% equity shares would not be taken into consideration of computing the threshold of 25%. As soon as the Shares of market maker in our Company reduce to 24%, the market maker will resume providing 2-way quotes.
5. 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.
6. 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. The securities of the company will be placed in Special Pre-Open Session (SPOS) and would remain in Trade for Trade settlement for 10 days from the date of listing of Equity shares on the Stock Exchange.
7. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non- controllable reasons would be final.

8. The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and NSE Emerge from time to time.
9. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
10. There would not be more than five Market Makers for the Company's Equity Shares at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
11. The shares of the company will be traded in continuous trading session from the time and day the company gets listed on NSE Emerge Platform and market maker will remain present as per the guidelines mentioned under NSE and SEBI circulars.
12. 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.
13. The price band shall be 20% and the Market Maker Spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.
14. The Market Maker shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Company, who shall then be responsible to appoint a replacement Market Maker.
15. In case of termination of the abovementioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Company 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 261 of the SEBI ICDR Regulations. Further the Company 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.
16. **Risk containment measures and monitoring for Market Maker:** NSE Emerge Platform will have all margins which are applicable on the 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.
17. **Punitive Action in case of default by Market Maker:** NSE Emerge will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and / or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct / manipulation / other irregularities by the Market Maker from time to time.
18. **Price Band and Spreads:** SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for Offer size up to ₹250 Crores, the applicable price bands for the first day shall be:
  - In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
  - In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the Offer price.

Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The price band shall be 20% and the Market Maker Spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.

19. The following spread will be applicable on the NSE Emerge:

Sr. No.	Market Price Slab (in ₹)	Proposed spread (in % to sale price)
1.	Up to 50	9
2.	50 to 75	8
3.	75 to 100	6
4.	Above 100	5

20. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for Market Maker during market making process has been made applicable, based on the offer size and as follows:

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

21. 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.
22. 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.
23. On the first day of listing, there will be a pre-open session (call auction) and there after 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. The securities of the Company will be placed in SPOS and would remain in Trade for Trade settlement for 10 days from the date of listing of Equity Shares on the Stock Exchange.

#### **WITHDRAWAL OF THE OFFER**

Our Company and the Selling Shareholders in consultation with the Lead Manager, reserve the right not to proceed with the Offer at any time after the Offer Opening Date but before the Board meeting for Allotment. In such an event our Company would issue a public notice in the newspapers, in which the pre-Offer advertisements were published, within two (2) days of the Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer.

The Lead Manager, through the Registrar to the Offer, shall notify the SCSBs and Sponsor Bank (in case of RII's using the UPI Mechanism), to unblock the bank accounts of the ASBA Applicants, within one (1) day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange on which the Equity Shares were proposed to be listed.

Notwithstanding the foregoing, the Offer is also subject to obtaining the final listing and trading approvals from EMERGE Platform of National Stock Exchange, which our Company shall apply for after Allotment. If our Company \ withdraws the Offer after the Offer Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Draft Prospectus.

## CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Draft Prospectus and after giving effect to this Offer, is set forth below:

Sr. No.	Particulars	Aggregate Value at Face Value	Aggregate Value at Offer Price*
<b>A.</b>	<b>Authorized Share Capital</b>		
	1,70,00,000 Equity Shares of face value of ₹10/- each	1,700.00	-
<b>B.</b>	<b>Issued, Subscribed and Paid-Up Equity Capital before the Offer</b>		
	1,50,00,000 Equity Shares of face value of ₹10/- each	1,500.00	-
<b>C.</b>	<b>Present Offer in Terms of this Draft Prospectus</b>		
	Offer of up to 44,00,000 Equity Shares of face value of ₹10/- each <sup>(1)</sup>	440.00	[●]
	<i>Which Comprises of:</i>		
	Fresh Offer of up to 16,00,000 Equity Shares	160.00	[●]
	Offer for Sale of up to 28,00,000 Equity Shares <sup>(2)</sup>	280.00	[●]
	<i>Of which:</i>		
	Up to [●] Equity Shares of face value of ₹10/- each at a price of ₹ [●] per Equity Share reserved as Market Maker Portion	[●]	[●]
	Net Offer to Public of up to [●] Equity Shares of ₹10/- each at a price of ₹[●] per Equity Share to the Public	[●]	[●]
	<i>Of which:</i> <sup>(3)</sup>		
	Allocation to Retail Individual Investors of up to [●] Equity Shares	[●]	[●]
	Allocation to other than Retail Individual Investors of up to [●] Equity Shares	[●]	[●]
<b>D.</b>	<b>Paid-up Equity Capital after the Offer</b>		
	Up to 1,66,00,000 Equity Shares of face value of ₹10/- each	1,660.00	
<b>E.</b>	<b>Securities Premium Account</b>		
	Before the Offer	-	
	After the Offer	[●]	

(1) The present Offer has been authorized by our Board pursuant to a resolution passed at its meeting held on February 15, 2022 and by our Shareholders pursuant to a Special Resolution passed at the Extra-Ordinary General meeting held on February 17, 2022.

(2) The Equity Shares being offered by the Selling Shareholders have been held for a period of at least one year immediately preceding the date of this Draft Prospectus ((in the form of fixed capital in the Erstwhile Partnership Firm), and are eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations. For details on authorisation of the Selling Shareholders in relation to their portion of Offered Shares, please refer to the chapters titled “The Offer” and “Other Regulatory and Statutory Disclosures” on pages 39 and 148 respectively.

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

### CLASS OF SHARES

As on the date of Draft Prospectus, our Company has only one class of share capital i.e., Equity Shares of ₹10/- each. 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

## 1. Changes in Authorized Share Capital

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

- The authorized share capital of our Company on incorporation was ₹ 15,00,00,000/- divided into 1,50,00,000 Equity Shares of ₹10/- each.
- The Authorized Capital was further increased from ₹15,00,00,000/- divided into 1,50,00,000 Equity Shares of ₹10/- each to ₹ 17,00,00,000/- divided into 1,70,00,000 Equity Shares of ₹10/- vide shareholders' resolution dated February 17, 2022.

## 2. Equity Share Capital History of our Company

The following table sets forth details of the history of the Equity Share capital of our Company:

Date of Allotment	No. of Equity Shares allotted	Face Value (₹)	Offer Price (₹)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Paid-Up Equity Shares Capital (₹)	Cumulative Share Premium (₹)
Upon Incorporation	1,50,00,000	10/-	10/-	Cash- against the outstanding Credit Balance of respective Individual Partner's Fixed Capital Account	Subscription to MOA <sup>(i)</sup>	15,00,00,000	15,00,00,000	Nil

(i) Initial Subscribers to the Memorandum of Association of our company:

Sr No	Name	No of Equity Shares
1.	Mr. Shrinand Kamlakar Palshikar	75,00,000
2.	Ms. Sangita Shrinand Palshikar	75,00,000
	<b>Total</b>	<b>1,50,00,000</b>

- We have not issued any Equity Shares for consideration other than cash, at any point of time since Incorporation.
- No equity shares have been allotted in terms of any scheme approved under sections 230-234 of the Companies Act, 2013.
- Our Company has not issued any shares pursuant to an Employee Stock Option Scheme/ Employee Stock Purchase Scheme for our employees.
- We have not re-valued our assets since inception and have not issued any equity shares (including bonus shares) by capitalizing any revaluation reserves.
- Except as disclosed below, we have not issued any Equity Shares at price below Offer price within last one year from the date of this Draft Prospectus:

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Reasons of Allotment	Benefits accrued to company	Allottees	No. of Shares Allotted
Upon Incorporation	1,50,00,000	10/-	-	Cash- against the outstanding Credit Balance of	Conversion of Erstwhile Partnership Firm to Company under	Mr. Shrinand Kamlakar Palshikar	7,50,00,000

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Reasons of Allotment	Benefits accrued to company	Allottees	No. of Shares Allotted
				respective Individual Partner's Fixed Capital Account	Chapter XXI of the Companies Act, 2013	Ms. Sangita Shrinand Palshikar	7,50,00,000

#### 8. Shareholding Pattern of our Company

The table below presents the current shareholding pattern of our Company as on the date of this Draft Prospectus.

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid-up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Total as a % of (A+B+C)	No. of Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full convertible securities (as a percentage of diluted share capital) (XD)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								Class-Equity	No of Voting Rights					No (a)	As a % of total Shares held (b)	No (a)	As a % of total Shares held (b)	
									Class	Total								
								Total as a % of (A+B+C)										
A	Promoter & Promoter Group	7	1,50,00,000	-	-	1,50,00,000	100.00	1,50,00,000	-	1,50,00,000	100.00	-	100.00	-	-	-	-	[●]
B	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C	Non - Promoter Non - Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C1	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C2	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>7</b>	<b>1,50,00,000</b>	<b>-</b>	<b>-</b>	<b>1,50,00,000</b>	<b>100.00</b>	<b>1,50,00,000</b>	<b>-</b>	<b>1,50,00,000</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>[●]</b>

\*The Equity Shares of the Company are in the process of being dematerialized.

Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as on the date of this Draft Prospectus:

Sr. No.	Name of the Shareholder	Number of Equity shares	Percentage of the pre- Offer Equity Share Capital (%)
1.	Mr. Shrinand Kamlakar Palshikar	74,99,995	49.99%
2.	Ms. Sangita Shrinand Palshikar	75,00,000	50.00%
	<b>Total</b>	<b>1,49,99,995</b>	<b>99.99%</b>

9. List of Shareholders holding 1% or more of the paid-up Share Capital of our Company as of one year prior to the date of this Draft Prospectus is not applicable as the status of our company was “Partnership firm” two years prior to the date of filing of this Draft Prospectus. Our Company has been converted from Partnership firm namely M/s S K P Bearing Industries to Company with effect from January 06, 2022.
10. List of Shareholders holding 1% or more of the paid-up Share Capital of our Company two years prior to this Draft Prospectus is not applicable as the status of our company was “Partnership firm” two years prior to the date of filing of this Draft Prospectus. Our Company has been converted from Partnership firm namely M/s S K P Bearing Industries to Company with effect from January 06, 2022.
11. Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as of 10 days prior to the date of this Draft Prospectus:

Sr. No.	Name of the Shareholder	Number of Equity shares	Percentage of the pre- Offer Equity Share Capital (%)
1.	Mr. Shrinand Kamlakar Palshikar	74,99,995	49.99%
2.	Ms. Sangita Shrinand Palshikar	75,00,000	50.00%
	<b>Total</b>	<b>1,49,99,995</b>	<b>99.99%</b>

12. Our Company has not made any public Offer (including any rights issue to the public) since its incorporation.
13. Our Company does not have any intention or proposal to alter our capital structure within a period of six (6) months from the date of opening of the by way of split/consolidation of the denomination of Equity Shares or further Offer of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or bonus, rights, further public issue or qualified institutions placement or otherwise., except that if our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the listing of equity shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board may deem fit, if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.
14. **Shareholding of our Promoters and Selling Shareholders**

As on the date of this Draft Prospectus, our Promoters holds 99.99% of the pre- Offer, subscribed and paid-up Equity Share capital of our Company.

Build-up of the shareholding of our Promoters in our Company since incorporation:

Date of Allotment / Transfer	Nature of Issue / Transaction	Nature of Consideration	No. of Equity Shares	FV (₹)	Acquisition / Transfer Price (₹)	% of Pre- Offer Equity Share Capital	% of Post Offer Equity Share Capital	Pledge
<b>Mr. Shrinand Kamlakar Palshikar</b>								
Upon Incorporation	Subscription to MOA	Cash	75,00,000	10/-	10/-	50.00%	[●]%	No
January 28, 2022	Transfer to Ms. Shrichi S Palshikar	Cash	(1)	10/-	10/-	Negligible	[●]%	No

Date of Allotment / Transfer	Nature of Issue / Transaction	Nature of Consideration	No. of Equity Shares	FV (₹)	Acquisition / Transfer Price (₹)	% of Pre-Offer Equity Share Capital	% of Post Offer Equity Share Capital	Pledge
	Transfer to Ms. Shripada Shrinand Palshikar	Cash	(1)	10/-	10/-	Negligible	[●]%	No
	Transfer to Mr. Vikrant Saharan	Cash	(1)	10/-	10/-	Negligible	[●]%	No
	Transfer to Mr. Pankaj Prafullakumar Patil	Cash	(1)	10/-	10/-	Negligible	[●]%	No
	Transfer to Jani Bharatkumar Indravadanbhai	Cash	(1)	10/-	10/-	Negligible	[●]%	No
	<b>Total</b>		<b>74,99,995</b>			<b>49.99%</b>	<b>[●]%</b>	
<b>Ms. Sangita Shrinand Palshikar</b>								
Upon Incorporation	Subscription to MOA	Cash	75,00,000	10	10	50.00%	[●]%	No
	<b>Total</b>		<b>75,00,000</b>			<b>50.00%</b>	<b>[●]%</b>	

15. Pre-Offer and Post-Offer Shareholding of our Promoters and Promoter Group

Category of Promoter	Pre-Offer		Post-Offer	
	No. of Shares	% of Pre-Offer Capital	No. of Shares	% of Post-Offer Capital
<b>Promoters</b>				
Mr. Shrinand Kamlakar Palshikar	74,99,995	49.99%	[●]%	[●]%
Mrs. Sangita Shrinand Palshikar	75,00,000	50.00%	[●]%	[●]%
<b>Promoter Group</b>				
Ms. Shrichi S Palshikar	1	Negligible	[●]%	[●]%
Ms. Shripada Shrinand Palshikar	1	Negligible	[●]%	[●]%
Mr. Vikrant Saharan	1	Negligible	[●]%	[●]%
Mr. Pankaj Prafullakumar Patil	1	Negligible	[●]%	[●]%
Mr. Jani Bharatkumar Indravadanbhai	1	Negligible	[●]%	[●]%
<b>Total</b>	<b>1,50,00,000</b>	<b>100.00</b>	<b>[●]%</b>	<b>[●]%</b>

16. Except as disclosed below, no subscription to or sale or purchase of the securities of our Company within three years preceding the date of filing of the Draft Prospectus by our Promoters or Directors or Promoter Group which in aggregate equals to or is greater than 1% of the pre-Offer share capital of our Company.

S. No.	Name of Shareholder	Date of Transaction	Promoter/Promoter Group/Director	Number of Equity Shares Subscribed to/ Acquired	Number of Equity Shares Sold	Subscribed/ Acquired/ Transferred
1.	Mr. Shrinand Kamlakar Palshikar	Upon Incorporation	Promoter	75,00,000	-	Subscribed to MoA
2.		January 28, 2022		-	(1)	Transfer to Ms. Shrichi S Palshikar
3.				-	(1)	Transfer to Ms. Shripada Shrinand Palshikar
4.				-	(1)	Transfer to Mr. Vikrant Saharan

S. No.	Name of Shareholder	Date of Transaction	Promoter/ Promoter Group/ Director	Number of Equity Shares Subscribed to/ Acquired	Number of Equity Shares Sold	Subscribed/ Acquired/ Transferred
5.				-	(1)	Transfer to Mr. Pankaj Prafullakumar Patil
6.				-	(1)	Transfer to Jani Bharatkumar Indravadanbhai
7.	Ms. Sangita Shrinand Palshikar	Upon Incorporation	Promoter	75,00,000	-	Subscribed to MoA

17. None of our Directors or Key Managerial Personnel hold any Equity Shares other than as set out below:

Name	Designation	No. of Equity Shares held
Mr. Shrinand Kamlakar Palshikar	Chairman and Managing Director	74,99,995
Ms. Sangita Shrinand Palshikar	Non-Executive Director	75,00,000

18. None of our Promoters, Promoter Group, Directors and their relatives has entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of six months immediately preceding the date of filing of the Draft Prospectus.

#### 19. Promoters' Contribution and Lock-in details

##### *Details of Promoter's Contribution locked-in for three (3) years*

Pursuant to the Regulation 236 and 238 of SEBI ICDR Regulations, an aggregate of at least 20% of the post Offer Equity Share capital of our Company held by our Promoter shall be locked-in for a period of three years from the date of Allotment in this Offer. As on date of this Draft Prospectus, our Promoters holds 1,49,99,995 Equity Shares constituting [●] % of the Post Offer Issued, Subscribed and Paid-up Equity Share Capital of our Company, which are eligible for Promoter's Contribution.

Our Promoters have granted consent to include such number of Equity Shares held by them as may constitute of the post offer 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 commencement of the lock-in period specified below.

Details of the Equity Shares forming part of Promoters' Contribution and their lock-in details are as follows:

Name of Promoter	Date of Allotment/Acquisition & when made fully paid up	No of Equity shares	No of Equity shares locked in	Face Value (in ₹)	Offer Price (in ₹)	Nature of Allotment	% Of Post-Offer Paid-up Capital	Lock-in Period
Mr. Shrinand Kamlakar Palshikar	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Ms. Sangita Shrinand Palshikar	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Promoters' Contribution under Regulation 237 of the SEBI ICDR Regulations. In this computation, as per Regulation 237 of the SEBI ICDR Regulations, our Company confirms that the Equity Shares locked-in do not, and shall not, consist of:

- Equity Shares acquired three years preceding the date of this Draft Prospectus 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 or unrealized profits or against equity shares which are otherwise ineligible for computation of Promoters' Contribution.

- The Equity Shares acquired during the year preceding the date of this Draft Prospectus, at a price lower than the price at which the Equity Shares are being offered to the public in this offer is not part of the minimum promoter's contribution.
- The Equity Shares allotted to the promoters during the preceding one year at a price less than the offer price, against funds brought in by them during that period, upon conversion of erstwhile partnership firm where the partners of the erstwhile partnership firm are the promoters of our company and there is no change in the management.
- The Equity Shares held by the Promoters and offered for minimum 20% Promoter's Contribution are not subject to any pledge or any other form of encumbrances.

Specific written consent has been obtained from the Promoters for inclusion of [●] Equity Shares for ensuring lock-in of three years to the extent of minimum [●] % of post offer Paid-up Equity Share Capital from the date of allotment in the public Offer.

The minimum Promoters' Contribution consists of Equity Shares allotted to the promoters against the capital existing in the erstwhile partnership firm for a period of more than one year on a continuous basis.

The minimum Promoters' Contribution has been brought to the extent of not less than the specified minimum lot and from the persons defined as Promoters under the SEBI ICDR Regulations.

We further confirm that our Promoters' Contribution of minimum 20% of the Post Offer Equity does not include any contribution from Alternative Investment Funds or FVCI or Scheduled Commercial Banks or Public Financial Institutions or Insurance Companies registered with Insurance Regulatory and Development Authority of India.

***Equity Shares locked-in for one year other than Minimum Promoter's Contribution***

Pursuant to Regulation 238(b) and 239 of the SEBI ICDR Regulations, other than the Equity Shares held by our Promoters, which will be locked-in as minimum Promoters' contribution for three years, all pre-offer [●] Equity Shares shall be subject to lock-in for a period of one year from the date of Allotment in this Offer.

***Inscription or recording of non-transferability***

In terms of Regulation 241 of the SEBI ICDR Regulations, our Company confirms that certificates of Equity Shares which are subject to lock in shall contain the inscription "Non-Transferable" and specify the lock - in period and in case such equity shares are dematerialized, the Company shall ensure that the lock - in is recorded by the Depository.

***Pledge of Locked in Equity Shares***

Pursuant to Regulation 242 of the SEBI ICDR Regulations, the locked-in Equity Shares held by our Promoters can be pledged with any scheduled commercial bank or public financial institution or systematically important non-banking finance company or a housing finance company as collateral security for loans granted by them, provided that:

- if the equity shares are locked-in in terms of clause (a) of Regulation 238, the loan has been granted to the company or its subsidiary(ies) for the purpose of financing one or more of the objects of the Offer and pledge of equity shares is one of the terms of sanction of the loan;
- if the specified securities are locked-in in terms of clause (b) of Regulation 238 and the pledge of specified securities is one of the terms of sanction of the loan.

Provided that such lock-in shall continue pursuant to the invocation of the pledge and such transferee shall not be eligible to transfer the equity shares till the lock-in period stipulated in these regulations has expired.

***Transferability of Locked in Equity Shares***

- Pursuant to Regulation 243 of the SEBI ICDR Regulations, Equity Shares held by our Promoters, which are locked in as per Regulation 238 of the SEBI ICDR Regulations, may be transferred to and amongst our Promoters/ Promoter Group or to a new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI SAST Regulations as applicable.

- (b) Pursuant to Regulation 243 of the SEBI ICDR Regulations, Equity Shares held by shareholders other than our Promoters, which are locked-in as per Regulation 239 of the SEBI ICDR Regulations, may be transferred to any other person holding shares, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI SAST Regulations as applicable.
20. Neither the Company, nor its Promoters, Directors or the Lead Manager have entered into any buyback and/or standby arrangements for purchase of Equity Shares of the Company from any person.
  21. All Equity Shares issued pursuant to the Offer shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Prospectus. Further, since the entire money in respect of the Offer is being called on application, all the successful Applicants will be issued fully paid-up Equity Shares.
  22. As on the date of this Draft Prospectus, the Lead Manager and their respective associates (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares of our Company. The Lead Manager and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.
  23. As on date of this Draft Prospectus, there are no outstanding ESOP's, warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares, nor has the company ever allotted any equity shares pursuant to conversion of ESOPs till date. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI Share Based Employee Benefits Regulations, 2014.
  24. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed under "*Basis of Allotment*" in the chapter titled "*Offer Procedure*" beginning on page 164 of this Draft Prospectus. In case of over-subscription in all categories the allocation in the Offer shall be as per the requirements of Regulation 253 (2) of SEBI ICDR Regulations, as amended from time to time.
  25. An over-subscription to the extent of 10% of the Net Offer can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Offer. Consequently, the actual allotment may go up by a maximum of 10% of the Net Offer, as a result of which, the post Offer paid up capital after the Offer would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock-in shall be suitably increased; so as to ensure that 20% of the post Offer paid-up capital is locked in.
  26. Subject to valid applications being received at or above the Offer Price, under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.
  27. Prior to this Initial Public Offer, our Company has not made any public issue or right issue to public at large.
  28. We have 7 (Seven) Shareholders as on the date of filing of the Draft Prospectus.
  29. As per RBI regulations, OCBs are not allowed to participate in this Offer.
  30. Our Company has not raised any bridge loans.
  31. There shall be only one denomination of Equity Shares of our Company unless otherwise permitted by law. Our Company shall comply with disclosure and accounting norms as may be specified by SEBI from time to time.
  32. 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 Offer.
  33. Our Company shall ensure that transactions in the Equity Shares by our Promoters and our Promoter Group between the date of this Draft Prospectus and the Offer Closing Date shall be reported to the Stock Exchange within 24 hours of such transaction.
  34. Our Promoters and Promoter Group will not participate in the Offer.
  35. There are no safety net arrangements for this Public Offer.

## SECTION V – PARTICULARS OF THE OFFER

### OBJECTS OF THE OFFER

This Offer comprises of Fresh Offer of up to 16,00,000 Equity Shares by our Company aggregating to ₹ [●] Lakhs and an Offer for Sale of up to 28,00,000 Equity Shares by the Selling Shareholders.

#### OFFER FOR SALE

Our Company will not receive any proceeds received from the Offer for Sale by the Selling Shareholders. However, except for the listing fees which shall be solely borne by our Company, all offer expenses will be shared, upon successful completion of the Offer, between our Company and the Selling Shareholders on a pro-rata basis, in proportion to the Equity Shares issued and allotted by our Company in the Fresh Offer and the offered shares sold by the Selling Shareholders in the Offer for Sale.

#### FRESH OFFER

Our Company proposes to utilize the Net Proceeds from the Offer towards funding the following objects:

1. Funding working capital requirements; and
2. General corporate purposes.

(Collectively, referred to herein as the “*Objects of the Offer*”)

The main objects and objects incidental and ancillary to the main objects, as set out in our Memorandum of Association, enable our Company to undertake our existing business activities and the activities for which funds are being raised by us through the Offer. In addition, our Company expects to receive the benefits of listing of Equity Shares on the NSE Emerge including enhancing our visibility and our brand image among our existing and potential customers and creating a public market for our Equity Shares in India.

#### FRESH OFFER PROCEEDS

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

(₹ in Lakhs)

Particulars	Amount*
Gross Proceeds of the Fresh Offer	[●]
Less: Offer related Expenses in relation to Fresh Offer (only those apportioned to the Company)	[●]
<b>Net Proceeds of the Fresh Offer</b>	[●]

\*To be updated in the Prospectus prior to filing with RoC.

#### UTILISATION OF NET PROCEEDS

The Net Proceeds are proposed to be utilised in the manner set out in the following table:

S. No	Particulars	Estimated Amt (₹ in Lakhs)*
1.	Funding working capital requirements	[●]
2.	General Corporate Purposes <sup>#</sup>	[●]

<sup>#</sup>The amount utilized for general corporate purpose shall not exceed 25% of the gross proceeds of the Offer.

\*To be updated in the Prospectus prior to filing with RoC.

#### PROPOSED SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT OF THE NET PROCEEDS

The Net Proceeds of the Fresh Offer are currently expected to be deployed in accordance with the schedule as stated below:

(₹ in lakhs)

Sr. No.	Object	Amount to be financed from Net Proceeds*	Estimated Utilization of Net Proceeds in F. Y. 2022-23
1.	Funding working capital requirements	[●]	[●]
2.	General Corporate Purposes <sup>#</sup>	[●]	[●]

Sr. No.	Object	Amount to be financed from Net Proceeds*	Estimated Utilization of Net Proceeds in F. Y. 2022-23
	<b>Total</b>	[●]	[●]

\*To be updated in the Prospectus prior to filing with RoC

#The amount utilized for general corporate purpose shall not exceed 25% of the gross proceeds of the offer

In the event of the estimated utilisation of the Net Proceeds in a scheduled financial year being not undertaken in its entirety, the remaining Net Proceeds shall be utilised in subsequent financial years, as may be decided by our Company, in accordance with applicable laws. Further, if the Net Proceeds are not completely utilised for the Objects during the respective periods stated above due to factors such as (i) economic and business conditions; (ii) increased competition; (iii) timely completion of the Offer; (iv) market conditions outside the control of our Company; and (v) any other commercial considerations, the remaining Net Proceeds shall be utilised (in part or full) in subsequent periods as may be determined by our Company, in accordance with applicable laws.

## MEANS OF FINANCE

We intend to finance our Objects of Offer through Net Proceeds of the Fresh Offer which is as follows:

Particulars	Amt. (₹ in Lakhs)
Net Proceeds	[●]
<b>Total</b>	[●]

The fund requirements mentioned above are based on the internal management estimates of our Company and have not been verified or appraised by any bank, 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 or exchange rate fluctuations. Consequently, the fund requirements of our Company are subject to revisions in the future at the discretion of the management. In the event of any shortfall of funds for the activities proposed to be financed out of the Net Proceeds as stated above, our Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. Further, in case of a shortfall in the Net Proceeds or cost overruns, our management may explore a range of options including utilising our internal accruals or seeking debt financing.

The fund requirements set out for the aforesaid Objects of the Offer are proposed to be met entirely from the Net Proceeds. Accordingly, our Company confirms that there is no requirement 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 Offer as required under the SEBI ICDR Regulations.

For further details on the risks involved in our proposed fund utilization as well as executing our business strategies, please refer the section titled “Risk Factors” on page 21 of this Draft Prospectus.

## DETAILS OF THE OBJECTS OF THE OFFER

### 1. Funding working capital requirements

Our business is working capital intensive. We fund a majority of our working capital requirements in the ordinary course of business from internal accruals. We propose to utilise ₹ [●] lakhs from the Net Proceeds to fund the working capital requirements of our Company in Fiscal Year 2023.

*Basis of estimation of long-term working capital requirement and estimated working capital requirement:*

The details of our Company’s working capital derived from Restated Financial Statements, source of funding of the same and the projected working capital requirements (as approved by the Board through their resolution dated [●]) for Fiscal Year 2022 and 2023 are provided in the table below:

Sr. No.	Particulars	(₹ In Lakhs)			
		Actual Fiscal 2020	Actual Fiscal 2021	Estimated Fiscal 2022	Projected Fiscal 2023
<b>I</b>	<b>Current Assets</b>				
	Inventories	359.33	560.64	[●]	[●]
	Trade receivables	631.56	962.27	[●]	[●]

Sr. No.	Particulars	Actual	Actual	Estimated	Projected
		Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023
	Cash and cash equivalents	105.32	12.03	[●]	[●]
	Short Term Loans and Advances	3.19	204.52	[●]	[●]
	Other Current Assets	1,211.98	229.82	[●]	[●]
	<b>Total (A)</b>	<b>2,311.38</b>	<b>1,969.28</b>	[●]	[●]
<b>II</b>	<b>Current Liabilities</b>				
	Short Term Borrowings	-	-	[●]	[●]
	Trade payables	56.55	109.42		
	Other Current Liabilities	16.50	54.76	[●]	[●]
	Short Term Provisions	1,336.69	382.70	[●]	[●]
	<b>Total (B)</b>	<b>1,409.75</b>	<b>546.87</b>	[●]	[●]
<b>III</b>	<b>Total Working Capital Gap (A-B)</b>	<b>901.63</b>	<b>1,422.41</b>	[●]	[●]
<b>IV</b>	<b>Funding Pattern</b>				
	Internal Accruals	901.63	1,422.41	[●]	[●]
	Net Proceeds from IPO	-	-	[●]	[●]

Key assumptions for working capital projections made by our Company:

Particulars	Actual	Actual	Estimated	Projected
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Debtor Holding Days	72	97	[●]	[●]
Creditor Payment Days	14	21	[●]	[●]

Justification:

S. No.	Particulars
Trade Receivables	We expect Debtors holding days to be at [●] Days approx. for FY 2021-22 and [●] Days approx. for FY 2022-23 based on increased sales of our products and better credit management policies ensuring timely recovery of dues.
Trade Payables	We expect creditor payment days to be at [●] Days approx. for FY 2021-22 and [●] Days approx. for FY 2022-23 based on increased purchase and better credit period allowed by suppliers.

## 2. General Corporate Purposes

Our management will have flexibility to deploy the balance Net Proceeds of the Offer towards general corporate purposes, to be deployed towards including but not restricted to strategic initiatives, partnerships, joint ventures and acquisitions, meeting exigencies which our Company may face in the ordinary course of business, to renovate and refurbish certain of our existing Company owned/leased and operated facilities or premises, towards brand promotion activities or repayment of liabilities (on demand) if any or any other purposes as may be approved by our Board, subject to compliance with the necessary provisions of the Companies Act.

The quantum of utilization of funds towards any of the above purposes will be determined based on the amount actually available under this head and the business requirements of our Company, from time to time. This may also include rescheduling the proposed utilization of Net Proceeds. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the subsequent Fiscals.

We further confirm that in terms of the SEBI ICDR Regulations, the extent of the Net Proceeds proposed to be utilized for general corporate purposes shall not exceed 25.00% of the gross proceeds of the offer

## ESTIMATED OFFER RELATED EXPENSES

The details of the estimated offer related expenses are tabulated below:

Activity	Amount (₹ in Lakhs)	As a % of Estimates Offer Expenses	As a % of Offer Size
Lead manager(s) fees including underwriting commission	[●]	[●]	[●]
Brokerage, selling commission and upload fees	[●]	[●]	[●]
Registrar to the offer	[●]	[●]	[●]
Legal Advisors	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Regulators including stock exchanges	[●]	[●]	[●]
Printing and distribution of offer stationary	[●]	[●]	[●]
Others, if any (market making, depositories, marketing fees, secretarial, peer review auditors, etc.)	[●]	[●]	[●]
<b>Total</b>	[●]	[●]	[●]

The fund deployed out of internal accruals up to March 07, 2022 is ₹ 7.08 Lakhs towards offer expenses vide certificate dated March 08, 2022 having UDIN: 22045296AEKPSE3157 received from M/s Dipak P. Shah & Co., Chartered Accountants and the same will be recouped out of offer expenses.

Structure for commission and brokerage payment to the SCSBs Syndicate, RTAs, CDPs and SCSBs:

- (1) SCSBs will be entitled to a processing fee of ₹ [●] per Application Form for processing of the Application Forms procured by other Application Collecting Intermediary and submitted to them.
- (2) Selling commission payable to Registered broker, SCSBs, RTAs, CDPs on the portion directly procured from Retail Individual Investors and Non-Institutional Investors, would be [●] % on the Allotment Amount.
- (3) No additional uploading/processing charges shall be payable to the SCSBs on the applications directly procured by them.
- (4) The commissions and processing fees shall be payable within 30 Working days post the date of receipt of final invoices of the respective intermediaries.
- (5) Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.

Subject to applicable law, other than the listing fees, all costs, fees and expenses with respect to the Offer will be shared amongst our Company and the Selling Shareholders, on a pro-rata basis, in proportion to the number of Equity Shares, allotted by the Company in the Fresh Offer and sold by the Selling Shareholders in the Offer for Sale, upon the successful completion of the Offer. Upon commencement of listing and trading of the Equity Shares on the Stock Exchange pursuant to the Offer, the Selling Shareholders shall reimburse the Company for any expenses in relation to the Offer paid by the Company on behalf of the Selling Shareholders. However, in the event that the Offer is withdrawn or not completed for any reason whatsoever, all Offer related expenses will be borne by our Company. The Offer expenses shall be payable in accordance with the arrangements or agreements entered into by our Company with the respective Designated Intermediary.

## BRIDGE LOANS

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

## APPRAISING ENTITY

The objects of the Offer for which the Net Proceeds will be utilised have not been appraised.

## MONITORING OF UTILIZATION OF FUNDS

As this is an Offer for less than ₹10,000 lakhs, we are not required to appoint a monitoring agency for the purpose of the Offer in terms of the SEBI ICDR Regulations.

Our Board and Audit committee shall monitor the utilization of the net proceeds of the Fresh Offer. 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 unutilized Net Proceeds in the balance sheet of our Company for the relevant financial years subsequent to the completion of the Offer.

Pursuant to SEBI LODR 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 utilized for purposes other than

those stated in this Draft Prospectus and place it before the Audit Committee of the Board of Directors, as required under applicable law. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with the Regulation 32 of the SEBI LODR Regulations, our Company shall furnish to the Stock Exchange on a half yearly basis, a statement indicating (i) deviations, if any, in the utilization of the proceeds of the Offer from the Objects; and (ii) details of category wise variations in the utilization of the proceeds from the Offer from the Objects. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee of the Board of Directors.

#### **INTERIM USE OF FUNDS**

Pending utilization of the Net Proceeds for the purposes described above, our Company will deposit the Net Proceeds only with scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended, as may be approved by our Board.

Our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets or investing in any real estate product or real estate linked products.

#### **VARIATION IN OBJECTS**

In accordance with Sections 13(8) and 27 of the Companies Act and applicable rules, our Company shall not vary the Objects without our Company being authorized to do so by the Shareholders by way of a special resolution through 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 our Registered Office is situated. Our Promoters or controlling Shareholders will be required to provide an exit opportunity to such shareholders who do not agree to the above stated proposal, at a price as may be prescribed by SEBI, in this regard.

#### **OTHER CONFIRMATIONS / PAYMENT TO PROMOTERS AND PROMOTER'S GROUP FROM THE IPO PROCEEDS**

There is no proposal whereby any portion of the Net Proceeds will be paid to our Promoters, Promoter Group, Directors and Key Managerial Personnel, Group Companies, except in the ordinary course of business. Further, there are no existing or anticipated transactions in relation to the utilisation of the Net Proceeds entered into or to be entered into by our Company with our Promoters, Promoter Group, Directors Group Companies, and/or Key Managerial Personnel.

## BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and Selling Shareholders, in consultation with the LM on the basis of an assessment of market demand for the Equity Shares offered through the fixed price method and on the basis of the qualitative and quantitative factors as described below. The face value of the Equity Shares of our Company is ₹10/- each and the Offer Price is [●] times of the face value.

Investors should read the following basis with the section titled “Risk Factors” and chapters titled “Restated Financial Statements”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Our Business” beginning on page 21, 126, 129 and 82 respectively, of this Draft Prospectus to get a more informed view before making any investment decisions. The trading price of the Equity Shares of our Company could decline due to these risk factors and you may lose all or part of your investments.

### QUALITATIVE FACTORS

Some of the qualitative factors and our strengths which form the basis for the offer price are:

- ✓ One of the players of needle rollers and cylindrical rollers manufacturers in India
- ✓ Wide and stable customer base
- ✓ Well experienced organization
- ✓ Wide Product Range
- ✓ Quality Products Assurance
- ✓ Prime Factory Location

For further details regarding some of the qualitative factors, which form the basis for computing the Offer Price, please see chapter titled “Our Business” beginning on page 82 of this Draft Prospectus.

### QUANTITATIVE FACTORS

The information presented in this chapter is derived from company’s Restated Financial Statements for the period ended on January 05, 2022 and financial years ended on 2021, 2020 and 2019 prepared in accordance with Indian GAAP. For more details on financial information, investors please refer the chapter titled “Restated Financial Statements” beginning on page 126 of this Draft Prospectus.

Investors should evaluate our Company taking into consideration its niche business segment and other qualitative factors in addition to the quantitative factors. Some of the quantitative factors which may form the basis for computing the price are as follows:

#### 1. Basic and Diluted Earnings / (Loss) Per Share (“EPS”) as per AS 20

Particulars	Basic & Diluted EPS (in ₹)	Weights
March 31, 2021	4.97	3
March 31, 2020	5.42	2
March 31, 2019	6.62	1
<b>Weighted Average</b>	<b>5.39</b>	
For the Period from April 01, 2021 to January 05, 2022 (Not annualised)	6.27	

**Note:** The earnings per share have been calculated by dividing the net profit as restated, attributable to equity shareholders by restated weighted average number of Equity Shares outstanding during the period. Restated weighted average number of equity shares has been computed as per AS 20. The face value of each Equity Share is ₹10/-.

#### 2. Price Earnings Ratio (“P/E”) in relation to the Offer Price of [●] per share of ₹ 10/- each fully paid-up

Particulars	P/E (number of times) *
<b>Based on Restated Financial Statements</b>	
P/E ratio based on the Basic & Diluted EPS, as restated for FY 2020-21	[●]
P/E ratio based on the Weighted Average Basic & Diluted EPS	[●]
<b>Industry PE*</b>	
Highest	57.89

Particulars	P/E (number of times) *
Lowest	11.80
Average	34.85

\*Source: [www.nseindia.com](http://www.nseindia.com) & [www.bseindia.com](http://www.bseindia.com)

### 3. Return on Net worth (RoNW)

Particulars	RONW (%)	Weights
March 31, 2021	16.28	3
March 31, 2020	20.76	2
March 31, 2019	32.16	1
<b>Weighted Average</b>	<b>20.42</b>	
For the Period from April 01, 2021 to January 05, 2022 (Not annualised)	<b>22.77</b>	

*Note: The RONW has been computed by dividing net profit after tax (as restated), by Net worth (as restated) as at the end of the year.*

### 4. Net Asset Value (NAV)

Financial Year	NAV (₹)
March 31, 2021	30.53
March 31, 2020	26.09
March 31, 2019	20.58
For the Period from April 01, 2021 to January 05, 2022	27.54
Net Asset Value per Equity Share after the Offer at Offer Price	[●]
Offer Price*	[●]

\*Offer Price shall be updated in the Prospectus prior to opening the offer.

*Note: NAV has been calculated as net worth divided by number of Equity Shares at the end of the year.*

### 5. Comparison with Industry Peers

Name of Company	CMP	Face Value (₹)	Basic EPS (₹)	PE Ratio (times)	RoNW (%)	NAV per Share (₹)
SKP Bearing Industries Limited	[●]	10.00	4.97	[●]	16.28	30.53
<b>Peer Group</b>						
NRB Bearings Limited	115.25	2.00	4.51	25.55	8.58	52.20
Menon Bearings Limited	81.60	1.00	3.35	24.36	19.04	17.62
Galaxy Bearings Limited	396.30	10.00	24.70	16.04	17.32	2.64
SNL Bearings Limited	293.10	10.00	17.13	17.11	0.15	113.55

Source: [www.bseindia.com](http://www.bseindia.com)

Notes:

- (1) The figures for our company are based on Restated Financial Statements for the year ended March 31, 2021.
- (2) The figures for the Peer Group are based on the Annual Report filed for the financial year ended March 31, 2021.
- (3) P/E Ratio has been computed based on their respective closing market price on March 10, 2022 as divided by the Basic EPS as on March 31, 2021.
- (4) CMP is the closing prices or the last traded price of respective scripts as on March 10, 2022.
- (5) The Offer Price determined by our Company and Selling Shareholders in consultation with the Lead Manager is justified by our Company and Selling Shareholders with the Lead Manager on the basis of the above parameters.

The face value of our share is ₹10/- per share and the Offer Price is of ₹ [●] per share are [●] times of the face value.

Investor should read the above-mentioned information along with the section titled “Risk Factors” beginning on page 21 of this Draft Prospectus and the financials of our Company including important profitability and return ratios, as set out in the chapter titled “Restated Financial Statements” beginning on page 126 of this Draft Prospectus.

## STATEMENT OF POSSIBLE TAX BENEFITS

To,  
The Board of Directors  
SKP Bearing Industries Limited  
Survey No. 2127, Mulchand Road,  
Wadhwan – 363 030, Surendranagar,  
Gujarat, India

Dear Sir,

**Subject - Statement of possible tax benefits (“the statement”) available to SKP BEARING INDUSTRIES LIMITED (“the company”) and its shareholder prepared in accordance with the requirement in Point No. 9 (L) of Part A of Schedule VI to the Securities Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations, 2018**

### **Reference - Initial Public Offer of Equity Shares by SKP Bearing Industries Limited**

We hereby confirm that the enclosed Annexure 1 (together “the Annexures”), prepared by SKP Bearing Industries Limited (‘the Company’), provides the possible tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 (‘the Act’) as amended by the Finance Act 2021, circular and notifications issued from time to time, i.e. applicable for the Financial Year 2021-22 relevant to the assessment year 2022-23, the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 (“GST Act”), as amended by the Finance Act 2021, circular and notifications issued from time to time, i.e., applicable for the Financial Year 2021-22 relevant to the assessment year 2022-23, presently in force in India (together, the “Tax Laws”). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and / or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.

1. The benefits discussed in the enclosed Annexures are not exhaustive and the preparation of the contents stated is the responsibility of the Company’s management. We are informed that these Annexures are only intended to provide information to the investors and are 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.
2. We do not express any opinion or provide any assurance as to whether:
  - i) the Company or its shareholders will continue to obtain these benefits in future;
  - ii) the conditions prescribed for availing the benefits have been / would be met with; and
  - iii) the revenue authorities/courts will concur with the views expressed herein.
3. The contents of the enclosed Annexures are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.
4. No assurance is given that the revenue authorities/ Courts will concur with the view expressed herein. Our views are based on existing provisions of law and its implementation, which are subject to change from time to time. We do not assume any responsibility to updates the views consequent to such changes.
5. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.
6. This certificate is provided solely for the purpose of assisting the addressee Company in discharging its responsibility under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 for inclusion in the Draft Prospectus/ Prospectus in connection with the proposed issue of equity shares and is not be used, referred to or distributed for any other purpose without our written consent.

**For M/s Dipak P. Shah & Co.  
Chartered Accountants  
FRN: 0112132W**

**CA Dipak P. Shah  
(Proprietor)  
M. No. 045296  
UDIN: 22045296AEKPBF4588**

**Place: Surendranagar  
Date: March 08, 2022**

## ANNEXURE 1 TO THE STATEMENT OF TAX BENEFITS

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

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

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

The Company is not entitled to any special tax benefits under the Act.

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

The Shareholders of the Company are not entitled to any special tax benefits under the Act

#### **Note:**

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

We hereby give our consent to include our above referred opinion regarding the tax benefits available to the Company and to its shareholders in the Draft Prospectus/Prospectus.

## SECTION VI – ABOUT THE COMPANY

### INDUSTRY OVERVIEW

*The information in this chapter has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. None of the Company and any other person connected with the Offer have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from 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, projection forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on information.*

### GLOBAL ECONOMY OVERVIEW

The global economy enters 2022 in a weaker position than previously expected. As the new Omicron COVID-19 variant spreads, countries have reimposed mobility restrictions. Rising energy prices and supply disruptions have resulted in higher and more broad-based inflation than anticipated, notably in the United States and many emerging market and developing economies. The ongoing retrenchment of China’s real estate sector and slower-than-expected recovery of private consumption also have limited growth prospects.

Global growth is expected to moderate from 5.9 in 2021 to 4.4 percent in 2022—half a percentage point lower for 2022 than in the October World Economic Outlook (WEO), largely reflecting forecast markdowns in the two largest economies. A revised assumption removing the Build Back Better fiscal policy package from the baseline, earlier withdrawal of monetary accommodation, and continued supply shortages produced a downward 1.2 percentage-points revision for the United States. In China, pandemic-induced disruptions related to the zero-tolerance COVID-19 policy and protracted financial stress among property developers have induced a 0.8 percentage-point downgrade. Global growth is expected to slow to 3.8 percent in 2023. Although this is 0.2 percentage point higher than in the previous forecast, the upgrade largely reflects a mechanical pickup after current drags on growth dissipate in the second half of 2022. The forecast is conditional on adverse health outcomes declining to low levels in most countries by end-2022, assuming vaccination rates improve worldwide and therapies become more effective.



Elevated inflation is expected to persist for longer than envisioned in the October WEO, with ongoing supply chain disruptions and high energy prices continuing in 2022. Assuming inflation expectations stay well anchored, inflation should gradually decrease as supply-demand imbalances wane in 2022 and monetary policy in major economies responds.

Risks to the global baseline are tilted to the downside. The emergence of new COVID-19 variants could prolong the pandemic and induce renewed economic disruptions. Moreover, supply chain disruptions, energy price volatility, and localized wage pressures mean uncertainty around inflation and policy paths is high. As advanced economies lift policy rates, risks to financial stability and emerging market and developing economies' capital flows, currencies, and fiscal positions—especially with debt levels having increased significantly in the past two years—may emerge. Other global risks may crystallize as geopolitical tensions remain high, and the ongoing climate emergency means that the probability of major natural disasters remains elevated.

With the pandemic continuing to maintain its grip, the emphasis on an effective global health strategy is more salient than ever. Worldwide access to vaccines, tests, and treatments is essential to reduce the risk of further dangerous COVID-19 variants. This requires increased production of supplies, as well as better in-country delivery systems and fairer international distribution. Monetary policy in many countries will need to continue on a tightening path to curb inflation pressures, while fiscal policy—operating with more limited space than earlier in the pandemic—will need to prioritize health and social spending while focusing support on the worst affected. In this context, international cooperation will be essential to preserve access to liquidity and expedite orderly debt restructurings where needed. Investing in climate policies remains imperative to reduce the risk of catastrophic climate change.

(Source:

[https://www.imf.org/en/Publications/WEO#:~:text=Description%3A%20Global%20growth%20is%20projected%20to%20rise%20from%20an%20estimated,World%20Economic%20Outlook%20\(WEO\)](https://www.imf.org/en/Publications/WEO#:~:text=Description%3A%20Global%20growth%20is%20projected%20to%20rise%20from%20an%20estimated,World%20Economic%20Outlook%20(WEO)))

## INDIAN ECONOMY OVERVIEW

### Introduction

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

### Market size

India's gross domestic product (GDP) at current prices stood at Rs. 51.23 lakh crore (US\$ 694.93 billion) in the first quarter of FY22, as per the provisional estimates of gross domestic product for the first quarter of 2021-22.

India is the fourth-largest unicorn base in the world with over 21 unicorns collectively valued at US\$ 73.2 billion, as per the Hurun Global Unicorn List. By 2025, India is expected to have 100 unicorns by 2025 and will create 1.1 million direct jobs according to the Nasscom-Zinnov report 'Indian Tech Start-up'.

India needs to increase its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030's, for productivity and economic growth according to McKinsey Global Institute. Net employment rate needs to grow by 1.5% per year from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030.

According to data from the Department of Economic Affairs, as of August 27, 2021, foreign exchange reserves in India reached US\$ 633.5 billion mark.

### Recent Developments

In 2022-23, India's GDP is expected to rise by 8.0-8.5%, owing to broad vaccine coverage, gains from supply-side reforms and regulatory ease, healthy export growth, and the availability of fiscal space to ramp up capital spending. Ms. Nirmala Sitharaman, Union Minister for Finance and Corporate Affairs, stated that the year ahead is well-positioned for a pick-up in private sector investment, with the financial system in an excellent position to support the economy's revival. The growth forecast for 2022-23 is based on the premise that there will be no further devastating pandemic-related economic disruption, that the monsoon will be expected, and that major central banks will withdraw global money in a relatively orderly manner.

In January 2022, the following key frequency indicators highlighted improved performances:

- Private consumption stood at 57.5% of the nominal GDP for FY 22, indicating that it is becoming a macro growth driver.
- The total rice procurement target for the FY 22 Kharif season has been set at 500 lakh tonnes for the entire country, with 195 lakh tonnes already procured as of November 30, 2021.
- In December, CPI inflation rose to 5.5% from 4.9% in November, with retail food inflation increasing to 5.8% from 4.9% in November 2021.

- In November 2021, monthly sales of fertilisers stood at 66.2 Lakh LMT, closely equivalent to the previous year levels.
- In January 2022, the Manufacturing Purchasing Managers' Index (PMI) in India stood at 54.0.
- PMI Services was at 51.5 in January 2022 due to travel restrictions.
- Power consumption saw a 2.6% growth in January 2022 compared to the same period last year, indicating growth and improvement in economic activities.
- In January 2022, the overall IIP (Index of Industrial Production) registered a 4% decrease YoY. The mining sector showed a growth of 5%, and the manufacturing sector showed a growth of 0.9%.
- In December 2021, the eight sectors output index increased by 3.8% YoY compared to December 2020, indicating the resumption of economic activities.
- At key ports, port cargo traffic stood at 529.34 million tonnes between April to December 2021.
- In November, air cargo traffic increased by 6.15%, YoY indicating that the increase in air freight and traffic activity has been maintained.
- In December 2021, rail freight loading of the central railway stood at 7.21 MT, registering an increase of 22.8% YoY compared to 5.87 MT in December 2020.
- In early January 2022, the daily average of e-way bills generated stood at 2.04 million, compared to 2.3 million in December. The gross GST collection in January rose to Rs. 1,38,394 crore (US\$ 18.47 billion), up 15% YoY compared to the same month last year.
- In January 2022, UPI transactions were valued at Rs. 8.32 lakh crore (US\$ 111.07 billion), roughly twice as much as the same month in 2020 in terms of volume and value.
- In January 2022, the Indian basket of crude oil reached US\$ 84.67 a barrel, compared with the average crude oil price of US\$ 73.3 a barrel in December 2021.
- Merchandise exports increased to US\$ 299.74 billion in April-December 2021 (at 48.85% YoY growth), driven by a strong performance from critical sectors such as engineering, petroleum, gems and jewellery, and chemicals.
- Daily net absorption under the Liquidity Adjustment Facility (LAF) reverse repo corridor framework steadily tempered from 7.93 lakh crore (US\$ 105.87 billion) in November to 8 lakh crore (US\$ 106.8 billion) in the second half of December 2021 to the first half of January 2022, indicating that liquidity in the banking system remains in considerable surplus.
- As of January 28 2022, reserve money stood at Rs. 3,814,248 crore (US\$ 509.23 billion), up 0.5% from March 2021.
- As of January 28 2022, currency in circulation (CiC) registered Rs. 3,032,268 crore (US\$ 404.83 billion).
- In January 2022, Foreign Portfolio Investment (FPI) outflows stood at US\$ 3.8 billion.
- Rupee strength reached Rs. 74.82/US\$ 1, as of February 3, 2022.
- In the second quarter of FY22, net foreign direct investment (FDI) in India stood at US\$ 13.5 billion, as compared with US\$ 23.4 billion in the second quarter of FY21.
- As of December 24, 2021, foreign exchange reserves in India stood at US\$ 635.66 billion.
- In December 2021, the overall bank credit growth increased to 9% YoY, compared to 6.6% growth in the same period last year.
- The Union Budget of 2022-23 was presented on February 1, 2022, by the Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman. The budget had four priorities PM Gati Shakti, Inclusive Development, Productivity Enhancement and Investment and Financing of Investments. In the Union Budget 2022-23, effective capital expenditure is expected to increase by 27% at Rs. 10.68 lakh crore (US\$ 142.93 billion) to boost the economy. This will be 4.1% of the total Gross Domestic Production (GDP).
- Under PM Gati Shakti Master Plan the National Highway Network will develop 25,000 km of new highways network which will be worth Rs. 20,000 crore (US\$ 2.67 billion). In 2022-23. Increased government expenditure is expected to attract private investments, with a production-linked incentive scheme providing excellent opportunities. Consistently proactive, graded, and measured policy support is anticipated to boost the Indian economy.
- On February 2022, Ms. Nirmala Sitharaman Minister for Finance & Corporate Affairs said that productivity linked incentive (PLI) schemes to be extended to 14 sectors for achieving the mission of Atma Nirbhar Bharat and create 60 lakh (6 million) and an additional production of Rs. 30 lakh crore (US\$ 401.49 billion) in the next 5 years.
- In the Union Budget of 2022-23, the government announced funding for the production linked incentive (PLI) scheme for domestic solar cells and module manufacturing of Rs. 24,000 crore (US\$ 3.21 billion).
- In the Union Budget of 2022-23, the government announced production linked incentive (PLI) scheme for Bulk Drugs which was an investment of Rs. 2500 crore (US\$ 334.60 million).
- In the Union Budget of 2022 Finance Minister Nirmala Sitharaman announced that a scheme for design-led manufacturing in 5G will be launched as part of the PLI scheme.
- In September 2021, Union Cabinet approved major reforms in the telecom sector, which is expected to boost employment, growth, competition, and consumer interests. Key reforms include rationalization of adjusted gross revenue, rationalization of bank guarantees (BGs), and encouragement to spectrum sharing.
- In the Union Budget of 2022-23 the government has allocated Rs. 44,720 crore (US\$ 5.98 billion) to Bharat Sanchar Nigam Limited (BSNL) for capital investments in the 4G spectrum.

- Ms. Nirmala Sitharaman allocated Rs. 650 crore (US\$ 86.69 million) for Deep Ocean mission that seeks to explore vast marine living and non-living resources. Department of Space (DoS) has got Rs. 13,700 crore (US\$ 1.83 billion) in 2022-23 for several key space missions like Gaganyaan, Chandrayaan-3, and Aditya L-1 (sun).
- In May 2021, the government approved the production linked incentive (PLI) scheme for manufacturing advanced chemistry cell (ACC) batteries at an estimated outlay of Rs. 18,100 crore (US\$ 2.44 billion); this move is expected to attract domestic and foreign investments worth Rs. 45,000 crore (US\$ 6.07 billion).
- Ms. Nirmala Sitharaman announced in the Union Budget of 2022-23 that Reserve Bank of India (RBI) will issue Digital Rupee using block chain and other technologies.
- In the Union Budget of 2022-23, Railway got an investment of Rs. 2.38 lakh crore (US\$ 31.88 billion) and over 400 new high-speed trains were announced. The concept of “One Station, One Product” was also introduced.
- To boost competitiveness Budget 2022 has announced to reform the 16-year-old Special Economic Zone (SEZ) act to enhance competitiveness this will be done to make it compatible with the World Trade Organisation (WTO).
- In June 2021, the RBI (Reserve Bank of India) announced that the investment limit for FPI (foreign portfolio investors) in the State Development Loans (SDLs) and government securities (G-secs) would persist unaffected at 2% and 6%, respectively, in FY22.
- To boost the overall audit quality, transparency and add value to businesses, in April 2021, the RBI issued a notice on new norms to appoint statutory and central auditors for commercial banks, large urban co-operatives and large non-banks and housing finance firms.
- Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Mr. Narendra Modi, Prime Minister of India, launched the Make in India initiative with an aim to boost the country’s manufacturing sector and increase the purchasing power of an average Indian consumer, which would further drive demand and spur development, thus benefiting investors. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the Government has also come up with the Digital India initiative, which focuses on three core components: the creation of digital infrastructure, delivering services digitally and increasing digital literacy.
- On January 29 2022 the National Asset Reconstruction Company Ltd (NARCL) will acquire bad loans worth up to Rs. 50,000 crore (US\$ 6.69 billion) about 15 accounts by March 31, 2022. India Debt Resolution Co. Ltd (IDRCL) will control the resolution process. This will clean up India’s financial system and help fuel liquidity and boost the Indian Economy.
- National Bank for Financing Infrastructure and Development (NaBFID) is a bank that will provide non-recourse infrastructure financing and is expected to support projects from the first quarter of FY2022-23, it is expected to raise Rs. 4 lakh crore (US\$ 53.58 billion) in the next 3 years.

Between April 2021 and October 2021, the central government finances registered improved performances. In the review period, the corporation tax recorded 91.6% YoY growth. Between April 2021 and October 2021, custom revenue collection registered 122.3% YoY growth, and the IGST collection to the Centre increased by 40% YoY, primarily due to the recovery of economic activities. Until December 16, 2021, the Net Direct Tax collections registered a growth higher than 60%, while Advance Tax Collections till the third instalment recorded a growth of about 53.5%. In the first two-quarters of FY22, the non-tax revenue registered a 78% growth over the same period last year and stood at Rs 2.07 lakh crore (US\$ 27.81 billion).

## Road Ahead

As per the data published in a Department of Economic Affairs report, in the first quarter of FY22, India’s output recorded a 20.1% YoY growth, recovering >90% of the pre-pandemic output in the first quarter of FY20. India’s real gross value added (GVA) also recorded an 18.8% YoY increase in the first quarter of FY22, posting a recovery of >92% of its corresponding pre-pandemic level (in the first quarter of FY20). Also, in FY21, India recorded a current account surplus at 0.9% of the GDP. The growth in the economic recovery is due to the government’s continued efforts to accelerate vaccination coverage among citizens. This also provided an optimistic outlook to further revive industrial activities.

As per RBI’s revised estimates of July 2021, the real GDP growth of the country is estimated at 21.4% for the first quarter of FY22. The increase in the tax collection, along with government’s budget support to states, strengthened the overall growth of the Indian economy.

India is focusing on renewable sources to generate energy. It is planning to achieve 40% of its energy from non-fossil sources by 2030, which is currently 30% and have plans to increase its renewable energy capacity from to 175 gigawatt (GW) by 2022. In line with this, in May 2021, India, along with the UK, jointly launched a ‘Roadmap 2030’ to collaborate and combat climate change by 2030.

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

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

## GLOBAL MANUFACTURING INDUSTRY

### Introduction

Manufacturing is the use of labour, goods and machines to produce goods for use or for sale. Manufacturing sector covers work performed in electronics industry, mechanical industry, energy industries, food and beverage industries, plastic industry, metalworking industries, transport and telecommunications industries, chemical or physical transformation of materials, substances, or components into new products. The process of assembling of components or parts of manufactured products also falls into the bracket of manufacturing unless the activity is appropriately put into construction. Construction on the other hand primarily covers works encompassing construction of buildings or assembling of infrastructure (for e.g., highways and utility systems). All those companies performing work in the preparation of sites for new construction and those involved in subdividing land for sale as building sites also are included in construction.

Manufacturing uses raw materials that are products of agriculture, bakery, fishing, forestry, mining and other products of manufacturing operations. Plants, factories or mills that use power-driven machines and materials-handling equipment, transform the raw materials into new finished products and components requiring further manufacturing.

On the other hand, construction market includes new work, maintenance or repairs. Production responsibilities are specified contractually with constructions owners (prime contractors) or contracts with subcontractors.

Manufacturing industries are the chief wealth generating sectors of any economy. These industries adopt various technologies and methods widely known as manufacturing process management. Manufacturing industries are important for an economy as they employ a huge share of the labour force and produce materials required by sectors of strategic importance such as national infrastructure and defence. Some of the industries we cover under manufacturing are aerospace, agriculture, defence, environmental services like air purification, glass, lighting, paper and forest products, machinery, metals (like aluminium, copper, exotic metals, iron and steel, non-ferrous metals and precious metals), mining, minerals, packaging and textiles.

The world manufacturing industries in a capitalist economy indulge in mass production and make them available as earning profits. Manufacturing in collectivist economy is guided by a state run agency for making available the manufactured goods depending on the requirement. Manufacturing industry in a modern economy operates under regulations framed by the Government.

(Source: <https://www.marketresearchreports.com/industry-manufacturing>)

It is unusual to see positive economic indicators paired with historic labour and supply chain challenges. But this is the trajectory for US manufacturing in 2022 emerging from the pandemic. The recovery gained momentum in 2021 on the heels of vaccine rollout and rising demand. As industrial production and capacity utilization surpassed pre-pandemic levels midyear, strong increases in new orders for all major subsectors signal growth continuing in 2022.1 Projections based on the Oxford Economic Model (OEM) anticipate GDP growth in manufacturing of 4.1% for 2022. As capital expenditures rise, a combination of high business valuations, strong earnings, and low-cost debt may also encourage companies to add technology capabilities, gain share, and expand in new markets with M&A. Policy initiatives and infrastructure investment have the potential to contribute to manufacturing's recovery.

However, optimism around revenue growth is held in check by caution from ongoing risks. Workforce shortages and supply chain instability are reducing operational efficiency and margins. Job openings— at more than twice the gap to reach pre-pandemic employment levels—hover near all-time highs at more than 800,000. Sourcing bottlenecks and global logistics logjams are likely to remain challenges in 2022 along with cost pressure and inflation risk. Steel, aluminium, and other commodity prices have surged amid shortages. Adding to this mix are risks from COVID-19 variants, cyberattacks, environmental challenges, and higher corporate tax rates. The industry can expect elevated uncertainty from a range of potential disruptors globally.

Manufacturers looking to capture growth and protect long-term profitability should embrace digital capabilities from corporate functions to the factory floor. Smart factories, including green field and brownfield investments for many

manufacturers, are viewed as one of the keys to driving competitiveness. More organizations are making progress and seeing results from more connected, reliable, efficient, and predictive processes at the plant. In 2022, 45% of manufacturing executives surveyed expect further increases in operational efficiency from investments in industrial Internet of Things (IIoT) that connect machines and automate processes.

US manufacturers have room to run with advanced manufacturing compared to many competitors globally. The number of industrial robots as a share of manufacturing workers in the United States is below countries like Korea, Singapore, and Germany. Half of executives we surveyed expect to increase operational efficiency in 2022 through their investments in robots and cobots. Investment in artificial intelligence technologies is also expected to see a compound annual growth rate (CAGR) above 20% through 2025. Discrete manufacturing is among the top-three industries expected to invest most heavily in AI, primarily in quality management and automated preventive maintenance use cases.

Manufacturers should look not only at their cyber defences, but also at the resiliency of their business in the event of a cyber-attack. Eighty-five percent of executives in our survey expect their organizations will invest more in prevention in 2022, while 56% of those surveyed anticipate more for detection and 29% plan to allocate more for areas of response. Cybercriminals can cause harm beyond intellectual property theft and financial losses, using malware that now ties in AI and crypto currencies. They can also shut down operations and disrupt entire supplier networks, compromising safety as well as productivity. A patchwork of regulations for different industries could be consolidated under the current administration's "whole-of-nation" approach to protect critical infrastructure.<sup>28</sup> The potential for additional oversight is likely to prompt more industrials to rethink preparedness for crisis response.

(Source: <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/energy-resources/us-2021-manufacturing-industry-outlook.pdf>)

## GLOBAL BALL AND ROLLER BEARING INDUSTRY

### Introduction

The global ball bearing market reached a value of US\$ 39.4 Billion in 2021. Looking forward, the publisher expects the market to reach US\$ 50.7 Billion by 2027, exhibiting a CAGR of 4.3% during 2022-2027. Keeping in mind the uncertainties of COVID-19, we are continuously tracking and evaluating the direct as well as the indirect influence of the pandemic on different end use industries. These insights are included in the report as a major market contributor.

A ball bearing, also known as an anti-friction component, is a type of rolling-element which has two ring-like tracks with small, freely rotating metal balls between them. These metal balls provide a smooth and low friction motion by supporting both axial and radial loads. Ball bearings are easy to maintain and are durable in operations due to their simple design. They also help in supporting weight, facilitating efficient transmission of power and ensuring proper alignment of movable components. Owing to these properties, ball bearings are extensively used for high speed and rotatory applications in numerous industries.

The world outlook for ball and roller bearing parts and components across more than 2,000 cities. For the year reported, estimates are given for the latent demand, or potential industry earnings (P.I.E.), for the city in question (in millions of U.S. dollars), the percent share the city is of the region, and of the globe. These comparative benchmarks allow the reader to quickly gauge a city vis-à-vis others. Using econometric models which project fundamental economic dynamics within each country and across countries, latent demand estimates are created. This report does not discuss the specific players in the market serving the latent demand, nor specific details at the product level. The study also does not consider short-term cyclicalities that might affect realized sales. The study, therefore, is strategic in nature, taking an aggregate and long-run view, irrespective of the players or products involved.

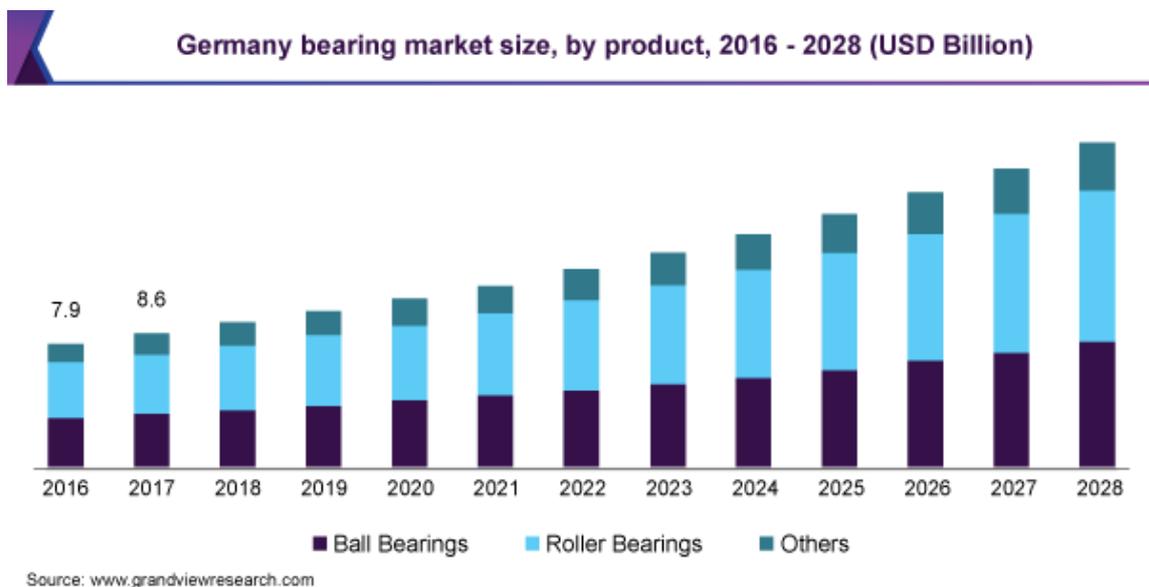
Ball bearings, complete, unmounted; Tapered roller bearings (including cups and cones), unmounted; Other roller bearings, unmounted; Mounted bearings (excluding plain); Parts and components for ball and roller bearings (including balls and rollers), sold separately (excluding cups and cones); Ball and roller bearing manufacturing.

The Ball & Roller Bearings (B2B Procurement) Purchasing World Report gives data on a list of 67 categories of Raw Materials, Semi-Finished & Finished Products, Services, Sub-contracted Expenditures and Expenses by the 637 entities in the Ball & roller bearings sector. The data analyses each of up to 200 countries by each Product by 3 Time series: From 1997- 2019 and Forecasts 2020- 2027 & 2027-2046.

### Global Ball Bearing Market Drivers/Constraints:

- Wind turbines require maintenance-free and high-quality ball bearings that help enhance turbine reliability and performance. The growing number of windmill farms worldwide is creating a huge demand for ball bearings in this sector.
- The manufacturers have developed sensor components for ball bearings which are used in conveyors, road rollers and electric motors. These components help in digital monitoring of revolution speed, axial movement, acceleration, deceleration and weight carrying capacity.
- Manufacturers are focusing on upgrading the working capability of ball bearings efficiently at lower costs. They are also improving the characteristics of the existing bearings such as lowering torque, increasing temperature range, reducing weight, decreasing energy consumption, enhancing the lifecycle and refining friction resistance.
- Counterfeit products act as the major hindrance to the global ball bearing market growth. These counterfeit ball bearings can drastically affect the performance of the equipment, leading to a decline in their sales.

(Source: <https://www.researchandmarkets.com/reports/5547138/ball-bearing-market-global-industry-trends>)



Moreover, a rise in demand for specialized bearing solutions that meet different industry-specific requirements and challenges is projected to boost the market. For instance, the rising application of high-capacity products in wind turbines is expected to catapult the demand. Wind turbines utilize these products to enhance turbine performance and reliability, increase energy production, and reduce lubricant consumption.

Manufacturers constantly work on improving the product designs to increase performance and energy efficiency. They use a special material for raceways, cages, and rolling elements as well as redesigned raceway profiles. Furthermore, technological advancements in seal and lubrication technologies and the use of lightweight materials in high-performance products are generating huge prospects for the manufacturers. Integration of electro-mechanical features directly into the bearings helps in performance improvement and reductions in size and cost.

Rising demand for high-performance bearings has resulted in manufacturers integrating advanced sensor units in their products. The sensor units assist in digital monitoring of axial movement, deceleration, acceleration, rotation speed, and load-carrying capacity of the product. Additionally, the advent of the Agricultural Internet of Things (IoT) has encouraged the adoption and constant monitoring of connected equipment and machinery. This trend has also influenced the market positively.

The railway and aerospace segment are anticipated to emerge as the fastest-growing segment by 2028. This growth can be attributed to growing interest in travel activities, the growing need to renew aging fleets owing to stringent environmental legislation, and fuel price pressure coupled with the availability of improved ways to assist global and local transportation systems. Demand from the railway segment is also anticipated to rise on account of accelerated railway construction in developing countries. Further, surging demand for small single-aisle aircraft and helicopters from emerging economies is anticipated further drive the growth of the segment.

(Source: <https://www.grandviewresearch.com/industry-analysis/bearings-market>)

## Global Roller Bearing Market

Roller Bearings are a type of rolling-element bearing that uses cylinders (rollers) to maintain the separation between the moving parts of the bearing (as opposed to using balls as the rolling element). The purpose of a roller bearing is to reduce rotational friction and support radial and axial loads. Compared to ball bearings, roller bearings can support heavy radial loads and limited axial loads (parallel to the shaft).

Roller Bearing market study covers the global and regional market with an in-depth analysis of the overall growth prospects in the market. Furthermore, it sheds light on the comprehensive competitive landscape of the global market. Roller Bearing market will be able to improvement the higher finger as they use the report as a powerful resource. The report further offers a dashboard overview of leading companies encompassing their successful marketing strategies, market contribution, and recent developments in both historic and present contexts. Roller Bearing Market report provides a detailed evaluation of the market by highlighting information on different aspects which include drivers, restraints, opportunities, and threats. This information can help stakeholders to make appropriate decisions before investing.

The global Roller Bearing market is valued at 22530 million USD in 2020 is expected to reach 27210 million USD by the end of 2026, growing at a CAGR of 2.7% during 2022-2026.

Roller Bearings are a type of rolling-element bearing that uses cylinders (rollers) to maintain the separation between the moving parts of the bearing. The primary end market for this type of bearing is the industrial and automotive industry. In 2015, demand from general and heavy machine industry contributed 61.21% share, followed by Automotive with 20.98% share.

(Source: <https://www.360marketupdates.com/global-roller-bearing-market-14843394>)

## INDIAN MANUFACTURING INDUSTRY

### Introduction

Manufacturing has emerged as one of the high growth sectors in India. Prime Minister of India, Mr Narendra Modi, launched the 'Make in India' program to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. Government aims to create 100 million new jobs in the sector by 2022.

### Market Size

India's gross domestic product (GDP) at current prices stood at Rs. 51.23 lakh crore (US\$ 694.93 billion) in the first quarter of FY22, as per the provisional estimates of gross domestic product for the first quarter of 2021-22. The manufacturing GVA at current prices was estimated at US\$ 97.41 billion in the first quarter of FY22.

India has potential to become a global manufacturing hub and by 2030, it can add more than US\$ 500 billion annually to the global economy.



The IHS Markit India Manufacturing Purchasing Managers' Index (PMI) stood at 55.9 in October 2021.

As per the survey conducted by the Federation of Indian Chambers of Commerce and Industry (FICCI), capacity utilisation in India's manufacturing sector stood at 72.0% in the second quarter of FY22, indicating significant recovery in the sector.

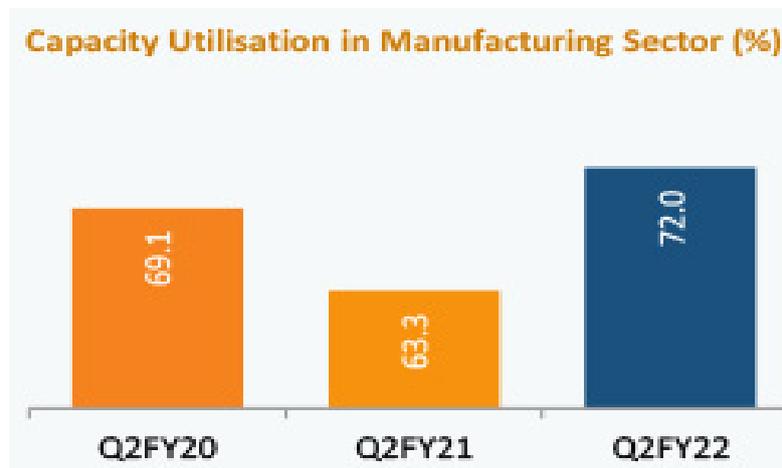
The overall index stood at 134.0, as of July 2021. This rise in the index was supported by growth in production of natural gas, steel, cement, fertilisers, coal, refinery products and electricity.

### Investments

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

According to Department for Promotion of Industry and Internal Trade (DPIIT), cumulative FDI inflows in the manufacturing subsectors amounted to US\$ 100.35 billion between April 2000 and June 2021.

In May 2020, the Government of India increased FDI in defence manufacturing under the automatic route from 49% to 74%.



India has become one of the most attractive destinations for investment in the manufacturing sector. Some of the major investments and developments in this sector in the recent past are:

In October 2021, information technology major Zoho, announced that it will invest Rs. 50–100 crore (US\$ 6.7–13.4 million) and form a new company, that will focus on research and development (R&D) in the manufacturing sector.

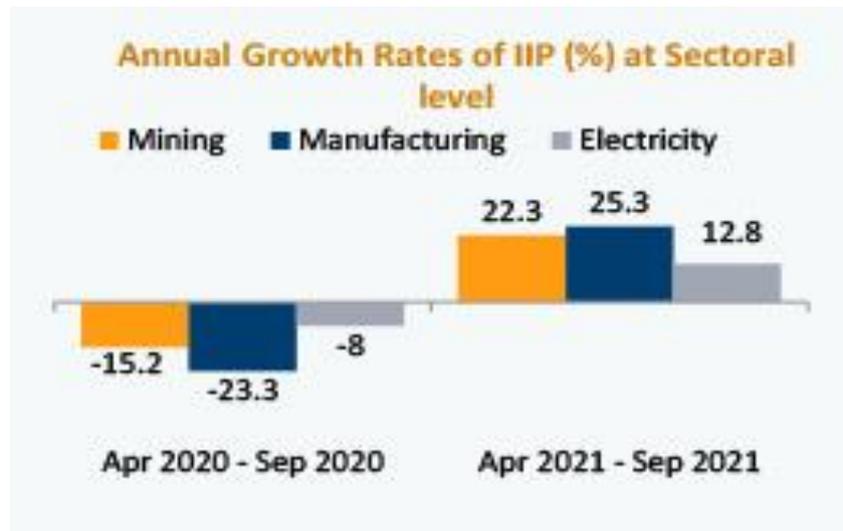
In August 2021, Wistron Corp. collaborated with India's Optimus Electronics to manufacture products such as laptops and smartphones, giving a major boost to the 'Make in India' initiative and electronics manufacturing in the country.

First Solar, an American solar panel company, plans to invest Rs. 4,800 crore (US\$ 645.7 million) in its new 3.3-gigawatt (GW) manufacturing facility in Tamil Nadu.

### Government Initiatives

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

The government approved a PLI scheme for 16 plants for key starting materials (KSMs)/drug intermediates and active pharmaceutical ingredients (APIs). The establishment of these 16 plants would result in a total investment of Rs. 348.70 crore (US\$ 47.01 million) and generation of 3,042 jobs. The commercial development of these plants is expected to begin by April 2023.



- On November 19, 2021, Prime Minister, Mr. Narendra Modi, laid the foundation stone for the Uttar Pradesh Defence Industrial Corridor project worth Rs. 400 crore (US\$ 53.73 million) in Jhansi.
- In November 2021, the Experts' Advisory Committee (EAC) of the Department for Promotion of Industry and Internal Trade approved Rs. 3 crore (US\$ 403,293.54) for the Atal Incubation Centre (AIC), Pondicherry Engineering College Foundation (PECF), under the Start-up India Seed Fund scheme.
- In September 2021, Prime Minister Mr. Narendra Modi approved the production-linked incentive (PLI) scheme in the textiles sector—for man-made fibre (MMF) apparel, MMF fabrics and 10 segments/products of technical textiles—at an estimated outlay of Rs. 10,683 crore (US\$ 1.45 billion).
- India's display panel market is estimated to grow from US\$ 7 billion in 2021 to US\$ 15 billion in 2025.
- The Mega Investment Textiles Parks (MITRA) scheme to build world-class infrastructure will enable global industry champions to be created, benefiting from economies of scale and agglomeration. Seven Textile Parks will be established over three years.
- The government proposed to make significant investments in the construction of modern fishing harbours and fish landing centres, covering five major fishing harbours in Kochi, Chennai, Visakhapatnam, Paradip, and Petuaghat, along with a multipurpose Seaweed Park in Tamil Nadu. These initiatives are expected to improve exports from the textiles and marine sectors.
- The 'Operation Green' scheme of the Ministry of the Food Processing Industry, which was limited to onions, potatoes and tomatoes, has been expanded to 22 perishable products to encourage exports from the agricultural sector. This will facilitate infrastructure projects for horticulture products.
- The Union Budget 2021-22 allocated funds of Rs. 1,000 crore (US\$ 137.16 million) for the welfare of tea workers, especially women and their children. About 10.75 lakh tea workers will benefit from this, including 6.23 lakh women workers involved in the large tea estates of Assam and West Bengal.

### Road Ahead

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

The manufacturing sector of India has the potential to reach US\$ 1 trillion by 2025. The implementation of the Goods and Services Tax (GST) will make India a common market with a GDP of US\$ 2.5 trillion along with a population of 1.32 billion people, which will be a big draw for investors. The Indian Cellular and Electronics Association (ICEA) predicts that India has the potential to scale up its cumulative laptop and tablet manufacturing capacity to US\$ 100 billion by 2025 through policy interventions.

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

## **INDIAN BALL AND ROLLER BEARING INDUSTRY**

### **Introduction**

India is a leading country in both manufacturing and exporting bearing products. Bearing production in India has been increasing steadily over the years due to the increasing need for bearings in industries - such as automotive, water pumps, fans, etc.

India has always been the largest importer of bearings and has a huge import of ball bearings, roller bearings, etc. Every year, a large number of bearing products are imported by India, and many of these are exported to other countries.

The bearings are important parts of a machine as they allow them to function without friction. Bearings can also make the machine more efficient by reducing energy loss and are vital in the production process. And are also used in a wide range of applications such as devices, machines, and engines. With all the different types of bearings, there's no wonder that bearing manufacturers in India are in high demand.

(Source: <https://okcredit.in/blog/bearing-manufacturers-in-india/>)

### **Indian Market**

India bearings market size was valued at US\$ 1,772.6 Mn in 2021 and is projected to expand up to US\$ 3,374.4 Mn by the end of 2027. The market is registering growth at a CAGR of 10.9% during the forecast period 2022-2027. Bearings are highly engineered, precisely made components that enable machinery to move at extremely high speed and carry remarkable loads with ease and efficiency. It is a part of a machine that allows one part to rotate in contact with another part with less friction. Bearings are used in every kind of equipment or machinery, ranging from automobile parts, farm equipment, and household appliances to defence and aerospace equipment.

In India, the market for bearing has gained an impressive impetus owing to the rising utilization of bearing in motors and increasing demand for automotive electrification. Moreover, the Indian government's initiatives such as 'Make in India' and 'Aatmanirbhar Bharat', aimed at reviving the manufacturing sector in turn increases the demand for bearings. However, the low-cost, and easy availability of counterfeit products are major threats to the India-bearing market.

India bearing market was divided into various segments (such as based on product type, size, materials, and application) and sub-segments to get a holistic picture of the market. Value chain analysis, PESTLE analysis, and Porter's five forces analysis were conducted to identify strengths, weaknesses, and potential threats. Furthermore, the performances of the competitors were measured to understand the scope of the business in the India bearing industry. To further double-check the data and results in data triangulation technique was implemented.

### **Roller Bearing holds the highest market share in 2021**

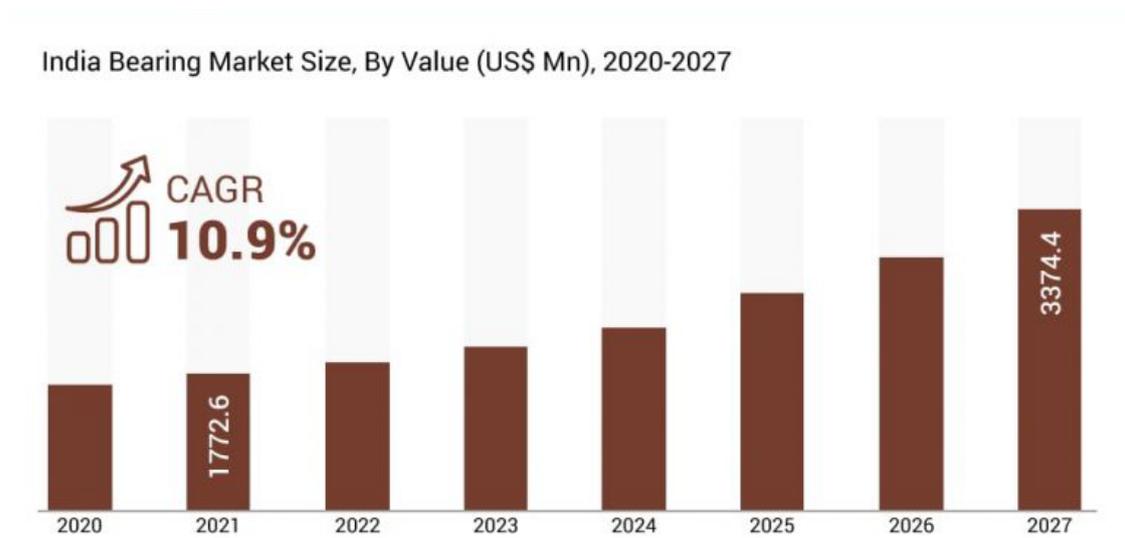
The roller bearings segment dominated the market and accounted for the largest revenue share of more than 45% in 2021. Further, this segment is also anticipated to continue its dominance and emerge as the fastest-growing segment by 2027. These products reduce rotational friction, support radial and axial loads, and can sustain limited axial loads and heavy radial loads more efficiently than their counterparts. The widespread espousal of roller bearings by several industries, such as capital equipment, automobiles, home appliances, and aerospace, is estimated to positively impact the product demand.



**The automotive segment is anticipated to have the highest growth share by 2027**

The automotive segment dominated the market and held the largest revenue share of approximately 50% in 2021. The fastest-growing segment is anticipated to register a growth in revenue from US\$ 803.7 Mn in 2021 to US\$ 1,419.1 by 2027. The high share of this segment can be attributed to high automotive production. Also, the demand for vehicles with technologically advanced solutions is escalating, thus, leading to rising in vehicle manufacturing that necessitates instrumented products.

**Key Insights of Bearings Market**



- The India bearing market for the study period of 2017-2027; where historical years are 2017-2020, the base year is 2021, and the forecast period is 2022-2027.
- The research report offers a detailed study of market determinants including market drivers, restraints, opportunities, and trends; along with an attractive presentation in the form of impact analysis to gain a simpler and easy comparison view of all market determinants.
- The market estimates are presented in terms of value (US\$ Mn).

(Source: <https://www.astuteanalytica.com/industry-report/india-bearings-market>)

## **Ball Bearing Market**

The ball bearing market is estimated to witness a considerable growth in the forthcoming years, ascribed to the aim to achieve energy efficiency. Energy saving and bearings go hand-in-hand. The primary aim of this element is saving energy by reducing friction, be it during the rotation of shafts of a transmission or the wheel of a vehicle. Additionally, rising demand for commercial vehicles is expected to catapult the demand from automotive sector across the world.

Advancements in technology including smart bearings, development of cutting-edge materials and lubricants, and integrating sensor units, are anticipated to provide high growth potential to the market.

A mature ball bearing market is closely related to the dynamic demand in the state of engineering industries and capital goods. However, companies are offering integrated products that significantly decrease the number of bearings that go into an assembled product and reduce the overall cost of equipment. Incidentally, this also increases the shelf-life and reliability of the product. Of late, manufacturers are heavily investing in R&D to address the intensifying competition by providing innovative products.

The growth of India's bearings industry in the days to come is expected to be led by growth in industrial production as well as demand from automobile sector.

The shifting focus on renewable energy will further lead to increased demand for bearings in India as wind and water turbines require heavy usage of bearings to convert the kinetic energy into electricity. Government of India has so far played a dormant role in the development and building of bearings market in the country. However, after the Modi government came to power and introduced certain policies including the 'Make in India' initiative, tax incentives, R&D incentives and others are likely to encourage the bearings manufacturers as well as attract investments in the industry.

(*Source: <https://engmag.in/ball-bearing-market-to-witness-robust-growth-in-next-five-years/>*)

## OUR BUSINESS

*This chapter should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the section titled “Risk Factors” and chapters titled “Restated Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 21, 126 and 129 respectively, of this Draft Prospectus.*

*Unless otherwise indicated, the Restated Financial Statements included herein is based on our Restated Financial Statements for period ended January 05, 2022 and Financial Years ended on March 31, 2021, 2020 and 2019 included in this Draft Prospectus. For further information, see “Restated Financial Statements” beginning on page 126 of this Draft Prospectus.*

### OVERVIEW

Our Company was originally formed as a partnership firm under the name and style of “M/s. S K P Bearing Industries” pursuant to a deed of partnership dated November 21, 1991, as amended from time to time. M/s. S K P Bearing Industries was thereafter converted into a private limited company “SKP Bearing Industries Private Limited” on January 06, 2022 pursuant to the provisions of Chapter XXI of the Companies Act and fresh a certificate of Incorporation dated January 06, 2022 was issued by Registrar of Companies, Ahmedabad vide CIN No. U29305GJ2022PTC128492. Subsequently, our Company has been converted into a public limited company and the name of our Company changed to “SKP Bearing Industries Limited” pursuant to a special resolution passed at the Extra-Ordinary General Meeting of our Company held on January 31, 2022 and a fresh Certificate of Incorporation dated February 15, 2022 issued by the Registrar of Companies, Ahmedabad. The Corporate Identity Number of our Company is U29305GJ2022PLC128492.

We are manufacturer of needle rollers, cylindrical rollers, pins and steel balls (“Rolling Elements”) and are one of the players in the list of finished roller manufacturers in India. Over the years we have developed expertise and upgraded our technology by adding several automatic and imported machineries and equipment to the plant, which has helped us boost our production capacity and the quality of our products.

We supply these rolling elements across India to reputed bearing manufactures and OEMs in domestic market in diverse industries such as textile, automobile, etc. We have the potential to supply the best products at most competitive prices in the market. We are also exporter of rolling elements which cater the requirements of international customers in Brazil, Argentina, UAE, etc. Over the years, we have also ventured into power generation business by installing wind mill in year 2012-2013 at Survey No. 646, vill: Seth Vadala, Taluka: Jamjodhpur, Jamnagar Forest Division, Gujarat with a commissioned capacity of 0.80 MW and is currently used for our captive consumption. We also have solar plant situated at Survey No. 25/M., Village Rojhana, Teh: Baroda, Dist.: Agar, Madhya Pradesh, and other wind mills situated at Survey No. 143/2, Village: Jamuniameena, P.H.N.-52, Mandsaur, Madhya Pradesh, and Village Rautwadi, Tal. Koregaon, District Satara, Maharashtra with a commissioned capacity of 0.63 MW, 1.5 MW and 0.80 MW respectively for generation and sale of power and electricity to various customers.

We have over 30 years of experience of operating in India backed by our promoters Mr. Shrinand Kamlakar Palshikar and Ms. Sangita Shrinand Palshikar. Over the years we have developed expertise and upgraded our technology by adding several automatic and imported machineries and equipment to the plant, which has helped us boost our production capacity and the quality of our products.

We currently, have our manufacturing facility unit located at Survey No. 2127, Mulchand Road, Wadhwan – 363 030, Surendranagar, Gujarat, India having a total area of approximately 16,160 sq. mtrs. As on date, this facility has machineries installed for manufacturing of rollers for 600 million pcs, and manufacturing of balls for 480 tons. Our products are manufactured with advanced technology.

Our Company is IATF certified organization, and we manufacture, export or supply rollers as per the need and demand of various companies. Our products are designed by the experts and are made as per the specific specifications offered by the clients. We supply corrosion-free rollers, and provide custom make pins as per customer drawing.

For the period ended January 05, 2022 and for the financial year ended March 31, 2021, 2020 and 2019, our revenue from operations was ₹ 3,147.50 Lakhs, ₹ 3,627.91 Lakhs, ₹ 3,189.45 Lakhs and ₹ 3,997.33 Lakhs, respectively. Our EBITDA for the period ended January 05, 2022 and for the financial year ended March 31, 2021, 2020 and 2019 was ₹ 1,678.68 Lakhs, ₹ 1,409.66 Lakhs, ₹ 1,420.60 Lakhs and ₹ 1,669.05 Lakhs, respectively, while our profit after tax for the period ended January 05, 2022 and for the financial year ended March 31, 2021, 2020 and 2019 was ₹ 940.41 Lakhs, ₹ 745.60 Lakhs, ₹ 812.47 Lakhs and ₹ 992.64 Lakhs, respectively.

## Impact of COVID-19 on our business operations

The pandemic outbreak has caused an economic downturn on a global scale, including closures of many businesses and reduced consumer spending, as well as significant market disruption and volatility. The demand for our products is dependent on and directly affected by factors affecting industries where our products are supplied. Majority of our customer base are engaged in automobile industry, which were majorly affected by COVID outbreak. We continue to closely monitor the impact that COVID-19 may have on our business and results of operations. It is difficult for us to predict the impact that COVID 19 will have on us, in the future.

## LOCATIONS OF OUR MANUFACTURING FACILITY, WIND MILLS AND SOLAR PLANT

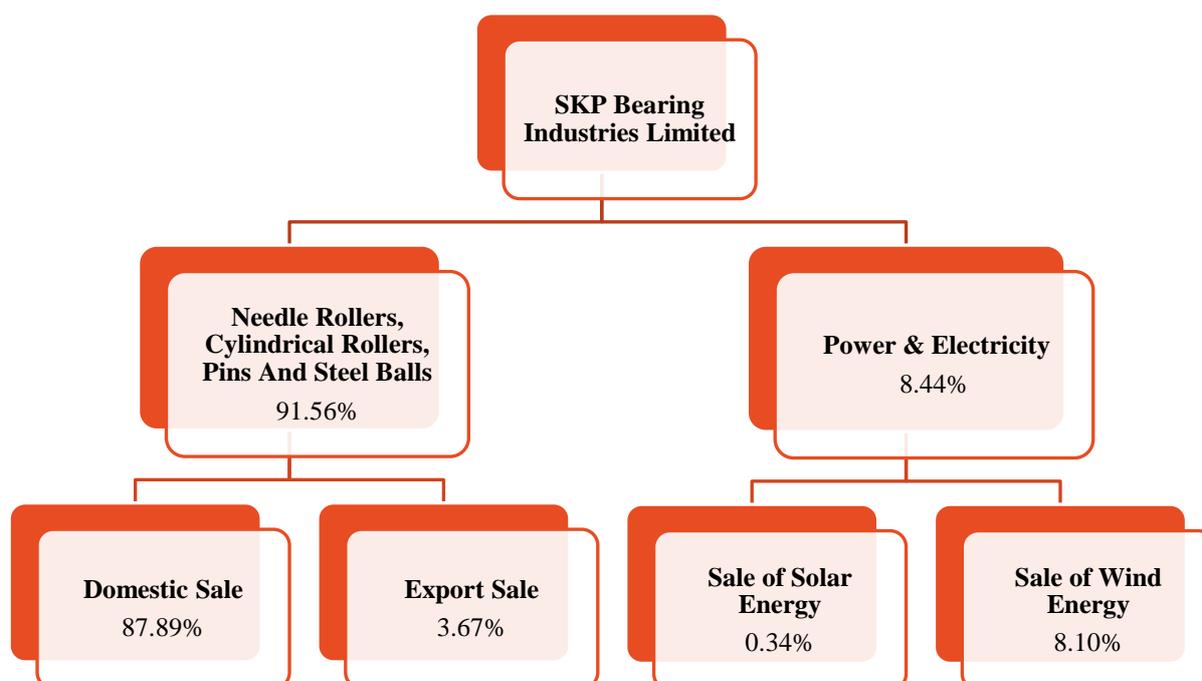
Property	Location
Manufacturing Facility	Survey No. 2127, Mulchand Road, Wadhwan, Surendranagar, Gujarat
Solar Plant	Survey No. 25/M., Village Rojhana, Teh: Baroda, Dist.: Agar, Madhya Pradesh
Wind Mills	Village Rautwadi, Tal. Koregaon, District Satara, Maharashtra
	Survey No. 646, vill: Seth Vadala, Taluka: Jamjodhpur, Jamnagar Forest Division, Gujarat
	Survey No. 143/2, Village: Jamuniameena, P.H.N.-52, Mandsaur, Madhya Pradesh

## REVENUE FROM OPERATIONS

Based on our Restated Financial Information, our revenue from operations, total income and profit after tax for the period ended January 05, 2022 and Financial Years 2021, 2020 and 2019 were as follows:

Particulars	For the period ended January 05, 2022		For the Financial Year ended					
			2020 – 21		2019 – 20		2018 – 19	
	₹ in Lakhs	%	₹ in Lakhs	%	₹ in Lakhs	%	₹ in Lakhs	%
Revenue from operations	3,147.50	91.38	3,627.91	97.81	3,189.45	97.89	3,997.33	97.95
Other income	296.85	8.62	81.38	2.19	68.74	2.11	83.82	2.05
<b>Total</b>	<b>3,444.35</b>	<b>100.00</b>	<b>3,709.29</b>	<b>100.00</b>	<b>3,258.18</b>	<b>100.00</b>	<b>4,081.15</b>	<b>100.00</b>
Profit after Tax	940.41	27.30	745.60	20.10	812.47	24.94	992.64	24.32

## REVENUE MODEL



## OUR STRENGTHS

### ***1. One of the players in manufacturing of multiple rolling elements in India under single roof***

We are manufacturers of needle rollers and various types of cylindrical rollers and components in India wherein we offer an extensive line of rolling elements under single roof. We believe our rollers are uniquely designed with customized geometries and engineered surfaces to provide engineering solutions for harsh and critical applications. Our products portfolio is tailor made for our customers so as to meet their specific requirements. Our manufacturing process provides us with flexibility of manufacturing smaller volumes of products at short notice.

### ***2. Quality Assurance and Quality Control of our products***

Quality Assurance and Quality Control are integral part of our manufacturing operations. We believe that quality is an ongoing process of building and sustaining relationships. Our Company is accredited with IATF 16949 Certificate for our products such as needle rollers, cylindrical rollers, pins, balls. Our engineers inspect the entire process ensuring quality of our products is maintained. Our manufacturing facility has a fully equipped Quality Division with experienced and qualified staff to carry out quality checks and inspections at all the stages of our manufacturing process. They follow the protocol of incoming material control through physical and metallurgical parameters, process controls through product audit, process audit system audit and in-stage inspection and the final stage of pre dispatch control through PDI and quality packing.

### ***3. Wide and Stable customer base***

We supply our rollers and products to reputed manufactures and OEMs in diverse industries. Our relationships with our customers ensure that we are constantly in communication with them and enable our products to meet their exacting specifications. We believe that the strength of our relationships with our customers is attributable to our consistent performance over long periods and the emphasis that we place on catering to our customers' needs, supplemented with our access to technology.

### ***4. Experienced management and dedicated employee base***

Our Company is promoted by Mr. Shrinand Kamlakar Palshikar and Ms. Sangita Shrinand Palshikar, possessing an average experience of more than 30 years in the field of manufacturing of rolling components. For details, relating to the experience of our management, please see the chapters titled, "*Our Management*" and "*Our Promoters and Promoter Group*" on page 109 and 120 of this Draft Prospectus. We believe this facilitates effective operational coordination and continuation of business strategies. Their individual industry experience enables us to anticipate and address market trends, manage and grow our operations. Further our employee base includes experienced senior executives. We believe that our management team and other Key Managerial Personnel are well qualified with significant market experience and has been responsible for the growth in our operations and have enabled us to extend our operational capabilities, improve the quality of services provided, continuously upgrade our process and achieve our growth in the industry.

### ***5. Diversifying the product mix and increasing penetration in markets***

Our Company's products are sold in the domestic market as well in international market. The domestic market also offers opportunities in term of sub-geographic penetration and product/ market diversification. Our Company seeks to grow its marketing reach domestically and internationally to explore hitherto untapped markets and segments as part of its strategy in order to widen growth prospects. We intend to continue our focus on the current product mix and aim to expand and diversify our product portfolio which we believe provides further growth opportunities through the retention of existing clients and acquisition of new clients. We believe that we have a good track record in the manufacturing of balls and bearings.

### ***6. Repeat orders***

We believe that meeting customer specific requirements and delivery of orders is one of the key growths. Our Company has made efforts to ensure customer satisfaction by taking steps for meeting customer specific requirements, timely delivery of orders to our customers as well as maintaining consistency in quality and this has yielded results in the form of repeat orders from our customers. The repeat orders reflect the confidence reposed in us by our customers.

### ***7. Cost effective production and timely fulfilment of orders***

Timely fulfilment of orders is a prerequisite in our industry. Our Company has taken various steps in order to ensure adherence to timely fulfilment and also to achieve greater cost efficiency. Our Company constantly endeavours to implement an efficient procurement policy for inputs required for production so as to ensure cost efficiency in procurement which in turn results in cost effective production.

## 8. Prime Factory Location

We are situated at one of highly industrialised belt in Gujarat State (India) on Wadhwan, Surendranagar, Gujarat which has good transport connectivity and also being costal state, we are close to some major / popular sea ports like Kandla Port and Mundra Sea Port.

## OUR STRATEGIES

### 1. To enhance market share by expanding our business with more OEMs and expanding our export business

We intend to expand our business more with our organised customers. We are exploring more export customers in Germany and other countries by exploring more business, which is having spread and reach of their distribution system as a significant strength of their business because it allows them to market and sell their products across India and globally.

### 2. Expansion of our operations on the property situated at Survey No. 2127, Mulchand Road, Wadhwan – 363 030, Surendranagar, Gujarat, India

We propose to expand our operations by undertaking advancement in the current roller division setup, upgradation and increasing production of Ball division, by increasing our production capacity on the property situated at Survey No. 2127, Mulchand Road, Wadhwan – 363 030, Surendranagar, Gujarat, India.

### 3. Continue to improve operating efficiencies through technology enhancements

We continue to further develop our technology systems to increase asset productivity, operating efficiencies and strengthen our competitive position. We believe that our in-house technology capabilities will continue to play a key role in effectively managing and expanding our operations, maintain strict operational and fiscal controls and continue to enhance customer service levels. We intend to continue to invest in our in-house technology capabilities to develop customized systems and processes to ensure effective management control. We continue to focus on further strengthening our operational and fiscal controls.

### 4. To continue expanding our business by including new customized products and services

We plan to continue expanding our manufacturing capabilities in order to capture future growth trends. We intend to explore opportunities to expand our operations by developing new products and services within our existing lines of business. Further expanding our service offerings will help us to build on existing diversification of our business.

### 5. Optimal Utilization of Resources

Our Company constantly endeavours to optimize the utilization of resources. We have invested in significant resources and intend to further invest in our activities to develop customized systems and processes to ensure effective management control. We regularly analyse our existing policies to be carried out for providing our products which enables us to identify the areas of bottlenecks and correct the same. This helps us in improving efficiency and putting resources to optimal use.

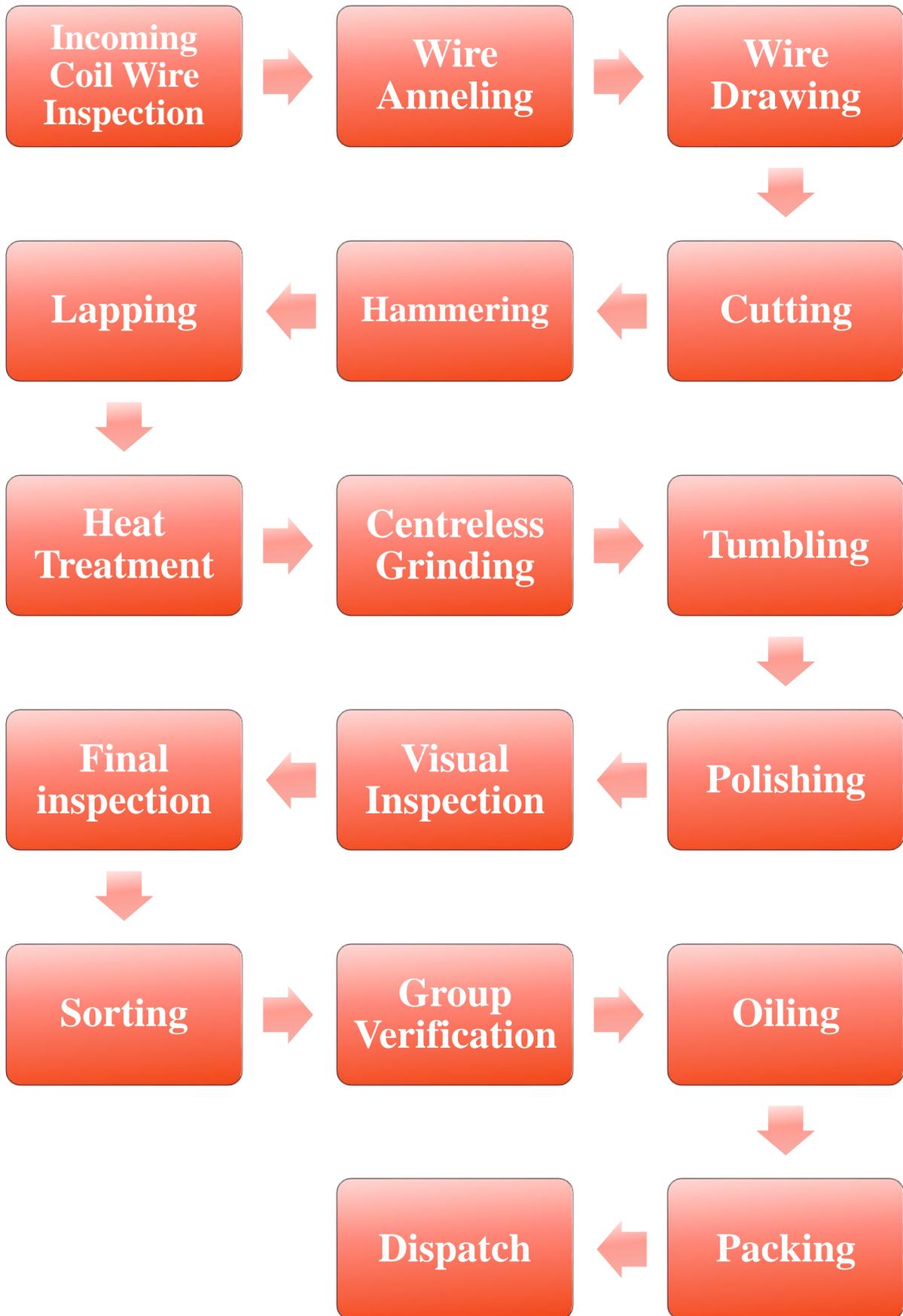
## OUR PRODUCTS

Product Name	Product Description
 <u>Needle Rollers - Type BP (Flat Unground Ends)</u>	<ul style="list-style-type: none"><li>• <b>Specifications:</b> In this type the both the ends of the roller are flat with radius</li></ul> <p><b>D(MM):</b> 1.5 to 9 <b>L(MM):</b> 3 to 48</p> <ul style="list-style-type: none"><li>• <b>Raw materials used</b></li></ul> <p>Mostly raw material is bearing steel, but in some of the cases when its customer specified it would be as per requirements</p>

Product Name	Product Description
<p data-bbox="236 208 708 237"><u>Needle Rollers - Type BR (Rounded Ends)</u></p> 	<ul data-bbox="810 208 1449 271" style="list-style-type: none"> <li>• <b>Specifications:</b> In this type the both the roller ends are spherical</li> </ul> <p data-bbox="810 300 995 329"><b>D(MM):</b> 1.5 to 6</p> <p data-bbox="810 331 986 360"><b>L(MM):</b> 5 to 46</p> <ul data-bbox="810 394 1075 423" style="list-style-type: none"> <li>• <b>Raw materials used</b></li> </ul> <p data-bbox="810 456 1449 519">Mostly raw material is bearing steel, but in some of the cases when its customer specified it would be as per requirements</p>
<p data-bbox="204 707 740 736"><u>Needle Rollers - Type BPM (Flat Ground Ends)</u></p> 	<ul data-bbox="810 707 1449 770" style="list-style-type: none"> <li>• <b>Specifications:</b> In this type both the ends of the roller are face ground and in close tolerance</li> </ul> <p data-bbox="810 799 995 828"><b>D(MM):</b> 1.5 to 9</p> <p data-bbox="810 831 986 860"><b>L(MM):</b> 3 to 48</p> <ul data-bbox="810 896 1075 925" style="list-style-type: none"> <li>• <b>Raw materials used</b></li> </ul> <p data-bbox="810 958 1449 1021">Mostly raw material is bearing steel, but in some of the cases when its customer specified it would be as per requirements</p>
<p data-bbox="172 1171 775 1234"><u>Needle Rollers - Type BRM (One End Round and One End Flat)</u></p> 	<ul data-bbox="810 1171 1449 1234" style="list-style-type: none"> <li>• <b>Specifications:</b> In this type it has one end spherical and one end flat</li> </ul> <ul data-bbox="810 1267 1075 1296" style="list-style-type: none"> <li>• <b>Raw materials used</b></li> </ul> <p data-bbox="810 1330 1449 1393">Mostly raw material is bearing steel, but in some of the cases when its customer specified it would be as per requirements</p>
<p data-bbox="213 1693 730 1722"><u>Needle Rollers - Type TR (Both Ends Pointed)</u></p> 	<ul data-bbox="810 1693 1385 1722" style="list-style-type: none"> <li>• <b>Specifications:</b> In this type both ends are pointed</li> </ul> <p data-bbox="810 1756 975 1785"><b>D(MM):</b> 3 to 7</p> <ul data-bbox="810 1821 1075 1850" style="list-style-type: none"> <li>• <b>Raw materials used</b></li> </ul> <p data-bbox="810 1883 1449 1946">Mostly raw material is bearing steel, but in some of the cases when its customer specified it would be as per requirements</p>

Product Name	Product Description																																																																																								
<p data-bbox="389 176 558 203" style="text-align: center;"><b>Product Name</b></p> <p data-bbox="443 208 504 235" style="text-align: center;"><u>Pins</u></p> 	<ul data-bbox="810 208 1342 331" style="list-style-type: none"> <li>• <i>Specifications:</i> Type C45 and Stainless Steel</li> <li>• <i>Raw materials used</i></li> </ul> <p data-bbox="810 365 1449 427">Mostly raw material is bearing steel, but in some of the cases when its customer specified it would be as per requirements</p>																																																																																								
<p data-bbox="368 573 579 600" style="text-align: center;"><u>Cylindrical Rollers</u></p> 	<ul data-bbox="810 573 1023 730" style="list-style-type: none"> <li>• <i>Specifications:</i></li> </ul> <p data-bbox="810 633 975 660"><b>D(MM):</b> 3 to 7</p> <ul data-bbox="810 701 1075 728" style="list-style-type: none"> <li>• <i>Raw materials used</i></li> </ul> <p data-bbox="810 761 1449 824">Mostly raw material is bearing steel, but in some of the cases when its customer specified it would be as per requirements</p>																																																																																								
<p data-bbox="411 1126 536 1153" style="text-align: center;"><u>Steel Balls</u></p> 	<ul data-bbox="810 1126 1023 1153" style="list-style-type: none"> <li>• <i>Specifications:</i></li> </ul> <table border="1" data-bbox="810 1189 1445 1585"> <thead> <tr> <th colspan="8" style="text-align: center;">BALL RANGE</th> </tr> <tr> <th>Size (Inch)</th> <th>Size (mm)</th> <th>Size (Inch)</th> <th>Size (mm)</th> <th>Size (Inch)</th> <th>Size (mm)</th> <th>Size (Inch)</th> <th>Size (mm)</th> </tr> </thead> <tbody> <tr> <td>7/32"</td> <td>5.556</td> <td>3/8"</td> <td>9.525</td> <td>17/32"</td> <td>13.494</td> <td>23/32"</td> <td>18.256</td> </tr> <tr> <td>15/64"</td> <td>5.953</td> <td>--</td> <td>10</td> <td>--</td> <td>14</td> <td>3/4"</td> <td>19.05</td> </tr> <tr> <td>--</td> <td>6</td> <td>13/32"</td> <td>10.319</td> <td>9/16"</td> <td>14.288</td> <td>25/32"</td> <td>19.844</td> </tr> <tr> <td>1/4"</td> <td>6.35</td> <td>7/16"</td> <td>11.113</td> <td>--</td> <td>15</td> <td>13/16"</td> <td>20.638</td> </tr> <tr> <td>17/64"</td> <td>6.747</td> <td>29/64"</td> <td>11.509</td> <td>19/32"</td> <td>15.081</td> <td>27/32"</td> <td>21.431</td> </tr> <tr> <td>9/32"</td> <td>7.144</td> <td>15/32"</td> <td>11.906</td> <td>5/8"</td> <td>15.875</td> <td>--</td> <td>22</td> </tr> <tr> <td>5/16"</td> <td>7.938</td> <td>--</td> <td>12</td> <td>21/32"</td> <td>16.669</td> <td>7/8"</td> <td>22.225</td> </tr> <tr> <td>--</td> <td>8</td> <td>31/64"</td> <td>12.303</td> <td>11/16"</td> <td>17.463</td> <td></td> <td></td> </tr> <tr> <td>11/32"</td> <td>8.731</td> <td>1/2"</td> <td>12.7</td> <td>--</td> <td>18</td> <td></td> <td></td> </tr> </tbody> </table> <ul data-bbox="810 1621 1082 1648" style="list-style-type: none"> <li>• <i>Raw materials used:</i></li> </ul> <p data-bbox="810 1682 1449 1744">Mostly raw material is bearing steel, but in some of the cases when its customer specified it would be as per requirements</p>	BALL RANGE								Size (Inch)	Size (mm)	7/32"	5.556	3/8"	9.525	17/32"	13.494	23/32"	18.256	15/64"	5.953	--	10	--	14	3/4"	19.05	--	6	13/32"	10.319	9/16"	14.288	25/32"	19.844	1/4"	6.35	7/16"	11.113	--	15	13/16"	20.638	17/64"	6.747	29/64"	11.509	19/32"	15.081	27/32"	21.431	9/32"	7.144	15/32"	11.906	5/8"	15.875	--	22	5/16"	7.938	--	12	21/32"	16.669	7/8"	22.225	--	8	31/64"	12.303	11/16"	17.463			11/32"	8.731	1/2"	12.7	--	18								
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**MANUFACTURING PROCESS**



*Incoming Coil Wire Inspection*

The basic raw material is in coil form and each coil is inwarded, inspected labelled and uniquely numbered. Any coil is found to be non-confirming then QC manager will verify the same. The material is either accepted under deviation or rejected. Rejected coils are labelled with red rejection card to be returned to vendor. The approved material is then accepted by store and then is further issued for production as per requirement.



### ***Cutting***

The material received from store is cut into various sizes as per customer requirements. QC dept. issues master on which base a mass production is done. In this dept. all machines are special purpose and high-speed machines which processes 4,000 kgs daily. The cut material is then forwarded to the next process.



### ***Hammering and Lapping***

In this process the material is loaded in the barrels to achieve required end shapes. After which the lapping process is done to smoothen surface. The unloaded materials from barrels it is send to the next department for further process.

### ***Heat Treatment***

In this process the material is hardened and tempered to achieve uniform hardness up to 60-64 HRC. This operation is very important because it is a special process. The hardened material is then moved to next operation.



### ***Centreless Grinding***

In this process the outer diameter and face of the rollers are ground. This measurement for outer diameter (OD) final grinding is within 10 microns and the final face grinding tolerance is within 100 microns or as per customer specifications.

### ***Polishing***

The material received from Grinding department is further lime polished to achieve surface finish and glitter. From here the material is sent to visual inspection department.

### ***Visual Inspection***

In this process the material is 100% visually inspected for any visual defects like length defects, rusting, pitting, uneven grinding, and radius, unpolished rollers, etc. which can be visually detected and removed by highly skilled and trained staff.

### ***Final Inspection***

The material visually inspected is checked for final quality parameters before dispatch.

### ***Sorting***

Here the material is sort for diameter in groups of 2 microns and length in groups of 5 microns or as per customer specifications. This is as per Customer requirement only.

### ***Packing***

Here the material is weighed as per size wise standard packaging standards and sealed and packed in a red coloured box. It is labelled mentioning the size, manufacturing number, grade of the material, quantity. It is further packed in larger corrugated boxes for dispatch.

### ***Dispatch***

The packed material is then loaded on pallets and dispatched with necessary documents along with the material. The consignment is then sent either by road, rail, sea, or air as per the contract.

## **PLANT AND MACHINERY**

The below mentioned plant and machineries are installed at our manufacturing unit:

Sr. No.	Equipment Name	Process	No. of Machine
1	Cutting Machine	Roller Cutting	9
2	Heading Machine	Roller Heading	5
3	Hammering Barrel	Roller Radius Generate	19
4	Horizontal Round Barrel	Roller Radius Merging	5
5	Dust Collector	Dust Collect	2
6	Air Blower	Smoke Collect	1
7	Polishing Barrel	Roller Polishing	21
8	Horizontal End drop Barrel	Roller End Drop	5
9	Sieve (Round)	Roller Charming	1
10	Sieve (Rectangular)	Roller Charming	3
11	Filter Press	Water Filtration	3
12	Centerless Grinder	Roller OD Grinding	13
13	Duplex Grinder	Roller Face Grinding	10
14	Honning Machine	Roller OD Super Finishing	4
15	Hardening Furnace	Roller Hardening	4
16	Tempering Furnace	Roller Tempering	4
17	Mould Polishing Machine	Mould Polishing	2
18	Drilling Machine	Drilling	3
19	Hydraulic Press	Maintenance	2
20	Sorting Machine	Length & Dia. Sorting	10
21	Shrink Sealing Machine	Box Sealing	1
22	Box Stripping Machine	Box Packing	3
23	Generator	Electricity	2
24	Compressor	Air	4
25	Air Dryer	Air Filtration	2
26	Oil Skimmer	Oil Filtration	2
27	Water Cooler	Water	3
28	Centrifuged (Small Dryer)	Roller Drying	3
29	Centrifuged (Big Dryer)	Roller Drying	2
30	Roots Floor Cleaner	Floor Cleaning	2
31	Vibratory Bowl Feeder	Roller Feeding	20
32	Auto Vibrating Feeder with medea segregation	Roller Feeding	3
33	Bench Grinder	Tool reshape	4
34	Welding Machine	Maintenance	3
35	Hydraulic Lift	Material Handling	2
36	Electric Operating Lift	Material Handling	17
37	Auto Balancing Machine	CG Wheel Balancing	1
38	RO Filter plant	Water Filtration	2
39	CNC Lathe Machine	Machining	2
40	Metallurgical Cutting Machine	Metal Cutting	1
41	Universal Testing Machine	Raw Material Testing	1
42	Honning Machine Filtration Plant	Oil Filtration	1
43	Visual Inspection Machine	Roller Inspection	1
44	Auto Roller Cleaning Machine	Roller Cleaning	1
45	Auto Loading Feeder	Roller Feeding	5
46	Vibro Finishing Machine	Roller Polishing	3
47	Lathe Machine	Machining	4
48	Vertical Milling Machine	Machining	1
49	Horizontal Milling Machine	Machining	1
50	Hexo Machine	Metal Cutting	1
51	CG Coolant Filtration Plant	Coolant Filtration	1
52	Cylindrical Grinding Machine	OD Grinding	1
53	Header Machine	Ball Heading	6
54	Flashing Machine	Ball Flashing	5
55	Hard grinding Machine	Ball Grinding	4
56	Scouring Barrel	Ball Scouring	3
57	Lapping 1 Machine	Ball Lapping	6

Sr. No.	Equipment Name	Process	No. of Machine
58	Lapping 2 Machine	Ball Lapping	5
59	Lapping 3 Machine	Ball Lapping	4
60	Lapping 4 Machine (Bakelite)	Ball Lapping	1
61	Washing Machine	Ball Washing	5
62	Vibro Dryer	Ball Drying	1
63	Ball Packing Inspection & Packing Machine	Ball Inspection & Packing	2
64	Ocular Inspection Stand	Ball Inspection Table	4
65	VTL Machine	Plate grooving	2
66	Sorting Table	Ball Sorting	1
67	Aviko	Ball Inspection	1
68	Waviness Testing machine	Ball Inspection	1
69	Ovan	Heating	1
70	Mould Cutting machine	Ball Cutting	1
71	Mould Making Machine	Mould Make	1
72	Crushing Load testing Machine	Load testing	1
73	Hard Grinding Coolant Filtration Plant	Coolant Filtration	1
74	Bakelite Lapping Chilling & Filtration Plant	Coolant Filtration	1
75	Lapping Coolant Filtration Plant	Coolant Filtration	1
76	Heat Treatment Chiller Plant	Water Cooling	1
77	Flat Micrometer	Measurement	11
78	Flat Micrometer (Digital)	Measurement	1
79	Pointed Micrometer	Measurement	4
80	Vernier Caliper	Measurement	5
81	Dial Gauge	Measurement	9
82	Vertical Columnmeter 945	Measurement	12
83	Digital Gauge Comparator	Measurement	5
84	Hardness Tester	Measurement	5
85	Portable Hardness Tester	Measurement	1
86	Roundness tester	Inspection	3
87	MAHR Roughness & Contour	Inspection	1
88	Roughness tester	Inspection	2
89	Microscope- JEISS	Inspection	4
90	Profile Projector	Inspection	2
91	Length Master	Inspection	1
92	OD Master	Inspection	1
93	Temp. Controller "K" Type	Measurement	1
94	Temp. Controller "J" Type	Measurement	1
95	Ring Gauge	Inspection	2
96	Solar Power Project	Solar Energy	1
97	Wind Mill	Wind Energy	3
98	Roof Top Solar Plant	Solar Energy	1

## CAPACITY AND CAPACITY UTILISATION

Product Name	Installed Units/Pcs	Actual Utilised			
		2018-2019	2019-2020	2020-2021	As on January 05, 2022
Roller (PCS)	600 million	403 million	310.84 million	308.59 million	304.65 million
Balls (KGS)	480 Ton	190.39 Ton	43.27 Ton	87.82 Ton	144.66 Ton
Wind (Unit)	6.6 million	5.26 million	5.26 million	4.49 million	3.81 million
Solar (Unit)	1.1 million	0.998 million	0.958 million	0.885 million	0.559 million

## REPAIRS AND MAINTENANCE

We conduct periodic repair and maintenance programs for our manufacturing facility. Our machinery and electrical repair teams carry out periodic maintenance and repair of the plants and machinery on an as-needed basis. In addition, our manufacturing facility is periodically inspected by our technicians.

## PRICING

We determine the prices for our products based on various parameters, including market demand, transportation costs, raw materials costs, inventory levels and credit terms.

## **RAW MATERIALS**

The principal raw materials used by us to manufacture needle rollers, cylindrical rollers, pins, balls are bearing steel wire rods and coil. We purchase most of our raw materials in required quantities from our supplier base. Our key suppliers are Jindal Steel & Power Ltd., Jayaswal Neco Industries Ltd, Etc. We also import our raw materials from France, China, South Korea, Japan Etc. We also use raw materials like ENAD, Stainless Steel and other raw material specified by customers. Further, power generated through solar energy and wind energy are naturally available resource. Hence, no specific raw material is required to produce such energy.

## **LOGISTICS**

Our suppliers directly deliver raw materials to our manufacturing facility. We outsource the delivery of our products to either third-party logistics companies or as mutually agreed shipment terms as decided between the customer and Company.

## **INFORMATION TECHNOLOGY**

We believe that an appropriate information technology infrastructure is important in order to support the growth of our business. Our manufacturing facility is connected to our central IT network that facilitates monitoring of our operations and management of supply chain. Our IT infrastructure enables us to track procurement of raw materials, sale of finished goods, payments to vendors and receivables from customers.

## **UTILITIES**

### **Water**

Our manufacturing facility is built in such a way that in a single day rainfall it can collect 50,000 litres of rainfall and has made sufficient arrangements for storage. The same stored water is then used for drinking and process. The water used in process is recirculated and reused in process.

### **Power**

The requirement of power for our operations is met through captive consumption of the power generated through wind mill with commissioned capacity of 0.80 MW where turbine generators are used for generating wind energy. Further we have also installed rooftop of solar plant having capacity of 0.21 MW.

### **Fuel**

The requirement of fuel for operating the machinery/equipment is met by supplies from local market.

### **Effluent Treatment**

Our Company has an Effluent treatment plant located at our manufacturing facility to remove the contaminants from effluent to produce liquid package suitable for reuse and our company is zero liquid discharge to the surrounding environment.

## **ENVIRONMENT, HEALTH & SAFETY**

Our activities are subject to various environmental laws and regulations which govern, among other matters, air emissions, waste water discharges, the handling, storage and disposal of hazardous substances and wastes and employee health and employee safety. For further information, see “*Key Industry Regulations and Policies*” beginning on page 97 of this Draft Prospectus. We continue to ensure compliance with applicable health and safety regulations and other requirements in our operations.

We have complied, and will continue to comply, with all applicable environmental and associated laws, rules and regulations. We have obtained, or are in the process of obtaining or renewing, all material environmental consents and licenses from the relevant governmental agencies that are necessary for us to carry on our business.

For further information, see “*Government and Other Statutory Approvals*” beginning on page 144 of this Draft Prospectus.

## **QUALITY CONTROL**

The manufacturing of the product is as per the parameters set for the production. The parameters are laid down in the product standards. The raw materials are 100% checked for quality and surface defects like hardness, rusting, cracks, etc. and is accepted by the quality control manager thereafter it is sent for further process. After the product is manufactured it is checked for outgoing quality inspection like hardness, visual defects, length, diameter, rusting, etc. and thereafter sent for packing and dispatch. We are sincerely committed to deliver the products satisfying all customer needs.

## **HUMAN RESOURCE**

We believe that a well-trained, motivated and satisfied employee base is key to our competitive advantage. We believe that we have a qualified and experienced employee base, managed by middle and senior management personnel.

As on February 28, 2022, we have around 110 employees (including workers) at our plant and office. The permanent employees at our plant include personnel in manufacturing activities such as machine operations, assembling and testing of products, quality assurance, and receipt and dispatch of materials.

In addition, we contract with third party for manpower and services firm, for supply of contract labour for certain services at our manufacturing facility. The number of contract labourers varies from time to time based on the nature and extent of work contracted to independent contractors.

## **MARKETING STRATEGY**

Our Company believes that the quality of the product and services are up to the mark and that's the major reason for being awarded with the orders. We sell our products directly to the automotive OEMs, in the domestic market as well as international market viz. Brazil, Argentina, UAE, Germany etc. Our success lies in the strength of our relationship with our customers and suppliers who have been associated with our Company for a long period. Our team through their experience and good rapport with customers, owing to timely and quality delivery of service, plays an instrumental role in creating and expanding a work platform for our Company. We leverage our relationships with our existing customers to procure repeat orders from them, as well as invitations to develop new products for their new models. Based on our credentials and recognitions awarded to us by our valued existing customers, we approach new customers for business. Our management has flexibility to accept customers' specific requirements while negotiating and discussing development of new products.

## **COMPETITION**

We operate in a competitive atmosphere. Some of our competitors may have greater resources than those available to us. While product quality, brand value, distribution network, etc are key factors in client decisions among competitors, however, price is the deciding factor in most cases. We face fair competition from both organized and unorganized players in the market. We believe that our experience in this business and quality assurance will be key to overcome competition posed by such organized and unorganized players. Although, a competitive market, there are not enough number of competitors offering services similar to us. We believe that we are able to compete effectively in the market with our quality of services and our reputation. We believe that the principal factors affecting competition in our business include client relationships, reputation, and the relative quality and price of the services.

## **EXPORT AND EXPORT OBLIGATIONS**

Our Company has identified certain key export markets for its products. As on the date, we do not have any export obligation.

## **COLLABORATION**

As on date of this Draft Prospectus, our Company has not entered into any technical or financial collaboration agreements.

## **INSURANCE**

Our operations are subject to various risks inherent in our industry. We have obtained insurance in order to manage the risk of losses from potentially harmful events covering damage to buildings, plant and machinery, furniture, fittings and fixtures, accessories and stocks. These insurance policies are renewed periodically to ensure that the coverage is adequate.

We believe that our insurance coverage is in accordance with industry custom, including the terms of and the coverage provided by such insurance. Our policies are subject to standard limitations. Therefore, insurance might not necessarily

cover all losses incurred by us and we cannot provide any assurance that we will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of, our insurance policies.

Sr. No.	Name of the Insurance Company	Type of Policy	Validity Period	Policy No.	Sum Insured (₹ in Lakhs)	Premium p.a. (₹ in Lakhs)
1.	New India Bharat Laghu Udyam Suraksha Policy	Property insurance	February 08, 2022 to February 07, 2023	21250111214300000010	2,874.00	2.80
2.	Future Generali India Insurance Company Limited	Marine Cargo insurance	April 28, 2021 to April 27, 2022	C2190864	3,600.00	1.19
2.	Iffco Tokio Gen Insu. Co. Ltd	Bharat Sookshma Udyam Suraksha	April 23, 2021 to April 22, 2022	12315671	240.95	0.33
3.	Future Generali India Insurance Company Limited	Employee Compensation	May 22, 2021 to May 21, 2022	L0182051	125.71	0.55
4.	Iffco Tokio Gen Insu. Co. Ltd	Industry Protector (Sookshma Udyam)	July 25, 2021 to July 24, 2022	47859596	950.33	0.57
5.	Iffco Tokio Gen Insu. Co. Ltd	Industry Protector (Laghu Udyam)	September 28, 2021 to September 27, 2022	47891444	2000.20	1.25

## PROPERTIES

Following Properties are owned / taken on lease / license by our company:

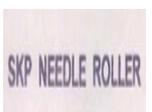
Sr. No.	Owner	Address	Leased Owned /	Area of the property	Date of Agreement	Purpose
1.	SKP Bearing Industries	Survey No. 2127, Mulchand Road, Wadhwan – 363 030, Surendranagar, Gujarat	Owned	16,160 sq mtrs approx.	October 26, 2004	Manufacturing Unit
2.	SKP Bearing Industries	Survey No. 25/M., Village Rojhana, Teh: Baroda, Dist.: Agar, Madhya Pradesh	Owned	8,900 sq mtrs approx.	January 27, 2014	Solar Plant
3.	SKP Bearing Industries	Survey No. 143/2, Village: Jamuniameena, P.H.N.-52, Mandsaur, Madhya Pradesh	Owned	10,450 sq mtrs approx.	November 05, 2015	Wind Mill
4.	SKP Bearing Industries	Gut No. 52, Village Rautwadi, Tal. Koregaon, Dist. Satara, Maharashtra	Owned	8,300 sq mtrs approx.	October 07, 2011	Wind Mill
5.	Vish Wind Infrastructure LLP*	Survey No. 646, vill: Seth Vadala, Taluka: Jamjodhpur, Jamnagar Forest Division, Gujarat	Leased for a period of 25 years	3,600 sq mtrs approx.	November 26, 2012	Wind Mill
6.	Gujarat Industrial Development	Plot No. 1408, Surendranagar Industrial Area, Wadhwan, Gujarat	Leased for period of 99 years	1,571.75 sq mtrs approx.	July 10, 1992	Previous Manufacturing Unit

Sr. No.	Owner	Address	Leased Owned /	Area of the property	Date of Agreement	Purpose
	Corporation (GIDC)					

\* Vish Wind Infrastructure LLP has transferred lease to our company. The original lease is taken by Vish Wind Infrastructure LLP from State Forest Department, Government of Gujarat.

#### INTELLECTUAL PROPERTY

Trademarks registered/Objected/Abandoned in the name of our company:

S. No.	Trademark	Trademark Type	Class	Applicant	Application No	Date of Application	Validity/ Renewed up to	Registration Status
1.		Device	7	S K P Bearing Industries (Erstwhile Partnership Firm)	5214314	November 18, 2021	NA	Objected
2.		Device	7	S K P Bearing Industries (Erstwhile Partnership Firm)	961668	October 06, 2000	NA	Withdrawn

## KEY INDUSTRY REGULATIONS AND POLICIES

*The following description is a summary of the relevant regulations and policies as prescribed by the GoI and other regulatory bodies that are applicable to our business. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies, and the bye laws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information to the shareholders and neither designed, nor intended to substitute for professional legal advice. For details of government approvals obtained by us, see the section titled “Government and Other Statutory Approvals” on page 144 of this Draft Prospectus.*

### THE COMPANIES ACT

The consolidation and amendment in the law relating to the Companies Act, 1956 made way to the enactment of the Companies Act, 2013 and rules made thereunder.

The Companies Act primarily regulates the formation, financing, functioning and restructuring of Companies as separate legal entities. The Act provides regulatory and compliance mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. The provisions of the Act state the eligibility, procedure and execution for various functions of the company, the relation and action of the management and that of the shareholders. The law laid down transparency, corporate governance and protection of shareholders & creditors. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

### SEBI REGULATIONS

SEBI is the regulatory body for securities market transactions including regulation of listing and delisting of securities. It forms various rules and regulations for the regulation of listed entities, transactions of securities, exchange platforms, securities market and intermediaries thereto. Apart from other rules and regulations, listed entities are mainly regulated by SEBI Act, 1992, Securities Contract Regulation Act, 1956, Securities Contracts (Regulation) Rules, 1957, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and SEBI (Prohibition of Insider Trading) Regulations, 2015.

### TAX RELATED REGULATIONS

#### *Income Tax Act, 1961*

Income Tax Act, 1961 is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this Act or Rules made under it depending upon its “Residential Status” and “Type of Income” involved. U/s 139(1) every Company is required to file its Income tax return for every Previous Year by 30th September of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like are also required to be complied by every Company.

#### *Goods and Service Tax Act, 2017*

The Central Goods and Services Tax Act, 2017 is an Act to make a provision for levy and collection of tax on intra-State supply of goods or services or both by the Central Government and for matters connected therewith or incidental thereto. In line with CGST Act, each state Governments has enacted State Goods and Service Tax Act for respective states. Goods and Services Tax (GST) is a comprehensive indirect tax on manufacture, sale and consumption of goods and services throughout India to replace taxes levied by the Central and State Governments. This method allows GST-registered businesses to claim tax credit to the value of GST they paid on purchase of goods or services or both as part of their normal commercial activity. The mechanism provides for two level taxation of interstate and intra state transactions. When the supply of goods or services happens within a state called as intra-state transactions, then both the CGST and SGST will be collected. Whereas if the supply of goods or services happens between the states called as inter-state transactions and IGST will be collected. Exports are considered as zero-rated supply and imports are levied the same taxes as domestic goods and services adhering to the destination principle in addition to the Customs Duty which has not been subsumed in the GST.

#### *Customs Act, 1962*

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e., bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get it registered and obtain an IEC (Importer

Exporter Code). Imported goods in India attract basic customs duty, additional customs duty and education cess. The rates of basic customs duty are specified under the Customs Tariff Act 1975. Customs duty is calculated on the transaction value of the goods. Customs duties are administered by Central Board of Excise and Customs under the Ministry of Finance.

### ***Excise Laws***

Under the Seventh Schedule of the Constitution of India, state legislature is empowered to levy duty of excise on alcoholic liquor made for human consumption. Different state legislatures have enacted state legislations dealing with license for sale of alcohol. Any person selling alcoholic liquor is required to obtain appropriate license under the state legislation. Such license is issued and classified based upon the nature and type of alcoholic liquor. Recently, pursuant to an order by the Supreme Court of India dated December 15, 2016, the Supreme Court of India banned the issuance of new license and renewal of existing license after April 1, 2017, for sale of liquor within 500 meters of national/state highways. However, the Supreme Court of India, pursuant to an order dated July 11, 2017 clarified that licensed establishments within municipal limits are exempted from this restriction.

## **BUSINESS / TRADE RELATED LAWS / REGULATIONS**

### ***The Factories Act, 1948***

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

### ***The Bureau of Indian Standards Act, 1986***

The Bureau of Indian Standards Act, 1986, as amended (the “Bureau of Indian Standards Act”), provides for the establishment of bureau for the standardization, marking and quality certification of goods. The Bureau of Indian Standards Act provides for the functions of the bureau which include, among others to (a) recognize as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (b) specify a standard mark to be called the Bureau of Indian Standards Certification Mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) make such inspection and take such samples of any material or substance as may be necessary to see whether any article or process in relation to which the standard mark has been used conforms to the Indian Standard or whether the standard mark has been improperly used in relation to any article or process with or without a license.

### ***Steel and Steel Products (Quality Control) Order, 2012***

The Steel and Steel Products (Quality Control) Order, 2012, as amended (the “Quality Control Order”), was passed in exercise of Section 14 of the Bureau of Indian Standard Act, 1986. The Quality Control Order provides that only those steel or steel products meeting the specified applicable standard of quality may be manufactured, sold, or distributed by any person. The Quality Control Order provides that all steel or steel products not meeting the specified standards shall be disposed of as scrap as per the scheme of testing and inspection under the Bureau of Indian Standards Act, 1986. The Quality Control Order requires manufacturers of steel or steel products to apply for certification under the Bureau of Indian Standards Act, 1986. The Quality Control Order further provides for testing of samples bearing the standard mark, to confirm if they meet the specified standards as per the Bureau of Indian Standards Act, 1986.

### ***Steel and Steel Products (Quality Control) Orders***

The Steel and Steel Products (Quality Control) Second Orders are passed in exercise of Section 16 of the Bureau of Indian Standards Act. The Quality Control Second Order provides that no person shall sell, manufacture, distribute or store steel products specified in the schedule thereto unless the products contain a certification mark of the Bureau of Indian Standards by obtaining a certification marks license and conforming to the specified standards. However, this does not apply to steel products manufactured for export which conform to the specifications of the foreign buyer. The Quality Control Second Orders specifies quality specifications for steel for various categories of steel products. All manufacturers of steel and steel products are required to apply to the Bureau of Indian Standards for certification and ensure compliance with the Quality Control Orders, the latest in force being Steel and Steel Products (Quality Control) Order, 2020.

### ***The Legal Metrology Act, 2009***

Legal Metrology Act, 2009 was enacted with the objectives to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. This act replaced the Standards of Weights and Measures Act, 1976 and the Standards of Weights and Measures (Enforcement) Act, with effect from March 1, 2011.

### ***Guidelines for Development of Onshore Wind Power Projects***

The Ministry of New and Renewable Energy (MNRE) in order to ensure healthy and orderly growth of wind power sector in the country, issued new guidelines in 2016 for development of wind power projects to meet the ambitious targets of the Government of reaching 60 GW of wind power installed capacity in the country by 2022. These guidelines aim to facilitate government approvals and other clearances required for setting up of projects and vis a vis bounds the project developer to complete the project in a given time frame so that the benefits made available to the installers are not misused and the targets are achieved. It also provides for specifications for quality of turbines installed, micro siting, grid installation and connectivity, metering and real time monitoring, evacuation, ensuring health and safety of people working and residing nearby and like.

### ***The Electricity Act, 2003***

The Electricity Act repealed all the earlier enactments pertaining to the power sector and provides for the requirement of licenses or permission for the activity of generation of power. The Electricity Act mandates that all regulatory commissions should procure certain percentage of power generation from renewable energy sources by all distribution companies. The Electricity Act, inter alia, provides for regulatory interventions for promotion of renewable energy (RE) sources through a) determination of tariff; b) specifying renewable purchase obligation (RPO); c) facilitating grid connectivity and; d) promotion and development of market.

Further with the growth in the requirement of electricity and power and with an aim to meet the power generation and distribution aims, the Power Ministry has proposed Draft Electricity Bill in 2021 which proposes to delicense the distribution and strengthening the dispute resolution mechanism to enhance the sector's financial viability. The Bill is under consideration with certain major amendments.

Other legislations / Regulations applicable to the industry:

1. State Electricity Regulations of respective states of operation which at present are Gujarat, Madhya Pradesh, Maharashtra
2. Gujarat Wind Power Policy
3. Unconventional Energy Generation Policy-2020 (Maharashtra)
4. Forest Conservation Rules, 2003 and Amendments thereto
5. Mines Act, 1952 and Rules made thereunder
6. Wind Power Project Policy of Madhya Pradesh, 2012

## **ENVIRONMENT LAWS**

### ***National Environmental Policy, 2006***

The Policy seeks to extend the coverage, and fill in gaps that still exist, in light of present knowledge and accumulated experience. This policy was prepared through an intensive process of consultation within the Government and inputs from experts. It does not displace but builds on the earlier policies. It is a statement of India's commitment to making a positive contribution to international efforts. This is a response to our national commitment to a clean environment, mandated in the Constitution in Articles 48 A and 51 A (g), strengthened by judicial interpretation of Article 21. The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource. Following are the objectives of National Environmental Policy: —

- Conservation of Critical Environmental Resources
- Intra-generational Equity: Livelihood Security for the Poor
- Inter-generational Equity
- Integration of Environmental Concerns in Economic and Social Development
- Efficiency in Environmental Resource Use
- Environmental Governance

- Enhancement of resources for Environmental Conservation

### ***Environmental Legislations***

The Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”), Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”), and the Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2016 (“Hazardous Waste Rules”) aim to prevent, control and abate pollution. The Air Act stipulates that no person shall, without prior written consent of the relevant state pollution control board, establish or operate any industrial plant which emits air pollutants in an air pollution control area, as notified by the state pollution control board. The Water Act aims to prevent and control water pollution and to maintain or restore water purity and any person intending to establish any industry, operation or process or any treatment and disposal system which is likely to discharge sewage or other pollution into a water body is required to obtain prior consent of the relevant state pollution control board. The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to obtain an approval from the relevant state pollution control board and to dispose of such waste without harming the environment. The Forest (Conservation) Act, 1980 (“FCA”) read with Forest (Conservation) Rules, 2003 aim to preserve forest land and provide for restriction on the deforestation of forests or use of forest land for non-forest purpose and requires prior approval for use of forest land for any non-forest purpose. The Environment (Protection) Act, 1986 read with Environment (Protection) Rules, 1986 aim to protect and improve the environment and provide rules for prevention, control and abatement of environment pollution and impose obligation for proper handling, storage, treatment, transportation and disposal of hazardous wastes.

### ***The Noise Pollution (Regulation and Control) Rules, 2000***

These Noise Pollution (Regulation and Control) Rules, 2000 (“Noise Pollution Rules”) were constituted to regulate and control noise producing and generating sources with the objective of maintaining the ambient air quality standards in respect of noise and were considered necessary as increasing ambient noise levels in public places from various sources, inter-alia, industrial activity, construction activity, (fire crackers, sound producing instruments), generator sets, loud speakers, public address systems, music systems, vehicular horns and other mechanical devices have deleterious effects on human health and psychological well-being of the people. The Noise Pollution Rules provide ambient air quality criteria with respect of noise for different areas/zones. The Noise Pollution Rules further provide powers to the authority to enforce the noise control measures in the areas/zones. The Noise Pollution Rules provide modes of making complaints to the authority in case noise levels exceed the ambient noise standards along with penalties and liabilities on account of violations in the silence zones/areas.

### ***Environment Impact Assessment Notification of 2006***

The Ministry of Environment, Forests and Climate Change has notified the Environment Impact Assessment Notification of 2006 in September 2006. The notification makes it mandatory for various projects to get environment clearance.

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

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such waste without harming the environment. The term “hazardous waste” has been defined in the Hazardous Waste Rules and any person who has control over the affairs of the factory or the premises or any person in possession of the hazardous waste has been defined as an “occupier”. Every occupier and operator of a facility generating hazardous waste must obtain authorization from the relevant state pollution control board. Further, the occupier, importer or exporter is liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste and must pay any financial penalty that may be levied by the respective state pollution control board.

### ***The Public Liability Insurance Act, 1991***

The Public Liability Insurance Act (“PIL Act”) was constituted to provide for public liability insurance for the purpose of providing immediate relief to the persons affected by accident occurring while handling any hazardous substance and for matters connected therewith or incidental thereto. The PIL Act provides for the owner before handling hazardous substances to take insurance cover for protection against claims made by third parties for damages with respect to handling of hazardous substances. Under the PIL Act, the victims exposed to hazardous substances may file claims before the Collector within 5 years of the accident. The Collector, shall, after giving notice of the application to the owner and after giving the parties an opportunity of being heard, hold an inquiry into the claim or, each of the claims, and may make an award determining the amount of relief which appears to him to be just and specifying the person or persons to whom such amount of relief shall

be paid. The PIL Act also provides for the establishment of Environmental Relief Fund to be utilized for payment of reliefs under the award.

## **REGULATIONS RELATED TO FOREIGN TRADE AND INVESTMENT**

### ***The Foreign Direct Investment***

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“FDI”) through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”), has issued consolidated FDI Policy Circular of 2017 (“FDI Policy 2017”), which with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. 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 Offers an updated circular.

The Reserve Bank of India (“RBI”) also Offers Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated July 01, 2015 as updated from time to time by RBI. In terms of the Master Circular, an Indian company may Offer fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh Offer of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular. The Indian company making such fresh Offer of shares would be subject to the reporting requirements, inter-alia with respect to consideration for Offer of shares and also subject to making certain filings including filing of Form FC-GPR.

Under the current FDI Policy of 2017, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present 100 % foreign direct investment through automatic route is permitted in the sector in which our Company operates. Therefore, applicable foreign investment up to 100% is permitted in our company under automatic route.

### ***Foreign Exchange Management Act, 1999 (“FEMA”) and Regulations framed thereunder***

Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India. As laid down by the FEMA Regulations no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the ‘automatic route’ within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 (“FEMA Regulations”) to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India and Foreign Exchange Management (Export of Goods and Services) Regulations, 2000 for regulation on exports of goods and services. 100 % FDI is permitted in under the automatic route in the IT sector.

### ***Duty Drawback Scheme***

The duty drawback scheme is an option available to exporters. Under this scheme, exporter of goods is allowed to take back refund of money to compensate him for excise duty paid on the inputs used in the products exported by him. It neutralizes the duty impact in the goods exported. Relief of customs and central excise duties suffered on the inputs used in the manufacture of export product is allowed to exporters. The admissible duty drawback amount is paid to exporters by depositing it into their nominated bank account. Section 75 of the Customs Act, 1962 and Section 37 of the Central Excise Act, 1944, empower the Central Government to grant such duty drawback. Customs, Central Excise Duties and Service Tax Drawback Rules, 1995 (the “Drawback Rules”) have been framed outlining the procedure to be followed for the purpose of grant of duty drawback (for both kinds of duties suffered) by the customs authorities processing export documentation. Under duty drawback scheme, an exporter can opt for either all industry rate of duty drawback scheme or brand rate of duty drawback scheme.

The all-industry rate of duty drawback scheme essentially attempts to compensate exporters of various export commodities for average incidence of customs and central excise duties suffered on the inputs used in their manufacture. Brand rate of duty drawback is granted in terms of rules 6 and 7 of the Drawback Rules in cases where the export product does not have any all-industry rate or duty drawback rate, or where the all-industry rate duty drawback rate notified is considered by the exporter insufficient to compensate for the customs or central excise duties suffered on inputs used in the manufacture of export products. For goods having an all-industry rate, the brand rate facility to particular exporters is available only if it is

established that the compensation by all industry rate is less than 80% of the actual duties suffered in the manufacture of the export goods.

### ***Merchandise Exports from India Scheme***

Pursuant to the Foreign Trade Policy (2015-2020), the Merchandise Exports from India Scheme (the “MEI Scheme”) was introduced to provide rewards to exporters to offset infrastructure inefficiencies and associated costs in export of goods, especially those having high export intensity, employment potential and ability to enhance India’s export competitiveness. Export of notified goods to notified markets are rewarded under the MEI Scheme. The basis for calculation of the reward under the MEI Scheme is on the Free on Board (“FOB”) value of exports realized in free foreign exchange or on the FOB value of exports mentioned in the shipping bill, whichever is less, unless otherwise specified. With effect from June 1, 2015, the MEI Scheme mandatorily requires a declaration of intent to be endorsed on the shipping bills (except free shipping bills) to be eligible to claim any reward under the MEI Scheme.

### ***Ownership restrictions of FIIs***

Under the portfolio investment scheme, the total holding of all FIIs together with their sub-accounts in an Indian company is subject to a cap of 24% of the paid-up capital of a company, which may be increased up to the percentage of sectoral cap on FDI in respect of the said company pursuant to a resolution of the board of directors of the company and the approval of the shareholders of the company by a special resolution in a general meeting. The total holding by each FII, or in case an FII is investing on behalf of its sub-account, each sub-account, should not exceed 10% of the total paid-up capital of a company.

## **OTHER GENERAL RULES AND REGULATIONS**

### ***The Micro, Small and Medium Enterprises Development Act, 2006 (“MSME Act”)***

MSME Act was enacted to provide for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. Any person who intends to establish (a) a micro or small enterprise, at its discretion; (b) a medium enterprise engaged in providing or rendering of services may, at its discretion; or (c) a medium enterprise engaged in manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 is required to file a memorandum before such authority as specified by the State Government or the Central Government. The form of the memorandum, the procedure of its filing and other matters incidental thereto shall be such as may be specified by the Central Government, based on the recommendations of the advisory committee. Accordingly, in exercise of this power under the MSME Act, the Ministry of Micro, Small and Medium Enterprises notification dated September 18, 2015 specified that every micro, small and medium enterprises is required to file a Udyog Adhaar Memorandum in the form and manner specified in the notification.

### ***The Indian Contract Act, 1872***

The Contract Act is the legislation which lays down the general principles relating to formation, performance and enforceability of contracts. The rights and duties of parties and the specific terms of agreement are decided by the contracting parties themselves, under the general principles set forth in the Contract Act. The Contract Act also provides for circumstances under which contracts will be considered as ‘void’ or ‘voidable’. The Contract Act contains provisions governing certain special contracts, including indemnity, guarantee, bailment, pledge, and agency.

### ***The Sale of Goods Act, 1930 (Sale of Goods Act)***

The law relating to the sale of goods is codified in the Sale of Goods Act, 1930. It defines sale and agreement to sell as a contract whereby the seller transfers or agrees to transfer the property in goods to the buyer for a price and provides that there may be a contract of sale between part owner and another and that the contract of sale may be absolute or conditional.

### ***Information Technology Act, 2000 and Information Technology (Reasonable security practices and procedures and sensitive personal data or information) Rules, 2011***

The Information Technology Act, 2000 (also known as “ITA-2000”, or the “IT Act”) is an Act of the Indian Parliament (No 21 of 2000) notified on 17 October 2000. It is the primary law in India dealing with cybercrime and electronic commerce. The Act provides legal recognition for transactions carried out by means of electronic data interchange and other means of electronic communication, commonly referred to as "electronic commerce", which involve the use of alternatives to paper-based methods of communication and storage of information, to facilitate electronic filing of documents with the Government agencies and further to amend the Indian Penal Code, the Indian Evidence Act, 1872, the

Bankers' Books Evidence Act, 1891 and the Reserve Bank of India Act, 1934 and for matters connected therewith or incidental thereto. A major amendment was made in 2008 introducing Sections 66A and 69 giving wide powers to the government authorities.

### ***State Laws***

We own and operate wind and Solar power projects in various states. Accordingly, legislations passed by the state governments are applicable to us in those states. These include legislations relating to, among others, classification of fire prevention and safety measures and legislations dealing with license for sale of alcohol. Further, we require several approvals from local authorities such as municipal bodies. The approvals required may vary depending on the state and the local area.

### ***Municipality Laws***

Pursuant to the Constitution (Seventy-Fourth Amendment) Act, 1992, the respective state legislatures in India have power to endow the municipalities with power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India. The respective states of India have enacted laws empowering the municipalities to issue trade license for operating eating outlets and implementation of regulations relating to such license along with prescribing penalties for non-compliance.

### ***Shops and Establishments legislations in various states***

Under the provisions of local shops and establishment legislations applicable in the states in which establishments are set up, establishments are required to be registered under the respective legislations. These legislations regulate the condition of work and employment in shops and commercial establishments and generally prescribe obligations in respect of, among others, registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

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

The Copyright Act, 1957 ("Copyright Act") protects literary and dramatic works, musical works, artistic works including photographs and audio-visual works (cinematograph films and video). The Copyright Act specifies that for the purposes of public performance of Indian or international music, a public performance license must be obtained. All those who play pre-recorded music in the form of gramophone records, music cassettes or compact discs in public places have to obtain permission for sound recordings. The Trade Marks Act, 1999 ("Trade Marks Act") provides for application and registration of trademarks in India. It also provides for exclusive rights to marks such as brand, label, and heading and to obtain relief in case of infringement for commercial purposes as a trade description. The Trade Marks Act prohibits registration of deceptively similar trademarks and provides penalties for infringement, falsifying or falsely applying trademarks.

### ***Registration Act, 1908***

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

### ***Competition Act, 2002***

The Competition Act, 2002 prohibits anti-competitive agreements, abuse of dominant positions by enterprises and regulates "combinations" in India. The Competition Act also established the Competition Commission of India (the "CCI") as the authority mandated to implement the Competition Act, 2002. The provisions of the Competition Act relating to combinations were notified on March 4, 2011 and came into effect on June 1, 2011. Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act.

### ***Negotiable Instruments Act, 1881 ("NI Act")***

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.

### ***Consumer Protection Act, 2019***

Few of the provisions of The Consumer Protection Act, 2019 (“COPRA”) have been notified vide notification No. S.O. 2421(E), dated 23rd July 2020 thus repealing the respective provisions of Consumer Protection Act, 1986. However, the provisions of Consumer Protection Act, 1986, are still valid to the extent COPRA being not notified. The Consumer Protection Act provides a mechanism for the consumer to file a complaint against a service provider in cases of unfair trade practices, restrictive trade practices, deficiency in services, price charged being unlawful and food served being hazardous to life. It also places product liability on a manufacturer or product service provider or product seller, to compensate for injury or damage caused by defective product or deficiency in services. It provides for a three-tier consumer grievance redressal mechanism at the national, state and district levels. Non-compliance of the orders of the redressal commissions attracts criminal penalties. The COPRA has brought e-commerce entities and their customers under its purview including providers of technologies or processes for advertising or selling, online market place or online auction sites. The COPRA also provides for mediation cells for early settlement of the disputes between the parties.

### **PROPERTY RELATED LAWS**

The Company is required to comply with central and state laws in respect of property. Central Laws that may be applicable to our Company's operations include the Land Acquisition Act, 1894, the Transfer of Property Act, 1882, Registration Act, 1908, Indian Stamp Act, 1899, and Indian Easements Act, 1882.

### **LAWS RELATED TO EMPLOYMENT OF MANPOWER**

#### ***The Code on Social Security, 2020***

The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganized Workers' Social Security Act, 2008. The provisions of this code will be brought into force on a date to be notified by the Central Government. The Central Government has issued the draft rules under the Code on Social Security, 2020. The draft rules provide for operationalization of provisions in the Code on Social Security, 2020 relating to employees' provident fund, employees' state insurance corporation, gratuity, maternity benefit, social security and cess in respect of building and other construction workers, social security for unorganized workers, gig workers and platform workers.

In addition to above, we are subject to wide variety of generally applicable labour laws concerning condition of working, benefit and welfare of our labourers and employees such as the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Employees (Provident Fund and Miscellaneous Provision) Act, 1952.

#### ***The Industrial Relations Code, 2020 (“Industrial Code”)***

The Ministry of Law and Justice, with an intent to consolidate and amend laws relating to trade unions, conditions of employment in industrial establishment or undertaking, investigation and settlement of industrial dispute, has introduced the Industrial Code. The Code provides that the Central Government may repeal the provisions of the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946, and the Industrial Disputes Act, 1947 and may supersede them with the applicability of any provision of the Industrial Code. The Industrial Code is a central legislation and extends to the whole of India. The Industrial Code empowers the Central Government to require an establishment in which one hundred or more workers are employed or have been employed on any day in the preceding twelve months to constitute a works committee consisting of representatives of employer and workers engaged in the establishment. The code further requires every establishment with twenty or more workers to have grievance redressal committees for resolution of disputes arising out of individual grievances. The code bars the jurisdiction of civil courts to any matter to which the provisions of the Industrial Code apply, and provides for establishment of industrial tribunals for adjudication of such matters. The Industrial Code provides for provisions pertaining to lay-off and retrenchment of employees and closure of establishments and compensation provisions in relation thereto. The Industrial Code provides for monetary fines, penalties and imprisonment in case of contravention of the provisions of the code.

#### ***Employees Provident Fund and Miscellaneous Provisions Act, 1952***

Under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (EPF Act), compulsory provident fund, family pension fund and deposit linked insurance are payable to employees in factories and other establishments. The legislation provides that an establishment employing more than 20 (twenty) persons, either directly or indirectly, in any capacity whatsoever, is either required to constitute its own provident fund or subscribe to the statutory employee's

provident fund. The employer of such establishment is required to make a monthly contribution to the provident fund equivalent to the amount of the employee's contribution to the provident fund. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

***Employees State Insurance Act, 1948, as amended (the "ESIC Act")***

The ESI Act, provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

***Payment of Gratuity Act, 1972, as amended (the "Gratuity Act")***

The Gratuity Act establishes a scheme for the payment of gratuity to employees engaged in every factory, mine, oil field, plantation, port and railway company, every shop or establishment in which ten or more persons are employed or were employed on any day of the preceding twelve months and in such other establishments in which ten or more employees are employed or were employed on any day of the preceding twelve months, as notified by the Central Government from time to time. Penalties are prescribed for non-compliance with statutory provisions.

Under the Gratuity Act, an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement, resignation, superannuation, death or disablement due to accident or disease. However, the entitlement to gratuity in the event of death or disablement will not be contingent upon an employee having completed five years of continuous service. The maximum amount of gratuity payable may not exceed 1 million.

Certain other laws and regulations that may be applicable to our Company in India include the following:

- Minimum Wages Act, 1948 and Maharashtra Minimum Wages Rules, 1963 ("MWA Rules")
- Industrial (Development and Regulation) Act, 1951 ("IDRA")
- Industrial Disputes Act, 1947 ("ID Act")
- Payment of Bonus Act, 1965 ("POB Act")
- Child Labour (Prohibition and Regulation) Act, 1986
- Inter-State Migrant Workers (Regulation of Employment and Conditions of Service) Act, 1979
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("SHWW Act")
- Equal Remuneration Act, 1976 ("ER Act")
- Contract Labour Regulation and Abolition Act, 1970 (CLRA) and Contract Labour (Regulation and Abolition) Central Rules, 1971 (Contract Labour Rules)
- Workmen Compensation Act, 1923 ("WCA")
- Maternity Benefit Act, 1961 ("Maternity Act")
- Industrial Employment Standing Orders Act, 1946
- Apprentice Act, 1961;

## HISTORY AND CERTAIN CORPORATE MATTERS

### BRIEF HISTORY OF OUR COMPANY

Our Company was originally formed as a partnership firm under the name and style of “M/s. S K P Bearing Industries” pursuant to a deed of partnership dated November 21, 1991, as amended from time to time. M/s. S K P Bearing Industries was thereafter converted into a private limited company “SKP Bearing Industries Private Limited” on January 06, 2022 pursuant to the provisions of Chapter XXI of the Companies Act, 2013 and fresh a certificate of incorporation dated January 06, 2022 was issued by Registrar of Companies, Ahmedabad vide CIN U29305GJ2022PTC128492. Subsequently, our Company has been converted into a public limited company and the name of our Company changed to “SKP Bearing Industries Limited” pursuant to a special resolution passed at the Extra-Ordinary General Meeting of our Company held on January 31, 2022 and a fresh Certificate of incorporation dated February 15, 2022 issued by the Registrar of Companies, Ahmedabad. The Corporate Identity Number of our Company is U29305GJ2022PLC128492.

Mr. Shrinand Kamlakar Palshikar and Ms. Sangita Shrinand Palshikar are the initial subscriber to the Memorandum of Association of our Company. For further details of our promoters please refer the chapter titled “Our Promoters and Promoter Group” beginning on page 120 of this Draft Prospectus.

Our Company is in the business of manufacturing and exporting of needle rollers, cylindrical rollers, pins and steel balls (“Rolling Elements”). Our company is also engaged in the business of generating, distributing, supply, accumulation and sale of electricity from solar and wind energy.

For information on our Company’s profile, activities, products, market, growth, technology, managerial competence, standing with reference to prominent competitors, major vendors and suppliers, please refer the chapter titled “Our Business”, “Industry Overview”, “Our Management”, “Restated Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages, 69, 109, 126 and 129 respectively of this Draft Prospectus.

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

### CHANGES IN THE REGISTERED OFFICE OF OUR COMPANY

The following changes were made in the location of our Registered Office:

From	To	With effect from	Reason for Change
Plot No. 2127, Mulchand Road, Wadhwan – 363 030, Surendranagar, Gujarat, India	Survey No. 2127, Mulchand Road, Wadhwan – 363 030, Surendranagar, Gujarat, India	February 15, 2022	Correction of Plot to Survey

### MAJOR EVENTS IN THE HISTORY OF OUR COMPANY

Year	Key Events/Milestones/Achievements
1991	Formed as a Partnership Firm in the name and style of “S K P Bearing Industries”
1992	Setting up of Manufacturing Unit at 1408, Survey No. 1859, Wadhwan Municipality, Surendranagar Gujarat, India
2004 & 2008	Expansion of manufacturing facility by transferring and setting up of Manufacturing Unit at Survey No. 2127, Mulchand Road, Wadhwan – 363 030, Surendranagar, Gujarat, India
2011	Purchase of Land bearing Gut No. 52, Village Rautwadi, Tal. Koregaon, Dist. Satara, Maharashtra and ventured into wind mill by installing wind turbine generator and commissioned capacity of 0.80 MW
	Awarded with Special National Award, 2011 as “Outstanding Entrepreneurship” in Women category
2012	Land situated at Survey No. 646, Vill: Seth Vadala, Taluka: Jamjodhpur, Jamnagar Forest Division, Gujarat taken on lease for a period of 25 years and ventured into wind mill by installing wind turbine generator and commissioned capacity of 0.80 MW which is currently used for captive consumption
	Awarded with “India’s small Giants” by NDTV
2013	Awarded as India SME100 Achievers
2014	Setting up of solar plant at Survey No. 25/M., Village Rojhana, Teh: Baroda, Dist.: Agar, Madhya Pradesh with commissioned capacity of 0.63 MW

Year	Key Events/Milestones/Achievements
2015	Setting up of wind mill at Survey No. 143/2, Village: Jamuniameena, P.H.N.-52, Mandsaur, Madhya Pradesh by installing wind turbine generator and commissioned capacity of 1.5 MW
2020	Recognised for Quality Management System with IATF 16949 Standard for manufacturing of Needle rollers, cylindrical rollers, Steel balls and pins by TÜV SÜD Management Service GmbH, Munich, Germany
2022	Conversion of Partnership Firm into Private Limited Company in the name and style of “SKP Bearing Industries Private Limited”
	Conversion of Private Limited Company to Limited in the name and style of “SKP Bearing Industries Limited”

## MAIN OBJECTS OF OUR COMPANY

The main objects of our Company as set forth in the Memorandum of Association of our Company are as follows:

- To takeover business and all assets and liabilities of M/s S K P Bearing Industries, a partnership firm, on its conversion into Company, ongoing concern basis;*
- To carry on business of to manufacture, produce, prepare, assemble, heat, grade, mould, cast, buy, sell, resale, import, export, transport, store, forward, distribute, dispose of, develop, handle, manipulate, market, supply or otherwise to deal in all types, description, diameters, capacities of all bearings, rollers, pins and balls, automotive parts and other allied items, their components, parts, raw materials & consumables.*
- To promote, develop, own, acquire, set up, erect, build, install, commission, construct, establish, maintain, improve, manage, operate alter, control, take on hire / lease, carry out and run all necessary Plants, equipments, sub-stations, workshops, generators, transmission facilities, machinery, electrical equipment, accumulators, repair shops, wires, cables, lamps, fittings and apparatus in the capacity of principals, contractors, developers or otherwise and to deal, buy, sell and hire / lease all apparatus and things required for or used in connection with generation, distribution, supply, accumulation and sale of Renewable Energy including Solar and Wind.*

## AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY SINCE INCORPORATION

The following changes have been made in the Memorandum of Association of our Company Since Incorporation:

Date of Meeting	Type	Nature of Amendment
January 31, 2022	EOGM	Alteration in Name Clause:  Change in the name clause from “SKP Bearing Industries Private Limited” to “SKP Bearing Industries Limited”
February 17, 2022	EOGM	Alteration in Capital Clause:  The authorise share capital of our Company increased from ₹ 15,00,00,000/- divided into 1,50,00,000 Equity Shares of ₹10/- each to ₹ 17,00,00,000/- divided into 1,70,00,000 Equity Shares of ₹10/- each

## OUR HOLDING COMPANY

As on the date of this Draft Prospectus, our Company does not have any Holding Company.

## OUR SUBSIDIARY COMPANY

As on the date of this Draft Prospectus, our Company does not have any Subsidiary Company.

## ACQUISITION OF BUSINESSES/UNDERTAKINGS, MERGER, AMALGAMATION OR REVALUATION OF ASSETS IN LAST 10 YEARS

Our Company has not made any material acquisitions or divestments of any business or undertaking, and has not undertaken any mergers, amalgamation or revaluation of assets in the last ten years except as mentioned under the Major Events table forming part of this chapter.

## **SIGNIFICANT FINANCIAL OR STRATEGIC PARTNERSHIPS**

We do not have any financial or strategic partnerships as on the date of this Draft Prospectus.

## **LOCK OUTS AND STRIKES**

There have been no lock outs or strikes at any of the location of our Company as on the date of this Draft Prospectus.

## **TIME/COST OVERRUN IN SETTING UP PROJECTS**

There has been no time and cost overruns in the Company ss on date of this Draft Prospectus.

## **LAUNCH OF KEY PRODUCTS OR SERVICES, ENTRY OR EXIT IN NEW GEOGRAPHIES**

For details of launch of key products or services, entry in new geographies or exit from existing markets, capacity or facility creation and the locations, please see chapter titled “*Our Business*” beginning on page 82 of this Draft Prospectus.

## **CHANGES IN THE ACTIVITIES OF OUR COMPANY DURING THE LAST FIVE YEARS**

There have been no changes in the activities of our Company during the last five years which may have had a material effect on the profits and loss account of our Company, including discontinuance of lines of business, loss of agencies or markets and similar factors.

## **DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/BANKS**

Our Company has not made any defaults / re-scheduling of its borrowings as on date of this Draft Prospectus.

## **JOINT VENTURES**

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

## **SHAREHOLDERS’ AGREEMENT**

Our Company has not entered into any Shareholders Agreement as on the date of this Draft Prospectus.

## **AGREEMENTS WITH KEY MANAGERIAL PERSONNEL, DIRECTOR, PROMOTERS OR ANY OTHER EMPLOYEE**

Neither our Promoters, nor any of the Key Managerial Personnel, Directors or employees of our Company have entered into an agreement, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with the dealings of the securities of our Company.

## **GUARANTEES GIVEN BY OUR PROMOTERS**

As on the date of this Draft Prospectus, no guarantee has been issued by our Promoters.

## **MATERIAL AGREEMENTS**

Except as disclosed in the chapter titled “*Our Business*” on page 82 of this Draft Prospectus, we have not entered into any material agreement / contract as on the date of this Draft Prospectus.

## **STRATEGIC PARTNERS**

As of the date of this Draft Prospectus, our Company does not have any Strategic Partners.

## **FINANCIAL PARTNERS**

As on the date of this Draft Prospectus, our Company does not have any other financial partners.

## OUR MANAGEMENT

### BOARD OF DIRECTORS

Under Articles of Association of our Company, the number of directors shall not be less than 3 (three) and not be more than 15 (Fifteen), subject to the applicable provisions of the Companies Act, 2013.

As of the date of this Draft Prospectus, our Company has 4 (four) Directors on the Board, 1 (one) as Chairman and Managing Director, 1 (one) as Non-Executive Non-Independent Woman Director and 2 (two) as Independent Directors.

The details of the Directors are as mentioned in the below table:

Name, Father's Name, Age, DOB, Designation, Address, Occupation, Nationality, Term and DIN	Date of Appointment/ Re appointment	Other Directorships
<p><b>Name:</b> Mr. Shrinand Kamlakar Palshikar</p> <p><b>Father's Name:</b> Mr. Kamlakar Palshikar</p> <p><b>Age:</b> 56 years</p> <p><b>Date of Birth:</b> May 02, 1965</p> <p><b>Designation:</b> Chairman &amp; Managing Director</p> <p><b>Address:</b> Block No. 11, Banker Society, Near Milk Dairy, Wadhwan – 363 030, Surendranagar, Gujarat, India</p> <p><b>Occupation:</b> Business</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> Appointed as Managing Director for a period of 5 (five) years with effect from January 06, 2022</p> <p><b>DIN:</b> 08992832</p>	<p>Appointed as Chairman and Managing Director on January 06, 2022</p> <p>The Appointment was confirmed by the shareholders in the meeting dated February 17, 2022</p>	<p>Shripada Surya Urja Private Limited</p>
<p><b>Name:</b> Ms. Sangita Shrinand Palshikar</p> <p><b>Father's Name:</b> Mr. Vasant Damodar Bhonde</p> <p><b>Age:</b> 56 years</p> <p><b>Date of Birth:</b> December 26, 1965</p> <p><b>Designation:</b> Non-Executive Director</p> <p><b>Address:</b> Block No. 11, Banker Society, Near Milk Dairy, Wadhwan – 363 030, Surendranagar, Gujarat, India</p> <p><b>Occupation:</b> Salaried</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> Liable to retire by rotation</p> <p><b>DIN:</b> 09054303</p>	<p>Appointed as Non-Executive Director on January 06, 2022</p>	<p>Shrichi Surya Urja Private Limited</p>
<p><b>Name:</b> Mr. Rajeev Vinayak Lokare</p> <p><b>Father's Name:</b> Mr. Vinayak Vasudev Lokare</p> <p><b>Age:</b> 61 years</p>	<p>Appointed as Independent Director w.e.f January 31, 2022</p>	<p>Nil</p>

Name, Father's Name, Age, DOB, Designation, Address, Occupation, Nationality, Term and DIN	Date of Appointment/ Re appointment	Other Directorships
<p><b>Date of Birth:</b> June 06, 1960</p> <p><b>Designation:</b> Non-Executive Independent Director</p> <p><b>Address:</b> 201, Leera Apartment, Plot No. 32, Manisha Society, Karve Nagar, Pune – 411 052, Maharashtra, India</p> <p><b>Occupation:</b> Professional</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> Appointed as Non-Executive Independent Director for a period of 5 (five) years with effect from January 31, 2022</p> <p><b>DIN:</b> 07463201</p>		
<p><b>Name:</b> Mr. Kishorbhai Chhanalal Parikh</p> <p><b>Father's Name:</b> Mr. Chhanalal Girdharlal Parikh</p> <p><b>Age:</b> 68 years</p> <p><b>Date of Birth:</b> August 06, 1953</p> <p><b>Designation:</b> Non-Executive Independent Director</p> <p><b>Address:</b> Near Parivar Appartment, Near Kamal Temple, Ghar Ho Toh Aisa Compound Area, Surendranagar – 363 002, Gujarat, India</p> <p><b>Occupation:</b> Professional</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> Appointed as Non-Executive Independent Director for a period of 5 (five) years with effect from January 31, 2022</p> <p><b>DIN:</b> 09478557</p>	<p>Appointed as Independent Director w.e.f January 31, 2022</p>	<p>Nil</p>

## BRIEF PROFILE OF OUR DIRECTORS

**Mr. Shrinand Kamlakar Palshikar**, aged 56 years, is the Promoter, Chairman & Managing Director of our Company. He was partner in the erstwhile partnership firm. He holds degree in Bachelor of Engineering from University of Jabalpur, Madhya Pradesh in the year 1986. He has completed his Master of Technology in Mechanical Engineering with specialisation in Production Engineering from IIT Bombay in the year 1988. Further he has completed the Rolling Bearing Theory & Performance Course from SKF College of Engineering in 1989. He has knowledge and experience in the fields of production, quality, marketing. He gives directions to our company and is responsible for planning and executing the expansions and diversification of our company. He is a result oriented, focused, hardworking person and provides strategic advice and guidance to the members of the Board of Directors, to keep them aware of developments to ensure that the appropriate policies are developed.

**Ms. Sangita Shrinand Palshikar**, aged 56 years, is the Promoter and Non-Executive Director of our Company. She was one of the partners in the erstwhile partnership firm. She has completed her graduation in commerce from Brihan Maharashtra College of Commerce, Pune in the year 1982. She has experience in accounts, finance, human resource and administration. She has been awarded for “*Special award to outstanding women Entrepreneur of the Year*” from the President of India Late Honourable Shri Pranab Mukherjee in 2011 and “*Successful Business entrepreneur*” award by Chief Minister and Governor of Gujarat in 2019. She is the leader of the workplace and employees with introduction of innovative office norms to boost productivity and worker satisfaction.

**Mr. Rajeev Vinayak Lokare**, aged 61 years, is the Non-Executive Independent Director of our Company with effect from January 31, 2022. He has completed his Bachelor of Engineering from Walchand College of Engineering, Kolhapur in the year 1982. Further he has completed Diploma in Business Management from Institute of Management Development & Research, Pune in 1996. He also holds degree of Master in Science (Engineering Business Management) from the University of Warwick, United Kingdom. He has experience of around 40 years in operational excellence with the entire career focus on systems implementation for operations, implementation of initiatives like TPM, TQM, JIT, and diversification for business development through expanding existing product line as well as new product development and JV. He has worked with various companies like Tata Motors Limited, TVS Motor Company Limited, Apollo Tyres Limited, Syhyadri Hospitals and Classic Industries and Export Limited.

**Mr. Kishorbhai Chhanalal Parikh**, aged 68 years, is the Non-Executive Independent Director of our Company with effect from January 31, 2022. He has completed his graduation from Saurashtra University and is a qualified Chartered Accountant from the ICAI. He is a Practicing Chartered Accountant under his firm name M/s K.C. Parikh & Associates. He has around 35 years of experience in the field of audit, taxation, accounts and finance.

## CONFIRMATIONS

As on the date of this Draft Prospectus:

- Except for that Mr. Shrinand Kamlakar Palshikar and Ms. Sangita Shrinand Palshikar are spouses to each other, none of the Directors of our Company are related to each other as per Section 2(77) of the Companies Act, 2013.
- There are no arrangements or understanding with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors were selected as a director or member of senior management.
- The directors of our Company have not entered into any service contracts with our Company which provides for benefits upon termination of employment.
- None of the Directors are categorized as a wilful defaulter or fraudulent borrower, as defined under Regulation 2(1)(III) of SEBI ICDR Regulations.
- None of our Directors are or were directors of any listed Company whose shares have been/were suspended from trading by any of the stock exchange(s) during his/her tenure in that Company in the last five years or delisted from the stock exchange(s) during the term of their directorship in such companies.
- None of our Directors have been declared as fugitive economic offenders as defined in Regulation 2(1)(p) of the SEBI ICDR Regulations, nor have been declared as a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018.
- None of the Promoters or Directors has been or is involved as a promoter or director 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.
- No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce him to become or to help him qualify as a director, or otherwise for services rendered by him or by the firm, trust or company in which he is interested, in connection with the promotion or formation of our Company.

## DETAILS OF BORROWING POWERS

Pursuant to a special resolution passed at an Extra-Ordinary General Meeting of our Company held on February 17, 2022 and pursuant to provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, the Board of Directors of the Company be and are hereby authorized to borrow monies 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 may exceed in the aggregate, its paid up capital and free reserves and security premium (apart from temporary loans obtained / to be obtained from bankers in the ordinary course of business), provided that the outstanding principal amount of such borrowing at any point of time shall not exceed in the aggregate of ₹20,000 Lakhs.

## REMUNERATION OF OUR DIRECTORS

The compensation package payable to the Managing Director and Non-Executive Director from F.Y. 2021-22 onwards as resolved in the Extra-Ordinary General Meeting held on February 17, 2022 is stated hereunder:

#### **Mr. Shrinand Kamlakar Palshikar**

The total remuneration payable to Mr. Shrinand Kamlakar Palshikar, Chairman and Managing Director, shall be a sum of ₹25.00 Lakhs per annum.

#### **Ms. Sangita Shrinand Palshikar**

The total remuneration payable to Ms. Sangita Shrinand Palshikar, Non-Executive Director, shall be a sum of ₹10.00 Lakhs per annum.

The compensation payable to our Directors will be governed as per the terms of their appointment and shall be subject to the provisions of Section 2(54), Section 2(94), Section 188, Section 196, Section 197, Section 198 and Section 203 and any other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, for the time being in force). The Remuneration / Sitting Fees paid to the Directors during the last F.Y. 2020 - 21 is as follows:

<b>Sr. No.</b>	<b>Name</b>	<b>Designation</b>	<b>Remuneration paid</b>
1.	Mr. Shrinand Kamlakar Palshikar	Chairman & Managing Director	Nil
2.	Ms. Sangita Shrinand Palshikar	Non-Executive Director	Nil

#### **SITTING FEES**

Pursuant to the resolution passed by the Board of Directors of our Company on February 21, 2022, the other Non-Executive Independent Directors of our Company would be entitled to a sitting fee of ₹5,000/- for attending every meeting of Board or its committee thereof.

#### **PAYMENT OF BENEFITS (NON-SALARY RELATED)**

Except as disclosed above, no amount or benefit has been paid or given within the two (2) years preceding the date of filing of this Draft Prospectus or is intended to be paid or given to any of our directors except the remuneration for services rendered and/or sitting fees as Directors.

#### **CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO DIRECTORS**

There is no contingent or deferred compensation payable to our directors, which does not form part of their remuneration.

#### **BONUS OR PROFIT-SHARING PLAN FOR THE DIRECTORS**

None of the Directors are party to any bonus or profit-sharing plan of our Company.

#### **SHAREHOLDING OF OUR DIRECTORS**

Our Articles of Association do not require our directors to hold any qualification shares.

The details of the shareholding of our directors as on the date of this Draft Prospectus are as follows:

<b>Sr. No.</b>	<b>Name of the shareholder</b>	<b>No. of Equity Shares</b>	<b>Percentage of Pre- Offer Capital (%)</b>
1.	Mr. Shrinand Kamlakar Palshikar	74,99,995	49.99%
2.	Ms. Sangita Shrinand Palshikar	75,00,000	50.00%

#### **INTEREST OF OUR DIRECTORS**

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

Further they may be deemed to be interested to the extent shareholding held by them, their relatives, the companies, firms and trusts, in which they are interested as directors, members, partners, trustees, beneficiaries and promoters and in any dividend distribution which may be made by our Company in the future.

Our Managing Director, Mr. Shrinand Kamlakar Palshikar and Non-Executive Director, Ms. Sangita Shrinand Palshikar deemed to be interested to the extent of remuneration payable to them pursuant to Articles of the Company and resolution approved by the Board of Directors and Members of our Company, as the case may be, time to time for services rendered as an officer or employee of our Company. Further our Managing Director, Mr. Shrinand Kamlakar Palshikar and Non-Executive Director, Ms. Sangita Shrinand Palshikar may also be regarded as interested in the Equity Shares, held by them or allotted to the companies in which they are interested as Directors, Members, and Promoters, pursuant to this Offer. Our Managing Director Mr. Shrinand Kamlakar Palshikar and Non-Executive Director, Ms. Sangita Shrinand Palshikar may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Except mentioned in the Restated Financial Statements, no loans have been availed by our directors or the Key Managerial Personnel from our Company.

No sum has been paid or agreed to be paid to our directors or to firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce them to become, or to qualify them as, a director, or otherwise for services rendered by them by such firm or company, in connection with the promotion or formation of our Company.

For the shareholding of the Directors, please refer chapter titled “*Our Management*” on page 109 of this Draft Prospectus.

#### ***Interest in the property of the Company***

Except as stated in the heading titled “*Properties*” under the chapter titled “*Our Business*”, beginning on page 82 of this Draft Prospectus, none of our directors have interest in any property acquired or proposed to be acquired by our Company.

#### ***Interest in Business of the Company***

Except as stated in the chapter titled “*Our Business*” and “*Restated Financial Statements*” beginning on page 82 and 126 respectively and to the extent of shareholding in our Company, if any, our directors do not have any other business interest in our Company.

#### ***Interest in promotion of the Company***

Except for Mr. Shrinand Kamlakar Palshikar and Ms. Sangita Shrinand Palshikar, who are the Promoters of our Company, none of the other Directors are interested in the promotion of our Company.

### **CHANGES IN OUR BOARD OF DIRECTORS DURING THE LAST THREE YEARS**

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>Date of Appointment / Change in designation</b>	<b>Reason for Change</b>
1.	Mr. Rajeev Vinayak Lokare	January 31, 2022	Appointed as Non-Executive Independent Director to ensure better corporate governance
2.	Mr. Kishorbhai Chhanalal Parikh	January 31, 2022	Appointed as Non-Executive Independent Director to ensure better corporate governance

### **CORPORATE GOVERNANCE**

In addition to the applicable provisions of the Companies Act with respect to corporate governance, provisions of SEBI LODR Regulations to the extent applicable to the entity whose shares are listed on Stock Exchange and shall be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchange. We are in compliance with the requirements of the applicable regulations, including SEBI LODR Regulations, SEBI ICDR Regulations and the Companies Act in respect of corporate governance including constitution of the Board and committees thereof.

Our Board has been constituted in compliance with the Companies Act and SEBI LODR Regulations. The Board functions either as a full board or through various committees constituted to oversee specific functions.

Our Company stands committed to good Corporate Governance practices based on the principles such as accountability, transparency in dealing with our stakeholders, emphasis on communication and transparent report.

Our Board functions either as a full Board or through the various committees constituted to oversee specific operational areas. As on the date of this Draft Prospectus, our Company has Four (4) Directors, one (1) is Chairman & Managing Director, one (1) is a Non-Executive Non-Independent Woman Director and two (2) are Non-Executive Independent Directors.

## COMMITTEES OF THE BOARD OF DIRECTORS

Our Board of Directors presently has three (3) committees which have been constituted in accordance with the relevant provisions of the Companies Act and SEBI LODR Regulations: (i) Audit Committee, (ii) Stakeholders' Relationship Committee and (iii) Nomination and Remuneration Committee.

### Audit Committee

Our Board has constituted the Audit Committee vide Board Resolution dated February 21, 2022 which was in accordance with Section 177 of the Companies Act, 2013.

The audit committee comprises of:

Name of the Directors	Nature of Directorship	Designation in Committee
Mr. Kishorbhai Chhanalal Parikh	Non-Executive Independent Director	Chairman
Mr. Rajeev Vinayak Lokare	Non-Executive Independent Director	Member
Mr. Shrinand Kamlakar Palshikar	Managing Director	Member

The Company Secretary & Compliance Officer of the Company will act as the Secretary of the Committee.

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

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is 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. Approving payments 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:
  - i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
  - ii) Changes, if any, in accounting policies and practices and reasons for the same;
  - iii) Major accounting entries involving estimates based on the exercise of judgment by management;
  - iv) Significant adjustments made in the financial statements arising out of audit findings;
  - v) Compliance with listing and other legal requirements relating to financial statements;
  - vi) Disclosure of any related party transactions;
  - vii) Qualifications in the draft audit report.
5. Reviewing, with the management, the half yearly 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/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. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
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 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;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;

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

*Explanation (ii): If the Issuer has set up an audit committee pursuant to provision of the Companies Act, the said audit committee shall have such additional functions / features as is contained in this clause.*

The Audit Committee enjoys following powers:

- i) To investigate any activity within its terms of reference.
- ii) To seek information from any employee.
- iii) To obtain outside legal or other professional advice.
- iv) To secure attendance of outsiders with relevant expertise if it considers necessary.

The Audit Committee shall mandatorily review the following information:

- i) Management discussion and analysis of financial condition and results of operations;
  - ii) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - iii) Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - iv) Internal audit reports relating to internal control weaknesses; and
  - v) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
  - vi) statement of deviations: (a) half yearly statement of deviation(s) submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI ICDR Regulations. (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI ICDR Regulations.
21. The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

The Chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

### ***Meeting of Audit Committee and Relevant Quorum***

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

### ***Stakeholders' Relationship Committee***

Our Board has constituted the Stakeholders' Relationship Committee vide Board Resolution dated February 21, 2022 pursuant to Section 178 of the Companies Act, 2013. The Stakeholders' Relationship Committee comprises of:

<b>Name of the Directors</b>	<b>Nature of Directorship</b>	<b>Designation in Committee</b>
Mr. Rajeev Vinayak Lokare	Non-Executive Independent Director	Chairman
Mr. Kishorbhai Chhanalal Parikh	Non-Executive Independent Director	Member
Ms. Sangita Shrinand Palshikar	Non-Executive Director	Member

The Company Secretary of the Company will act as the Secretary of the Committee.

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

1. resolving the grievances of the security holders of the Company, including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.
2. review of measures taken for effective exercise of voting rights by shareholders;
3. review of adherence to the service standards adopted by the Company in respect of various services rendered by the registrar and share transfer agent;
4. review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company; and
5. Formulate procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
6. approve, register, refuse to register transfer or transmission of shares and other securities;
7. sub-divide, consolidate and or replace any share or other securities certificate(s) of the Company;
8. allotment and listing of shares;
9. authorise affixation of common seal of the Company;
10. issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;
11. approve the transmission of shares or other securities arising as a result of death of the sole/any joint shareholder;
12. dematerialize or rematerialize the issued shares;
13. ensure proper and timely attendance and redressal of investor queries and grievances;
14. carry out any other functions contained in the Companies Act, 2013 (including Section 178) and/or equity listing agreements (if applicable), as and when amended from time to time; and
15. further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s).

### ***Meeting of Stakeholders' Relationship Committee and Relevant Quorum***

The stakeholders' Relationship committee shall meet once in a year. The quorum for a meeting of the Stakeholder's Relationship Committee shall be two members present.

### **Nomination and Remuneration Committee**

Our Board has constituted the Nomination and Remuneration Committee vide Board Resolution dated February 21, 2022 pursuant to section 178 of the Companies Act, 2013.

The Nomination and Remuneration Committee comprises of:

<b>Name of the Directors</b>	<b>Nature of Directorship</b>	<b>Designation in Committee</b>
Mr. Kishorbhai Chhanalal Parikh	Non-Executive Independent Director	Chairman
Mr. Rajeev Vinayak Lokare	Non-Executive Independent Director	Member
Ms. Sangita Shrinand Palshikar	Non-Executive Director	Member

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

The scope of Nomination and Remuneration Committee shall include but shall not be restricted to the following:

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. for every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - i) use the services of an external agencies, if required;
  - ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - iii) consider the time commitments of the candidates.
3. formulation of criteria for evaluation of Independent Directors and the Board;
4. devising a policy on Board diversity;
5. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
6. 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;
7. recommend to the board, all remuneration, in whatever form, payable to senior management.

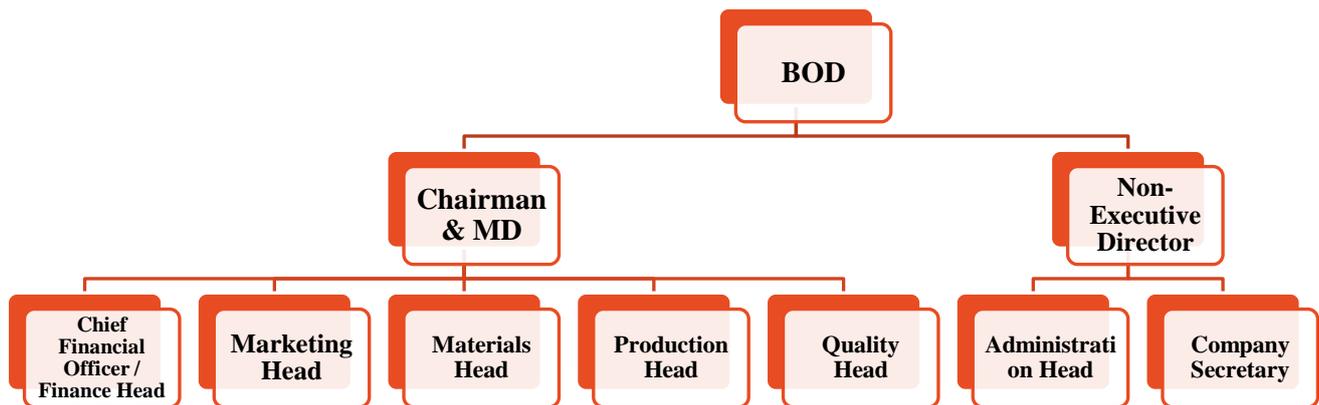
### **Meeting of Nomination and Remuneration Committee and Relevant Quorum**

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

## **POLICY ON DISCLOSURES AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING**

The provisions of Regulation 9(1) of the SEBI PIT Regulations will be applicable to our Company immediately upon the listing of its Equity Shares on the NSE Emerge. We shall comply with the requirements of the SEBI PIT Regulations on listing of Equity Shares on stock exchanges. Further, Board of Directors have formulated and adopted the code of conduct to regulate, monitor and report trading by its employees and other connected persons. The Company Secretary & Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the board.

## **ORGANIZATIONAL STRUCTURE**



## KEY MANAGERIAL PERSONNEL

Our Company is managed by our Board of Directors, assisted by qualified and experienced professionals, who are permanent employees of our Company. Below are the details of the Key Managerial Personnel of our Company:

Mr. Shrinand Kamlakar Palshikar is the Chairman & Managing Director of the Company. For detailed profile, see para, “*Brief Profile of our Directors*” on page 110 of this Draft Prospectus.

Ms. Shripada Shrinand Palshikar, aged around 25 years, is the Chief Financial Officer of our Company with effect from January 28, 2022. She has been associated with our erstwhile partnership firm as the Resident Business Marketing Executive (part-time) and New Development Executive. She has completed her Bachelors in Technology (Mechanical Engineering) from K.J. Somaiya College of Engineering, Mumbai in 2016. She is responsible for the finance and accounts of company and for applying her knowledge in solving challenges in production lines, develop project plans and schedules, manage project technical activities during project phases, plan future projects, budgeting aspect, risk assessment, future scope and profitability and bring in innovative ideas and technologies to improve productivity, quality, reduce cost and bring about ease of operations. She was paid ₹ 5.16 Lakhs remuneration in the Fiscal Year 2020-21.

Ms. Pooja Kamleshkumar Sharma, aged 29 years, is the Company Secretary and Compliance Officer of our Company with effect from January 28, 2022. She has completed her graduation from Saurashtra University in 2013 and further holds degree of Masters in Commerce from Saurashtra University. She is an Associate member of the Institute of Company Secretaries of India. She has around 1 year of experience in secretarial and compliance. She is responsible for the Secretarial, Legal and Compliance division of our Company. She was not paid any remuneration in the Fiscal Year 2020-21.

## STATUS OF OUR KEY MANAGERIAL PERSONNEL

All our Key Managerial Personnel are permanent employees of our Company.

## RELATIONSHIP BETWEEN OUR DIRECTORS AND KEY MANAGERIAL PERSONNEL

Except for that Ms. Shripada Shrinand Palshikar is daughter of Mr. Shrinand Kamlakar Palshikar and Ms. Sangita Shrinand Palshikar, none of our directors are related to our Key Managerial Personnel.

## SHAREHOLDING OF THE KEY MANAGEMENT PERSONNEL

None of our KMPs holds any shares of our Company as on the date of this Draft Prospectus except as stated in the below table.

Sr. No.	Name of the KMP	No. of Share held	% of Shareholding
1.	Mr. Shrinand Kamlakar Palshikar	74,99,995	49.99%
2.	Ms. Shripada Shrinand Palshikar	1	Negligible

For further details please see chapter titled “*Capital Structure*” on page 52 of this Draft Prospectus.

## SERVICE CONTRACTS WITH KEY MANAGERIAL PERSONNEL

Our Key Managerial Personnel have not entered into any service contracts with our Company which provide for any benefits upon termination of their employment in our Company.

#### **INTEREST OF KEY MANAGERIAL PERSONNEL**

None of our Key Management Personnel has any interest in our Company except to the extent of their remuneration, benefits, reimbursement of expenses incurred by them in the ordinary course of business. Further, our Chief Financial Officer, Ms. Shripada Shrinand Palshikar is also interested to the extent of Equity Shares, held by her and any dividend payable to her and other distributions in respect of such Equity Shares.

#### **ARRANGEMENT OR UNDERSTANDING WITH MAJOR SHAREHOLDERS/ CUSTOMERS/ SUPPLIERS**

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of our Key Managerial Personnel have been selected as the Key Managerial Personnel of our Company.

#### **BONUS OR PROFIT-SHARING PLAN OF KEY MANAGEMENT PERSONNEL**

There is no profit-sharing plan for the Key Managerial Personnel. However, our Company provides performance linked bonus payments, in accordance with their terms of appointment.

#### **CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO KEY MANAGERIAL PERSONNEL**

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

#### **EMPLOYEE SHARE PURCHASE AND EMPLOYEE STOCK OPTION PLAN**

Our Company does not have an employee stock option scheme as on the date of this Draft Prospectus.

#### **PAYMENT OR BENEFIT TO OUR KEY MANAGERIAL PERSONNEL**

No non salary related amount or benefit has been paid or given to any officer of our Company within the two years preceding the date of filing of this Draft Prospectus or is intended to be paid or given, other than in the ordinary course of their employment.

#### **CHANGES IN OUR KEY MANAGERIAL PERSONNEL IN THE LAST THREE YEARS**

The changes in our Key Managerial Personnel during the three years immediately preceding the date of filing of this Draft Prospectus are set forth below.

<b>Name</b>	<b>Designation</b>	<b>Date of Appointment/ Change in designation</b>	<b>Reason for Change</b>
Ms. Shripada Shrinand Palshikar	Chief Financial Officer	January 28, 2022	Appointed as Chief Financial Officer
Ms. Pooja Kamleshkumar Sharma	Company Secretary and Compliance Officer	January 28, 2022	Appointed as Company Secretary and Compliance Officer

#### **ATTRITION OF KEY MANAGERIAL PERSONNEL**

The attrition of Key Managerial Personnel is not high in our Company compared to the industry.

## OUR PROMOTERS AND PROMOTER GROUP

As on the date of this Draft Prospectus, our Promoters hold 1,49,99,995 Equity Shares, representing 49.99% of the pre-offered, subscribed and paid-up Equity Share capital of our Company. For details of the build-up of our Promoters' shareholding in our Company, please see "Capital Structure" beginning on page 52 of this Draft Prospectus.

The details of our Promoters are as under:

<b>1. Mr. Shrinand Kamlakar Palshikar</b>	
	<p><b>Mr. Shrinand Kamlakar Palshikar</b>, aged 56 years, is the Promoter, Chairman &amp; Managing Director of our Company. He was partner in the erstwhile partnership firm. He holds degree in Bachelor of Engineering from University of Jabalpur, Madhya Pradesh in the year 1986. He has completed his Master of Technology in Mechanical Engineering with specialisation in Product Engineering from IIT Bombay in the year 1988. Further he has completed the Rolling Bearing Theory &amp; Performance Course from SKF College of Engineering in 1989. He has knowledge and experience in the fields of production, quality, marketing. He gives directions to our company and is responsible for planning and executing the expansions and diversification of our company. He is a result oriented, focused, hardworking person and provides strategic advice and guidance to the members of the Board of Directors, to keep them aware of developments to ensure that the appropriate policies are developed.</p> <p><b>Date of Birth:</b> May 02, 1965</p> <p><b>Nationality:</b> Indian</p> <p><b>PAN:</b> ABHPP5047N</p> <p><b>Residential Address:</b> Block No. 11, Banker Society, Near Milk Dairy, Wadhwan – 363 030, Surendranagar, Gujarat, India</p> <p><b>Other Interests:</b> Shripada Surya Urja Private Limited</p>
<b>2. Ms. Sangita Shrinand Palshikar</b>	
	<p><b>Ms. Sangita Shrinand Palshikar</b>, aged 56 years, is the Promoter and Non-Executive Director of our Company. She was one of the partners in the erstwhile partnership firm. She has completed her graduation in commerce from Brihan Maharashtra College of Commerce, Pune in the year 1982. She has experience in accounts, finance, human resource and administration. She has been awarded for "Special award to outstanding women Entrepreneur of the Year" from the President of India Late Honourable Shri Pranab Mukherjee in 2011 and "Successful Business entrepreneur" award by Chief Minister and Governor of Gujarat in 2019. She is the leader of the workplace and employees with introduction of innovative office norms to boost productivity and worker satisfaction.</p> <p><b>Date of Birth:</b> December 26, 1965</p> <p><b>Nationality:</b> Indian</p> <p><b>PAN:</b> ABNPP9890R</p> <p><b>Residential Address:</b> Block No. 11, Banker Society, Near Milk Dairy, Wadhwan – 363 030, Surendranagar, Gujarat, India</p> <p><b>Other Interests:</b> Shrichi Surya Urja Private Limited</p>

\*Passport of Ms. Sangita Shrinand Palshikar is expired and application has been made for renewal.

## DECLARATION

1. We confirm that the Permanent Account Number, Bank Account number, Passport number, Driving License number Aadhaar Card number of our Promoters has been submitted to the Stock Exchange at the time of filing of the Draft Prospectus with the Stock Exchange.
2. Our Promoters and the members of our Promoter Group have confirmed that they have not been identified as wilful defaulters or fraudulent borrowers by the RBI or any other governmental authority.
3. Our Promoters have not been declared as a fugitive economic offender under the provisions of section 12 of the Fugitive Economic Offenders Act, 2018.
4. No violations of securities law have been committed by our Promoters or members of our Promoter Group or any Group Companies in the past or is currently pending against them. None of (i) our Promoters and members of our Promoter Group or persons in control of or on the boards of bodies corporate forming part of our Group Companies (ii) the Companies with which any of our Promoters are or were associated as a promoter, director or person in control, are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

## **CHANGE IN CONTROL OF OUR COMPANY**

There has not been any change in the control of our Company in the five years immediately preceding the date of this Draft Prospectus.

## **EXPERIENCE OF OUR PROMOTERS IN THE BUSINESS OF OUR COMPANY**

For details in relation to experience of our Promoters in the business of our Company, please refer the chapter “*Our Management*” beginning on page 109 of this Draft Prospectus.

## **INTEREST OF OUR PROMOTERS**

Our Promoters do not have any interest in our Company except to the extent of compensation payable / paid, rents on properties owned by them or their relatives but used by our company and reimbursement of expenses (if applicable) and to the extent of any equity shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and / or trustee, and to the extent of benefits arising out of such shareholding. For further details please see the chapters titled “*Capital Structure*”, “*Restated Financial Statements*” and “*Our Management*” beginning on pages 52, 126 and 109 of this Draft Prospectus.

Except as stated otherwise in this Draft Prospectus, we have not entered into any contract, agreements or arrangements in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company and development rights entered into by our Company other than in the normal course of business. For further details, please see chapter titled “*Restated Financial Statements*” beginning on page 126 of this Draft Prospectus.

### ***Interest of Promoters in the Promotion of our Company***

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

### ***Interest of Promoters in the Property of our Company***

Except as stated in the heading titled “*Properties*” under the chapter titled “*Our Business*” and “*Restated Financial Statements*” beginning on page 82 and 126 respectively, of this Draft Prospectus, our Promoter has confirmed that she does not have any interest in any property acquired by our Company within three years preceding the date of this Draft Prospectus or proposed to be acquired by our Company as on the date of this Draft Prospectus.

Further, other than as mentioned in the chapter titled “*Our Business*” beginning on page 82 of this Draft Prospectus our Promoters does not have any interest in any transactions in the acquisition of land, construction of any building or supply of any machinery.

### ***Interest in our Company arising out of being a member of a firm or company***

Our Promoters are not interested as member of a firm or company, and no sum has been paid or agreed to be paid to them or to such firm or company in cash or shares or otherwise by any person either to induce such person to become, or qualify them as a director, or otherwise for services rendered by him or by such firm or company in connection with the promotion or formation of our Company.

#### ***Interest in our Company other than as Promoters***

Except as mentioned in this chapter and chapters titled “*Our Business*”, “*History and Certain Corporate Matters*”, “*Our Management*” and “*Restated Financial Statements*” beginning on pages 82, 106, 109 and 126, respectively, our Promoters does not have any other interest in our Company.

#### **COMMON PURSUITS OF OUR PROMOTERS**

Except as disclosed above, our Promoters are not involved with any ventures which are in the same line of activity or business as that of our Company.

#### **PAYMENTS OR BENEFITS TO THE PROMOTERS OR PROMOTER GROUP DURING THE LAST TWO YEARS**

Except as stated in the chapter titled “*Restated Financial Statements*” beginning on page 126 of this Draft Prospectus, there has been no payment of benefits to our Promoter or Promoter Group during the two years preceding the date of this Draft Prospectus.

#### **MATERIAL GUARANTEES**

Except as stated in the “*Restated Financial Statements*” beginning on page 126 of this Draft Prospectus, our Promoters have not given any material guarantee to any third party with respect to the Equity Shares as on the date of this Draft Prospectus.

#### **OUR PROMOTER GROUP**

Apart from our Promoters, as per Regulation 2(1)(pp) of the SEBI ICDR Regulations, the following individuals and entities shall form part of our Promoter Group:

##### ***A. Natural Persons who are Part of the Promoter Group***

As per Regulation 2(1)(pp)(ii) of the SEBI ICDR Regulations, the following individuals form part of our Promoter Group:

<b>Name of the Promoter</b>	<b>Name of the Relative</b>	<b>Relationship with the Promoter</b>
Mr. Shrinand Kamlakar Palshikar	Late Kamlakar Palshikar	Father
	Late Shridhara Palshikar	Mother
	Ms. Sangita Shrinand Palshikar	Spouse
	-	Brother
	-	Sister
	-	Son
	Ms. Shrichi S Palshikar, Ms. Shripada Shrinand Palshikar	Daughters
	Late Vasant Damodar Bhonde	Spouse’s Father
	Late Urmila Bhonde	Spouse’s Mother
	-	Spouse’s Brother
-	Spouse’s Sister	
Ms. Sangita Shrinand Palshikar	Late Vasant Damodar Bhonde	Father
	Late Urmila Bhonde	Mother
	Mr. Shrinand Kamlakar Palshikar	Spouse
	-	Brother
	-	Sister
	-	Son
	Ms. Shrichi S Palshikar, Ms. Shripada Shrinand Palshikar	Daughters
	Late Kamlakar Palshikar	Spouse’s Father
	Late Shridhara Palshikar	Spouse’s Mother

Name of the Promoter	Name of the Relative	Relationship with the Promoter
	-	Spouse's Brother
	-	Spouse's Sister

Our Company has filed an application dated February 15, 2022 with SEBI under Regulation 300(1) of the SEBI ICDR Regulations, seeking an exemption from identifying and disclosing as a member of the Promoter Group, Ms. Samata Puranik (sister of our Promoter, Mr. Shrinand Kamlakar Palshikar) and body corporates/entities and HUFs in which Ms. Samata Puranik holds 20% or more of the equity share capital. Accordingly, the above list of members of our Promoter Group does not include such individual/entities.

**B. Companies / Corporate Entities Forming Part of the Promoter Group**

As per Regulation 2(1)(pp)(iv) of the SEBI ICDR Regulations, the following Companies/Trusts/ Partnership firms/HUFs or Sole Proprietorships are forming part of our Promoter Group.

Sr. No.	Name of Promoter Group Entity/Company
1.	Shripada Surya Urja Private Limited
2.	Shrichi Surya Urja Private Limited
3.	Drawell Wires Private Limited
4.	Shrichi Associates

**C. All persons whose shareholding is aggregated pursuant to Regulation 2(1)(pp)(v) of the SEBI ICDR Regulations for the purpose of disclosing in the Draft Prospectus under the heading "shareholding of the promoter group"**

Sr. No.	Name
1.	Ms. Shrichi S Palshikar
2.	Ms. Shripada Shrinand Palshikar
3.	Mr. Vikrant Saharan
4.	Mr. Pankaj Prafullakumar Patil
5.	Mr. Jani Bharatkumar Indravadanbhai

**COMPANIES WITH WHICH THE PROMOTERS HAVE DISASSOCIATED IN THE LAST THREE YEARS**

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

**OUTSTANDING LITIGATIONS**

There is no other outstanding litigation against our Promoters except as disclosed in the section titled "Risk Factors" and chapter titled "Outstanding Litigations and Material Developments" beginning on pages 21 and 140 respectively of this Draft Prospectus.

## **OUR GROUP COMPANY**

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

In terms of the SEBI ICDR Regulations and in terms of the policy of materiality defined by the Board pursuant to its resolution dated February 21, 2022 our Group Companies includes:

- (i) Those companies disclosed as related parties in accordance with Accounting Standard ("AS 18") issued by the Institute of Chartered Accountants of India, during the period for which Financial Information is disclosed.
- (ii) All such companies which are deemed to be material by the Board of Directors.

Accordingly, based on the parameters outlined above, our Company does not have any group company as on the date of this Draft Prospectus.

## **DIVIDEND POLICY**

Under the Companies Act, 2013, our Company can pay dividends upon a recommendation by its Board of Directors and approval by a majority of the shareholders. The shareholders of our Company have the right to decrease, not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of 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. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

There are no dividends declared by our Company since incorporation.

Our Company does not have 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.

**SECTION VII – FINANCIAL INFORMATION**

**RESTATED FINANCIAL STATEMENTS**

<b>Sr No.</b>	<b>Particulars</b>	<b>Page No</b>
1.	Restated Financial Statements	F-1 to F-22

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## INDEPENDENT AUDITORS' REPORT

(As required by Section 26 of Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014)

To,  
The Board of Directors,  
**SKP Bearing Industries Limited**  
Survey No.2127 Mulchand Road,  
Wadhwan – 363030, Surendranagar  
Gujarat, India

Dear Sir/ Madam,

### 1. **Report on Restated Financial Statements**

We have examined the Restated Financial Statements of **M/s SKP Bearing Industries (Erstwhile Partnership Firm)** (hereinafter referred as “**the Company**”), the summarized statements of which annexed to this report have been prepared in accordance with the requirements of:

- (a) Section 26 of Companies Act, 2013 (hereinafter referred to as the “**Act**”), read with the applicable provisions within Rule - 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended;
  - (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“**SEBI ICDR Regulations**”) issued by the Securities and Exchange Board of India (“**SEBI**”) and amendments made thereto from time to time;
  - (c) The terms of reference to our engagements with the Company(Erstwhile Partnership Firm) requesting us to examine financial statements referred to above and proposed to be included in the Draft Prospectus/ Prospectus being issued by the Company for its proposed Initial Public Offering of equity shares in SME Platform of Stock Exchange (“**IPO**” or “**SME IPO**”);
  - (d) The (Revised) Guidance Note on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India (“**ICAI**”); and
  - (e) In terms of Schedule VI of the SEBI ICDR Regulations, and other provisions relating to accounts, we, Dipak P Shah & Co., Chartered Accountants, have been subjected to the peer review process of the ICAI and hold a valid Certificate No. 010984 dated May 16, 2018 issued by the “Peer Review Board” of the ICAI.
2. The Restated Summary Statements and Financial information of the Company (Erstwhile Partnership Firm) have been extracted/ prepared by the management from the Audited Financial Statements of the Company (Erstwhile Partnership Firm) for January 5, 2022 and financial year ended on March 31, 2021, March 31, 2020, March 31, 2019 which have been approved by the Board of Directors.
  3. Information of the Company (Erstwhile Partnership Firm) for January 5, 2022 and the financial year ended on March 31, 2021, 2020, 2019 which have been audited by Amit D. Pise & Co., Chartered Accountants and books of account underlying those financial statements and other records of the Company (Erstwhile Partnership Firm), to the extent considered necessary by us, have been examined for the presentation of the Restated Summary Statements under the requirements of Schedule III of the Act.

### 4. **Financial Information as per Audited Financial Statements:**

- (a) We have examined:
  - i. The attached **Restated Statement of Assets and Liabilities** of the Company (Erstwhile Partnership Firm) as at January 5, 2022 and financial year ended on March 31, 2021, March 31, 2020, March 31, 2019 (“**Annexure A**”);
  - ii. The attached **Restated Statement of Profits and Loss** of the Company (Erstwhile Partnership Firm) for January 5, 2022 and financial year ended on March 31, 2021, March 31, 2020, March 31, 2019 (“**Annexure B**”);

- iii. The attached **Restated Statement of Cash Flows** of the Company (Erstwhile Partnership Firm) for January 5, 2022 and financial year ended on March 31, 2021, March 31, 2020, March 31, 2019 (“**Annexure C**”);
- iv. The **Summary of Significant Accounting Policies** adopted by the Company (Erstwhile Partnership Firm) and notes to the Restated Financial Statements along with adjustments on account of audit qualifications / adjustments / regroupings. (“**Annexure D**”);

(Collectively hereinafter referred as “**Restated Financial Statements**” or “**Restated Summary Statements**”)

- (b) In accordance with the requirements of sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014, the SEBI ICDR Regulations, the Revised Guidance Note on Reports in Company Prospectus and Guidance Note on Audit Reports/Certificates on Financial Information in Offer Documents issued by the ICAI and the terms of our engagement agreed with you, we report that:
  - i. The “**Restated Statement of Assets and Liabilities**” as set out in Annexure A to this report, of the Company as at January 5, 2022 and financial year ended on March 31, 2021, March 31, 2020, March 31, 2019, are prepared by the Company (Erstwhile Partnership Firm) and approved by the Board of Directors. This Statement of Assets and Liabilities, as restated have been arrived at after making such adjustments and regroupings to the individual Financial Statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in Annexure D to this Report.
  - ii. The “**Restated Statement of Profit and Loss**” as set out in Annexure B to this report, of the Company (Erstwhile Partnership Firm) for January 5, 2022 and financial year ended on March 31, 2021, March 31, 2020, March 31, 2019 are prepared by the Company (Erstwhile Partnership Firm) and approved by the Board of Directors. This Statement of Profit and Loss, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company (Erstwhile Partnership Firm), as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in Annexure D to this Report.
  - iii. The “**Restated Statement of Cash Flow**” as set out in Annexure C to this report, of the Company (Erstwhile Partnership Firm) for January 5, 2022 and financial year ended on March 31, 2021, March 31, 2020, March 31, 2019 are prepared by the Company (Erstwhile Partnership Firm) and approved by the Board of Directors. This Statement of Cash Flow, as restated, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company (erstwhile firm), as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Restated Summary Statements as set out in Annexure D to this Report.

Based on the above and also as per the reliance placed by us on the audited financial statements of the company (Erstwhile Partnership Firm) and Auditors Report thereon which have been prepared by Statutory/Tax Auditor of the Company (Erstwhile Partnership Firm) for January 5, 2022 and financial year ended on March 31, 2021, March 31, 2020, March 31, 2019 we are of the opinion that “Restated Financial Statements” or “Restated Summary Statements” have been made after incorporating:

- a) Adjustments for any material amounts in the respective financial years have been made to which they relate; and
- b) There are no Extra-ordinary items except as shown in the Restated Profit & Loss of that need to be disclosed separately in the Restated Summary Statements.
- c) Adjustments on account of the statutory audit qualifications, if any, have been adjusted and regrouped to the individual financial statements of the Company (erstwhile firm), as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in Annexure D to this Report.
- d) Adjustments in Financial Statements have been made in accordance with the correct accounting policies, which included the impact of change of depreciation due change of method and rates of depreciation from as provided under the Income-tax Act, 1961 to as provided under the provisions of Companies Act, 2013.
- e) There are no revaluation reserves, which need to be disclosed separately in the “Restated Financial Statements”.

**5. Other Financial Information:**

- a) We have also examined the following financial information as set out in annexure prepared by the Management and as approved by the Board of Directors of the Company (Erstwhile Partnership Firm) January 5, 2022 and financial year ended on March 31, 2021, March 31, 2020, March 31, 2019.

Restated Statement of Share Capital	Annexure – A.1
Restated Statement of Long-Term Borrowings	Annexure – A.2
Restated Statement of Deferred Tax (Assets) / Liabilities	Annexure – A.8
Restated Statement of Trade Payables	Annexure – A.3
Restated Statement of Other Current Liabilities and Short-Term Provisions	Annexure – A.4 & Annexure – A.5
Restated Statement of Fixed Assets	Annexure – A.6
Restated Statement of Non-Current Investments	Annexure – A.7
Restated Statement of Long-Term Loans & Advances	Annexure – A.9
Restated Statement of Other Non-Current Assets	Annexure – A.10
Restated Statement of Current Investments	
Restated Statement of Inventories	Annexure – A.11
Restated Statement of Trade Receivables	Annexure – A.12
Restated Statement of Cash & Cash Equivalents	Annexure – A.13
Restated Statement of Short-Term Loans & Advances	Annexure – A.14
Restated Statement of Other Current Assets	Annexure – A.15
Restated Statement of Revenue from Operations	Annexure – B.1
Restated Statement of Other Income	Annexure – B.2
Restated Statement of Cost of Material Consumed	Annexure - B.3
Restated Statement of Changes in Inventories	Annexure - B.4
Restated Statement of Employee Benefit Expenses	Annexure - B.5
Restated Statement of Finance Costs	Annexure – B.6
Restated Statement of Depreciation & Amortisation	Annexure – B.7
Restated Statement of Other Expenses	Annexure – B.8
Material Adjustment to the Restated Financial	Annexure – E
Restated Statement of Tax shelter	Annexure – F
Restated Statement of Capitalization	Annexure – G
Restated Statement of Contingent Liabilities	Annexure – H
Restated Statement of Accounting Ratios	Annexure – I
Restated statement of related party transaction	Annexure – J

- b) The Restated Financial Information contain all the disclosures required by the SEBI ICDR Regulations and as required by Accounting Standards notified under Section 133 of the Act.
- c) We have not audited any financial statements of the Company (Erstwhile Partnership Firm) as of any date or for any period subsequent to January 5, 2022. Accordingly, we do not express any opinion on the financial position, results or cash flows of the Company (Erstwhile Partnership Firm) as of any date or for any period subsequent to January 5, 2022.
- d) The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company(Erstwhile Partnership Firm) in accordance with the provisions of the Act and the Financial Information referred to above is the responsibility of the management of the Company(Erstwhile Partnership Firm).
- e) In our opinion, the above financial information contained in Annexure A to Annexure C and Annexure A.1 to J of this report read along with the Restated Statement of Significant Accounting Polices and related Notes as set out in Annexure D are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with Section 26 of the Act, read with the applicable provisions within Rule - 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended, the SEBI ICDR Regulations, The Revised Guidance Note on Reports in Company Prospectuses and Guidance Note on Audit Reports/Certificates on Financial Information in Offer Documents issued by the ICAI to the extent applicable, as amended from time to time, and in terms of our engagement as agreed with you. We did not perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no such opinion thereon.

- f) Consequently, the financial information has been prepared after making such regroupings and retrospective adjustments as were, in our opinion, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.
- g) The report should not in any way be construed as a re-issuance or re-drafting of any of the previous audit report, nor should this have constructed as a new opinion on any of the financial statements referred to herein.
- h) We have no responsibility to update our report for events and circumstances occurring after the date of the report.
- i) Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the SME IPO for Proposed Issue of Equity Shares of the Company(erstwhile Partnership Firm) and our report should not be used, referred to or adjusted for any other purpose without our written consent.

**6. Auditor's Responsibility:**

Our responsibility is to express an opinion on these restated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**7. Opinion:**

In our opinion and to the best of our information and according to the explanations given to us, the restated financial statements read together with the notes thereon, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, to the extent applicable:

- a) In the case of Restated Statement of Assets and Liabilities of the Company(Erstwhile Partnership Firm) as at January 5, 2022 and financial year ended on March 31, 2021, March 31, 2020, March 31, 2019;
- b) In the case of the Restated Statement of Profit and Loss of the Company(Erstwhile Partnership Firm) for the period from April 01, 2021 to January 5, 2022 and financial year ended on March 31, 2021, March 31, 2020, March 31, 2019; and
- c) In the case of the Restated Cash Flow Statement of the Company (Erstwhile Partnership Firm) for the period from April 01, 2021 to January 5, 2022 and financial year ended on March 31, 2021, March 31, 2020, March 31, 2019.

**For, DIPAK P SHAH & CO.**  
**Chartered Accountants**  
**Firm Registration Number: - 0112132W**  
**Peer Review No. - 010984**

**CA DIPAK P. SHAH**  
**(Proprietor)**  
**Membership No. - 045296**  
**UDIN - 22045296AEKSIU3022**

**Date: 08/03/2022**  
**Place: SURENDRANAGAR**

**SKP BEARING INDUSTRIES LIMITED**  
(FORMERLY KNOWN AS: SKP BEARING INDUSTRIES)

**ANNEXURE – A : RESTATED STATEMENT OF ASSETS AND LIABILITIES**

Sr. No.	Particulars	Note No.	As at January 05, 2022	As at 31st March		
				2021	2020	2019
<b>I.</b>	<b>Equity and Liabilities</b>					
<b>(1)</b>	<b>Shareholders' Funds</b>					
(a)	Share Capital/Partners' Fixed Capital	A.1.1	1,500.00	-	-	-
(b)	Partners' Current Capital	A.1.2	2,630.47	4,580.08	3,913.92	3,086.87
(c)	Reserves & Surplus					
	Money received against share warrants					
<b>(2)</b>	<b>Share application money pending allotment</b>		-	-	-	-
<b>(3)</b>	<b>Non-Current Liabilities</b>					
(a)	Long-Term Borrowings	A.2	-	35.96	40.56	36.01
(b)	Other Long Term Liabilities		-	-	-	-
(c)	Long-Term Provisions		-	-	-	-
(d)	Deferred Tax Liabilities (Net)	A.8	136.46	118.16	84.48	35.14
<b>(4)</b>	<b>Current Liabilities</b>					
(a)	Short Term Borrowings		-	-	-	-
(b)	Trade Payables :	A.3				
	(A) total outstanding dues of micro enterprises and small enterprises; and		-	-	-	-
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises		100.86	109.42	56.55	93.97
(c)	Other Current Liabilities	A.4	76.81	54.76	16.50	7.84
(d)	Short Term Provisions	A.5	634.08	382.70	1,336.69	1,098.52
	<b>Total</b>		<b>5,078.66</b>	<b>5,281.07</b>	<b>5,448.70</b>	<b>4,358.36</b>
<b>II.</b>	<b>Assets</b>					
<b>(1)</b>	<b>Non-Current Assets</b>					
(a)	Property, Plant and Equipment and Intangible Assets:					
	(i) Property, Plant and Equipment	A.6	2,346.64	2,407.17	2,375.95	1,906.20
	(ii) Intangible Assets					
	(iii) Capital Work-in-Progress		107.16	24.58	-	224.98
	(iv) Intangible Assets under development					
(b)	Non-Current Investments	A.7	79.64	743.36	731.86	127.16
(c)	Deferred Tax Assets (net)		-	-	-	-
(d)	Long Term Loans & Advances	A.9	169.68	136.68	29.51	42.98
(e)	Other Non Current Assets	A.10	26.48	-	-	-
<b>(2)</b>	<b>Current Assets</b>					
(a)	Current Investments		-	-	-	-
(b)	Inventories	A.11	365.05	560.64	359.33	310.33
(c)	Trade Receivables	A.12	1,258.50	962.27	631.56	670.25
(d)	Cash and Cash Equivalents	A.13	68.66	12.03	105.32	29.00
(e)	Short-Term Loans and Advances	A.14	144.24	204.52	3.19	70.64
(f)	Other Current Assets	A.15	512.62	229.82	1,211.98	976.82
	<b>Total</b>		<b>5,078.66</b>	<b>5,281.07</b>	<b>5,448.70</b>	<b>4,358.36</b>

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure B, C & D

For Dipak P. Shah & Co.  
Chartered Accountants  
Firm Registration No : 0112132W

On behalf of Board of Directors

Dipak P Shah  
(Proprietor)  
M. No. 045296  
UDIN : 22045296AEKSIU3022

Chairman Cum Managing Director  
Shrinand K Palsikar  
DIN : 08992832

Director  
Sangita S. Palsikar  
DIN : 09054303

Date : 08/03/2022  
Place : Surendranagar

Chief Financial Officer  
Shripada S. Palsikar

Company Secretary  
Pooja K. Sharma

**SKP BEARING INDUSTRIES LIMITED**  
(FORMERLY KNOWN AS: SKP BEARING INDUSTRIES)

**ANNEXURE – B : RESTATED STATEMENT OF PROFIT AND LOSS**

Sr. No	Particulars	Note No.	As at January 05, 2022	For The Year Ended 31st March		
				2021	2020	2019
I.	Revenue from Operations	B.1	3,147.50	3,627.91	3,189.45	3,997.33
II.	Other Income	B.2	296.85	81.38	68.74	83.82
<b>III.</b>	<b>Total Income (I + II)</b>		<b>3,444.35</b>	<b>3,709.29</b>	<b>3,258.18</b>	<b>4,081.15</b>
<b>IV.</b>	<b>Expenses:</b>					
	Cost of Material Consumed	B.3	1,325.96	1,884.95	1,458.88	1,987.77
	Change in Inventories	B.4	63.60	(38.83)	(80.87)	(28.85)
	Employees Benefit Expenses	B.5	158.71	183.24	192.00	190.69
	Finance costs	B.6	252.98	219.97	198.46	203.37
	Depreciation and Amortization	B.7	116.49	141.17	120.90	96.97
	Other expenses	B.8	217.40	270.26	267.58	262.50
	<b>Total Expenses</b>		<b>2,135.14</b>	<b>2,660.77</b>	<b>2,156.94</b>	<b>2,712.45</b>
<b>V.</b>	<b>Profit before exceptional and extraordinary items and tax (III - IV)</b>		<b>1,309.21</b>	<b>1,048.52</b>	<b>1,101.24</b>	<b>1,368.71</b>
VI.	Exceptional Items					
<b>VII.</b>	<b>Profit before extraordinary items and tax (V - VI)</b>		<b>1,309.21</b>	<b>1,048.52</b>	<b>1,101.24</b>	<b>1,368.71</b>
VIII.	Extraordinary items					
<b>IX.</b>	<b>Profit before tax (VII - VIII)</b>		<b>1,309.21</b>	<b>1,048.52</b>	<b>1,101.24</b>	<b>1,368.71</b>
<b>X.</b>	<b>Tax expense :</b>					
	Current tax		350.49	269.24	239.44	340.93
	Deferred Tax		18.30	33.68	49.33	35.14
<b>XI.</b>	<b>Profit (Loss) for the period from continuing operations (IX - X)</b>		<b>940.41</b>	<b>745.60</b>	<b>812.47</b>	<b>992.64</b>
<b>XII.</b>	<b>Earning per equity share in Rs.:</b>					
	(1) Basic		6.27	4.97	5.42	6.62
	(2) Diluted		6.27	4.97	5.42	6.62

Note : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure A, C & D

For Dipak P. Shah & Co.  
Chartered Accountants  
Firm Registration No : 0112132W

On behalf of Board of Directors

Dipak P Shah  
(Proprietor)  
M. No. 045296  
UDIN : 22045296AEKSIU3022

Chairman Cum Managing Director  
Shrinand K Palsikar  
DIN : 08992832

Director  
Sangita S. Palsikar  
DIN : 09054303

Date : 08/03/2022  
Place : Surendranagar

Chief Financial Officer  
Shripada S. Palsikar

Company Secretary  
Pooja K. Sharma

**SKP BEARING INDUSTRIES LIMITED**  
(FORMERLY KNOWN AS: SKP BEARING INDUSTRIES)

**ANNEXURE – C: RESTATED STATEMENT OF CASH FLOWS**

Particulars	As at January 05, 2022	For The Year Ended 31st March		
		2021	2020	2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit/ (Loss) before tax	1,309.21	1,048.52	1,101.24	1,368.71
<i>Adjustments for:</i>				
Depreciation	116.49	141.17	120.90	96.97
Finance Cost	252.98	219.97	198.46	203.37
Gratuity/Leave Encashment Expenses	-	-	-	-
Interest Income	-	-	(1.52)	(2.33)
<b>Operating profit before working capital changes</b>	<b>1,678.68</b>	<b>1,409.66</b>	<b>1,419.07</b>	<b>1,666.72</b>
Movements in working capital :				
(Increase)/Decrease in Inventories	195.59	(201.31)	(49.00)	(159.33)
(Increase)/Decrease in Trade Receivables	(296.23)	(330.71)	38.69	(144.06)
(Increase)/Decrease in Loans & Advances	60.28	(201.33)	67.45	(71.54)
(Increase)/Decrease in Other Current Assets/ Non Current Assets	(282.79)	982.16	(235.17)	(653.02)
Increase/(Decrease) in Trade Payables	(8.56)	52.87	(37.42)	37.07
Increase/(Decrease) in Other Current Liabilities	273.43	(915.75)	246.83	322.72
<b>Cash generated from operations</b>	<b>1,620.39</b>	<b>795.60</b>	<b>1,450.45</b>	<b>998.55</b>
Income tax paid during the year	350.49	269.24	239.44	340.93
<b>Net cash from operating activities (A)</b>	<b>1,269.90</b>	<b>526.36</b>	<b>1,211.02</b>	<b>657.62</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Interest Income	-	-	1.52	2.33
Purchase of Fixed Assets	(138.54)	(196.97)	(365.66)	(179.09)
Increase in Other Non Current Assets	604.24	(118.67)	(591.23)	(126.16)
<b>Net cash from investing activities (B)</b>	<b>465.70</b>	<b>(315.64)</b>	<b>(955.36)</b>	<b>(302.91)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Interest paid on borrowings	(252.98)	(219.97)	(198.46)	(203.37)
Proceeds from Share Capital	(1,390.03)	(79.44)	14.58	54.43
Proceeds/(Repayment) of Borrowings	(35.96)	(4.60)	4.55	(207.01)
<b>Net cash from financing activities (C)</b>	<b>(1,678.96)</b>	<b>(304.01)</b>	<b>(179.33)</b>	<b>(355.95)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>56.63</b>	<b>(93.29)</b>	<b>76.32</b>	<b>(1.24)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>12.03</b>	<b>105.32</b>	<b>29.00</b>	<b>30.24</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>68.66</b>	<b>12.03</b>	<b>105.32</b>	<b>29.00</b>

Note : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows

For Dipak P. Shah & Co.  
Chartered Accountants  
Firm Registration No : 0112132W

On behalf of Board of Directors

Dipak P Shah  
(Proprietor)  
M. No. 045296  
UDIN : 22045296AEKSU3022

Chairman Cum Managing Director

Shrinand K Palsikar  
DIN : 08992832

Director

Sangita S. Palsikar  
DIN : 09054303

Date : 08/03/2022  
Place : Surendranagar

Chief Financial Officer  
Shripada S. Palsikar

Company Secretary  
Pooja K. Sharma

## ANNEXURE-D

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

#### A. Corporate Information

SKP Bearing Industries Limited is a company incorporated under the provisions of Companies Act, 2013 by conversion of SKP Bearing Industries (Erstwhile Partnership Firm) into private limited company with effect from 6<sup>th</sup> January, 2022 and the same was converted into public limited company with effect from 15<sup>th</sup> February, 2022. The Company is engaged into manufacturing of needle rollers, cylindrical rollers, pins and steel balls and other related products, generation of electricity through wind mill power projects and solar power projects.

#### B. Summary of Significant Accounting Policies

##### 1. Basis for preparation of financial statement

The Restated Summary Statement of Assets and Liabilities of the Company (Erstwhile Partnership Firm) as on January 5, 2022, March 31, 2021, March 31, 2020, and March 31, 2019, and the Restated Summary Statement of Profit and Loss and Restated Summary Statements of Cash Flows for the period from April 1, 2021 to January 5, 2022, Financial Year ended on March 31, 2021, March 31, 2020, and March 31, 2019 and the annexure thereto (collectively, the “Restated Financial Statements” or “Restated Summary Statements”) have been extracted by the management from the Financial Statements of the Company (Erstwhile Partnership Firm) for the period from April 1, 2021 to January 5, 2022, financial year ended on March 31, 2021, March 31, 2020, and March 31, 2019.

The financial statements are prepared and presented under the historical cost convention and evaluated on a going-concern basis using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirements of the Companies Act, 2013, schedules and rules of the Companies Act 2013 including the Accounting Standards as prescribed by Section 133 of the Companies Act, 2013 (“the Act”) read with Rule 7 of Companies (Accounts) Rules, 2014.

##### 2. Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimate are recognized in the period in which the results are known/materialized.

##### 3. Revenue Recognition

Revenues are recognized in accordance with AS 9 on ‘*Revenue Recognition*’ following the accrual basis of accounting and using exclusive method I.e., excluding the amount of taxes. However, certain items, due to their nature, are recognized on cash basis. However, effect of the same does not seem to be material.

##### 4. Expenditure

Expenditures are accounted for on accrual basis and provision is made for all known losses and liabilities. However, certain expenses due to their nature, are recorded on Cash basis. However, effect of the same does not seem to be material.

##### 5. Valuation of Inventories

As per the requirements of AS on ‘*Valuation of inventories*’, inventories are required to be recorded at lower of **cost** or **Net Realizable Value**. As stated by the management, Net realizable value of items of inventories is considerably higher than their cost and hence Items of Inventories are recorded at their actual costs. As it is not possible of us to physically verify Inventories, Valuations of Inventory as declared by the management and accepted by the previous Auditor are accepted and considered for the purpose of Restated Financial Statements.

##### 6. Property, Plant & Equipment

Fixed assets are stated at cost of acquisition or construction less depreciation. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use and incidental expenditure during the construction incurred up to the date of commissioning.

Further, As stated by the management, it is not possible to calculate gross value (Cost of acquisition) for the assets purchased in earlier years. Therefore, Management has decided to take WDV as on 31<sup>st</sup> March, 2018 as gross value of the assets as on 1<sup>st</sup> April, 2018.

## **7. Depreciation**

For the year ended on 31<sup>st</sup> March, 2019, 31<sup>st</sup> March, 2020, 31<sup>st</sup> March, 2021 and period ended on 5<sup>th</sup> January, 2022, Depreciation was charged on WDV basis using rates and method as prescribed under the Income Tax Act, 1961 as the Company was operating as partnership firm. However, for the purpose of restatement of financial statements, Depreciation is recalculated on Straight line method of depreciation using useful life in accordance with Schedule II and other relevant provisions of the Companies Act, 2013.

Effect on profit due to change in depreciation method is disclosed in Annexure – E.

## **8. Impairment of Fixed Assets**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

## **9. Employee Benefits**

Short term benefit payable to employees wholly within twelve months of rendering services such as salaries, wages etc. are recognized in the period in which the employee renders the related service.

Defined Contribution Plan: The Company's contribution to the state governed employees provident fund scheme is a defined contribution plan. The contribution paid/ payable under the scheme is recognized during the period in which the employee renders the related service.

Defined Benefit Plan: The Company is participating in Group Gratuity Plan of LIC for providing gratuity to its employees. Same is Accounted on actual basis and hence no provision Is created for Payment of Gratuity.

## **10. Foreign Currency Transactions**

In accordance with Accounting Standard (AS) 11 on Accounting for the Effects of changes in Foreign Exchange Rates, Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction date. Realized gains and losses on settlement of foreign currency transactions are recognized in the Profit and Loss Account, Foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates, and the resultant exchange difference is recognized in the Profit and Loss Account.

## **11. Taxation**

For the years ended on 31<sup>st</sup> March, 2019, 31<sup>st</sup> March, 2020, 31<sup>st</sup> March, 2021 and period ended on 5<sup>th</sup> January, 2022, rates applicable to partnership firms are taken into consideration for calculating current tax expenses.

Further, deferred tax assets/ liability is calculated in accordance with AS 22 'Accounting for taxes' on timing difference between depreciation as per restated financial statements and depreciation allowable under Income tax Act, 1961 using corporate tax rate.

Calculations of current tax and deferred tax are disclosed in Annexure – F and Annexure A.8 respectively.

## **12. Cash And Cash Equivalents**

Cash and Cash equivalent shown in Restated Financial Statements reflects Cash in hand and Bank balances only. No short-term deposits or highly liquid investments are taken as cash and cash equivalent following the regular policy of Entity.

## **13. Cash Flow Statement**

Cash flow are reported using the indirect method, whereby profit is adjusted for effect of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing are segregated based on the available information.

#### **14. Provision, Contingent Liabilities and Contingent Assets**

Provision is recognized for when the company has at present, legal or contractual obligation as a result of past events, only if it is probable that an outflow of resources embodying economic outgo or loss will be required and if the amount involved can be measured reliably.

As stated by management vide representation letter dated 04/03/2022, management sees no liability in pending litigations against the company. Hence, no provision is made in books of account or Restated Financial Statements.

#### **15. Earnings Per Share**

In determining the Earnings Per share, the Company (Erstwhile Partnership Firm) considers the net profit after tax which does not include any post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

The Company has been formed on conversion of Partnership Firm into Company with paid up equity share capital of Rs. 15,00,00,000 divided into 1,50,00,000 equity shares of Rs. 10 each. The status of the Company prior to January 06, 2022 was that of a Partnership Firm. Hence, EPS and NAV per share for all the years of reporting period have been calculated by considering the number of shares outstanding post conversion of partnership firm into Company (i.e., 1,50,00,000 equity shares).

#### **16. Leases**

##### ***Asset held under lease***

Leases of property, plant and equipment that transfer substantially all the risks and rewards of ownership are classified as finance leases. All the other leases are classified as operating leases. Assets held under operating leases are neither recognized (in case the Company is lessee) nor derecognized (in case the Company is lessor) from the Company's Balance Sheet.

##### ***Lease payments***

Payments made or received under operating lease are generally recognized in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

#### **C. Changes in accounting policies in the periods/years covered in the Restated Financial Statements**

There are Certain changes in significant accounting policies adopted by the Company, the details of which are mentioned as and when considered necessary.

**ANNEXURE - A.1 : Restated Statement of Share Capital**

**A.1.1 : Restated Statement of Partners' Fixed Capital Account**

Particulars	As at January 05, 2022	As at 31st March		
		2021	2020	2019
Fixed Capital	1,500.00	-	-	-
<b>Total</b>	<b>1,500.00</b>	<b>-</b>	<b>-</b>	<b>-</b>

**A.1.2 : Restated Statement of Partners' Current Capital Account**

Particulars	As at January 05, 2022	As at 31st March		
		2021	2020	2019
<b>Shareholders Fund</b>				
<b>Partner's Capital Account</b>				
Opening Balance	4,580.08	3,913.92	3,086.87	2,039.80
Add : Fresh Capital Introduced during the year	165.58	167.70	29.05	697.96
Less : Capital Withdrawn during the year	-	-	-	-
Add : Remuneration/Salary	-	-	-	-
Add: Interest on Partners Capital	245.46	208.28	184.36	174.25
Add : Share of Profit from the firm	940.41	745.60	812.47	992.64
Add : Rent	2.84	3.89	3.78	3.78
Less: Drawings	1,803.90	459.30	202.61	821.56
Less: Adjustment due to change in method of Depreciation	-	-	-	-
Less: Capital Converted into Fixed capital during the Period	1,500.00	-	-	-
Less : Capital Converted into Current capital during the Period	-	-	-	-
<b>Total</b>	<b>2,630.47</b>	<b>4,580.08</b>	<b>3,913.92</b>	<b>3,086.87</b>

1) The Company has been formed from conversion of Partnership firm into company vide a certificate of incorporation dated 06.01.2022. The company has been converted with paid up equity share capital of Rs. 15,00,00,000 divided into 1,50,00,000 equity shares of Rs. 10 each.

2) The status of the company up to 05.01.2022 was partnership firm. For the purpose of Restated Financial Statements, the accounts of the partnership firm for the year ended on March 31 2019, 2020, 2021, and for the period ended on January 05, 2022 have been recast in accordance with the requirements of Schedule III of the Companies Act, 2013. Thus Share Capital disclosed for these years represents Partners' Capital in the Partnership Firm.

**ANNEXURE – A.2 : Restated Statement of Long Term Borrowings**

Particulars	As at January 05, 2022	As at 31st March		
		2021	2020	2019
From Directors and Relatives	-	35.96	40.56	36.01
<b>Total</b>	<b>-</b>	<b>35.96</b>	<b>40.56</b>	<b>36.01</b>

Note: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure A, B, C & D

**ANNEXURE – A.3 : Restated Statement of Trade Payables**

Particulars	As at January 05, 2022	As at 31st March		
		2021	2020	2019
Trade Payables due to				
- Micro and Small Enterprises				
- Others	100.86	109.42	56.55	93.97
<b>Total</b>	<b>100.86</b>	<b>109.42</b>	<b>56.55</b>	<b>93.97</b>

Note A.3.1 : As per the provisions of The Companies Act, 2013, Trade Payables are required to be disclosed as those 'from MSMEs' and those 'from Other than MSMEs'. However no such bifurcation was made the Management and previous Auditors. Following the same, we have taken all the Trade Payables as 'from Other than MSMEs.'

Note A.3.2 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure A, B, C & D

**ANNEXURE – A.4 : Restated Statement of Other Current Liabilities**

Particulars	As at January 05, 2022	As at 31st March		
		2021	2020	2019
Duties and Taxes	67.95	40.61	15.51	7.42
Advances from Cutomers	7.63	13.19	0.00	0.00
Outstanding Balance of Credit Cards	1.22	0.96	0.99	0.42
<b>Total</b>	<b>76.81</b>	<b>54.76</b>	<b>16.50</b>	<b>7.84</b>

Note: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure A, B, C & D

**ANNEXURE – A.5 : Restated Statement of Short Term Provisions**

Particulars	As at January 05, 2022	As at 31st March		
		2021	2020	2019
Provision for Income Tax	619.73	269.24	1,192.08	952.64
Employees related Liabilities	12.70	13.61	11.49	12.43
Provision for Expenses	1.64	99.84	133.12	133.45
<b>Total</b>	<b>634.08</b>	<b>382.70</b>	<b>1,336.69</b>	<b>1,098.52</b>

Note: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure A, B, C & D

## ANNEXURE – A.6 : Restated Statement of Property, Plant and Equipment

As At 05.01.2022

Particulars	Gross Block			Accumulated Depreciation				Net Block		
	Balance as at 01st Apr 2021	Additions	Deletion/Sale	Balance as at 05.01.2022	Balance as at 01st Apr 2021	Depreciation charge for the period	Deletion-Sale/Loss	Balance as at 05.01.2022	Balance as at 01st Apr 2021	Balance as at 05.01.2022
<b>A. Property Plant &amp; Equipment</b>										
Land	46.28	-	-	46.28	-	-	-	-	46.28	46.28
Building	357.36	0.40	-	357.76	16.73	8.70	-	25.43	357.36	332.33
Furniture & Fixtures	6.48	0.95	-	7.43	1.41	0.50	-	1.91	6.48	5.52
Office Equipments	10.97	5.29	0.19	16.07	3.68	2.10	-	5.78	10.97	10.29
Plant & machinery	2,254.81	42.02	0.30	2,296.53	317.07	98.52	-	415.59	2,254.81	1,880.93
Factory Equipments	62.21	9.76	3.76	68.21	7.09	4.16	-	11.25	62.21	56.95
Computer Equipments	5.82	0.93	-	6.75	5.15	0.33	-	5.48	5.82	1.26
Other Equipments	1.52	0.87	-	2.39	0.77	0.33	-	1.11	1.52	1.29
Vehicles	20.75	-	-	20.75	7.12	1.85	-	8.97	20.75	11.78
<b>Grand Total</b>	<b>2,766.21</b>	<b>60.21</b>	<b>4.25</b>	<b>2,822.17</b>	<b>359.04</b>	<b>116.49</b>	<b>-</b>	<b>475.53</b>	<b>2,766.21</b>	<b>2,346.64</b>

As At 31.03.2021

Particulars	Gross Block			Accumulated Depreciation				Net Block		
	Balance as at 01st Apr 2020	Additions	Deletion/Sale	Balance as at 31 March 2021	Balance as at 01st Apr 2020	Depreciation charge for the period	Deletion-Sale/Loss	Balance as at 31 March 2021	Balance as at 01st Apr 2020	Balance as at 31 March 2021
<b>A. Property Plant &amp; Equipment</b>										
Land	46.28	-	-	46.28	-	-	-	-	46.28	46.28
Building	333.87	23.49	-	357.36	6.15	10.59	-	16.73	333.87	340.63
Furniture & Fixtures	6.48	-	-	6.48	0.80	0.62	-	1.41	6.48	5.07
Office Equipments	6.79	4.52	0.34	10.97	2.26	1.43	-	3.68	6.79	7.29
Plant & machinery	2,142.03	116.90	4.12	2,254.81	196.63	120.45	-	317.07	2,142.03	1,937.74
Factory Equipments	29.09	33.12	-	62.21	3.52	3.57	-	7.09	29.09	55.12
Computer Equipments	7.05	0.72	1.95	5.82	3.31	1.84	-	5.15	7.05	0.67
Other Equipments	1.48	0.06	0.01	1.52	0.49	0.28	-	0.77	1.48	0.75
Vehicles	20.75	-	-	20.75	4.71	2.41	-	7.12	20.75	13.63
<b>Grand Total</b>	<b>2,593.82</b>	<b>178.81</b>	<b>6.42</b>	<b>2,766.21</b>	<b>217.87</b>	<b>141.17</b>	<b>-</b>	<b>359.04</b>	<b>2,593.82</b>	<b>2,407.17</b>

As At 31.03.2020

Particulars	Gross Block			Accumulated Depreciation				Net Block		
	Balance as at 01st Apr 2019	Additions	Deletion/Sale	Balance as at 31 March 2020	Balance as at 01st Apr 2019	Depreciation charge for the period	Deletion-Sale/Loss	Balance as at 31 March 2020	Balance as at 01st Apr 2019	Balance as at 31 March 2020
<b>A. Property Plant &amp; Equipment</b>										
Land	46.28	-	-	46.28	-	-	-	-	46.28	46.28
Building	20.45	313.42	-	333.87	0.65	5.50	-	6.15	20.45	327.72
Furniture & Fixtures	4.10	2.39	-	6.48	0.39	0.41	-	0.80	4.10	5.69
Office Equipments	5.71	1.08	-	6.79	1.07	1.19	-	2.26	5.71	4.53
Plant & machinery	1,883.38	260.27	1.62	2,142.03	89.26	107.37	-	196.63	1,883.38	1,945.40
Factory Equipments	17.30	15.10	3.31	29.09	1.57	1.95	-	3.52	17.30	25.56
Computer Equipments	4.74	2.31	-	7.05	1.50	1.80	-	3.31	4.74	3.75
Other Equipments	1.22	0.26	-	1.48	0.22	0.27	-	0.49	1.22	0.99
Vehicles	20.01	0.74	-	20.75	2.31	2.41	-	4.71	20.01	16.04
<b>Grand Total</b>	<b>2,003.17</b>	<b>595.57</b>	<b>4.93</b>	<b>2,593.82</b>	<b>96.97</b>	<b>120.90</b>	<b>-</b>	<b>217.87</b>	<b>2,003.17</b>	<b>2,375.95</b>

As At 31.03.2019

Particulars	Gross Block			Accumulated Depreciation				Net Block		
	Balance as at 01st Apr 2018	Additions	Deletion/Sale	Balance as at 31 March 2019	Balance as at 01st Apr 2018	Depreciation charge for the period	Deletion-Sale/Loss	Balance as at 31 March 2019	Balance as at 01st Apr 2018	Balance as at 31 March 2019
<b>A. Property Plant &amp; Equipment</b>										
Land	46.28	-	-	46.28	-	-	-	-	46.28	46.28
Building	20.45	-	-	20.45	0.65	0.65	-	0.65	20.45	19.80
Furniture & Fixtures	4.10	-	-	4.10	0.39	0.39	-	0.39	4.10	3.71
Office Equipments	5.25	0.46	-	5.71	1.07	1.07	-	1.07	5.25	4.64
Plant & machinery	1,716.41	169.38	2.41	1,883.38	89.26	89.26	-	89.26	1,716.41	1,794.12
Factory Equipments	10.45	6.85	-	17.30	1.57	1.57	-	1.57	10.45	15.73
Computer Equipments	4.74	-	-	4.74	1.50	1.50	-	1.50	4.74	3.24
Other Equipments	0.73	0.55	0.07	1.22	0.22	0.22	-	0.22	0.73	1.00
Vehicles	15.68	4.33	-	20.01	2.31	2.31	-	2.31	15.68	17.70
<b>Grand Total</b>	<b>1,824.08</b>	<b>181.57</b>	<b>2.48</b>	<b>2,003.17</b>	<b>96.97</b>	<b>96.97</b>	<b>-</b>	<b>96.97</b>	<b>1,824.08</b>	<b>1,906.20</b>

**ANNEXURE – A.7 : Restated Statement of Non Current Investments**

Particulars	As at January 05, 2022	As at 31st March		
		2021	2020	2019
Mutual Funds	-	743.36	731.86	127.16
Investments in Land/Plot	79.64	-	-	-
<b>Total</b>	<b>79.64</b>	<b>743.36</b>	<b>731.86</b>	<b>127.16</b>

Note: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure A, B, C & D

**ANNEXURE – A.8 : Restated Statement of Deferred Tax Assets/(Liabilities) (Net)**

Particulars	As at January 05, 2022	As at 31st March		
		2021	2020	2019
Depreciation as per Companies Act	116.49	141.17	120.90	96.97
Depreciation as per Income Tax Act	189.21	275.00	316.92	236.59
Difference in Depreciation (a)	(72.72)	(133.82)	(196.02)	(139.63)
Gratuity Provision & other disallowances (b)	-	-	-	-
<b>Total Timing Difference Total (c = a+b)</b>	<b>(72.72)</b>	<b>(133.82)</b>	<b>(196.02)</b>	<b>(139.63)</b>
Income Tax Rate	25.17%	25.17%	25.17%	25.17%
<b>Net deferred tax asset/(liability) for the year</b>	<b>(18.30)</b>	<b>(33.68)</b>	<b>(49.33)</b>	<b>(35.14)</b>
Opening of DTA/ (DTL)	(118.16)	(84.48)	(35.14)	-
DTA/ (DTL) for the year	(18.30)	(33.68)	(49.33)	(35.14)
<b>Closing of DTA/ (DTL)</b>	<b>(136.46)</b>	<b>(118.16)</b>	<b>(84.48)</b>	<b>(35.14)</b>

Note: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure A, B, C & D

**ANNEXURE – A.9 : Restated Statement of Long-Term Loans & Advances**

Particulars	As at January 05, 2022	As at 31st March		
		2021	2020	2019
Security Deposits	169.68	136.68	29.51	42.98
<b>Total</b>	<b>169.68</b>	<b>136.68</b>	<b>29.51</b>	<b>42.98</b>

Note : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure A, B, C & D

**ANNEXURE – A.10 : Restated Statement of Other Non-Current Assets**

Particulars	As at January 05, 2022	As at 31st March		
		2021	2020	2019
Preliminary and Pre-Operative Expenses	26.48	-	-	-
<b>Total</b>	<b>26.48</b>	<b>-</b>	<b>-</b>	<b>-</b>

Note : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure A, B, C & D

**ANNEXURE – A.11 : Restated Statement of Inventories**

Particulars	As at January 05, 2022	As at 31st March		
		2021	2020	2019
Finished Goods (Valued at lower of Cost or NRV unless otherwise stated)	62.62	54.89	86.11	53.22
Work-in-progress (Valued at lower of Cost or NRV unless otherwise stated)	105.37	176.71	106.65	58.67
Raw Material (Valued at lower of Cost or NRV unless otherwise stated)	197.06	329.05	166.57	198.44
Stock-in-trade (Valued at lower of Cost or NRV unless otherwise stated)	-	-	-	-
<b>Total</b>	<b>365.05</b>	<b>560.64</b>	<b>359.33</b>	<b>310.33</b>

Note : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure A, B, C & D

**ANNEXURE – A.12 : Restated Statement of Trade Receivables**

Particulars	As at January 05, 2022	As at 31st March		
		2021	2020	2019
<b>Outstanding for a period exceeding six months (Unsecured and considered Good)</b>				
From Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies.	-	-	-	-
Others	-	-	-	-
<b>Outstanding for a period not exceeding 6 months (Unsecured and considered Good)</b>				
From Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies.				
Others	1,258.50	962.27	631.56	670.25
<b>Total</b>	<b>1,258.50</b>	<b>962.27</b>	<b>631.56</b>	<b>670.25</b>
Note A.11.1 : As per the provisions of The Companies Act, 2013, Trade Receivables are required to be disclosed as 'Outstanding For period exceeding ^ months' and 'Outstanding for period not exceeding 6 months'. However no such bifurcation was made by the management and Previous Auditors. Following the same we have considered all the Trade Receivables as 'Outstanding for Period not exceeding 6 months'.				
Note A.11.2 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure A, B,C & D				

**ANNEXURE – A.13 : Restated Statement of Cash and Cash Equivalents**

Particulars	As at January 05, 2022	As at 31st March		
		2021	2020	2019
<u>Cash &amp; Cash Equivalents</u>				
Cash in hand	0.23	0.43	0.24	0.22
<u>Balances with Banks:</u>				
In Current Accounts	40.87	0.65	4.54	17.32
In CC/OD Accounts	27.56	10.94	100.54	11.46
<b>Total</b>	<b>68.66</b>	<b>12.03</b>	<b>105.32</b>	<b>29.00</b>
Note : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure A, B,C & D				

**ANNEXURE – A.14 : Restated Statement of Short Term Loans and Advances**

Particulars	As at January 05, 2022	As at 31st March		
		2021	2020	2019
Advances recoverable in cash or kind for the value to be considered good	-	-	-	-
Advance Payment to Suppliers	121.54	189.89	0.00	70.56
Staff Advance	22.70	14.63	3.10	-
Other Advances	-	-	0.09	0.08
<b>Total</b>	<b>144.24</b>	<b>204.52</b>	<b>3.19</b>	<b>70.64</b>
Note : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure A, B,C & D				

**ANNEXURE – A.15 : Restated Statement of Other Current Assets**

Particulars	As at January 05, 2022	As at 31st March		
		2021	2020	2019
Accrued Income	11.94	10.39	3.64	3.36
Balances With Revenue Authorities	500.68	219.44	1,208.34	973.45
Other Current Assets	-	-	-	-
<b>Total</b>	<b>512.62</b>	<b>229.82</b>	<b>1,211.98</b>	<b>976.82</b>
Note : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure A, B,C & D				

**ANNEXURE – B.1 : Restated Statement of Revenue from Operations**

Particulars	As at January 05, 2022	As at 31st March		
		2021	2020	2019
Revenue from operations				
-Export	115.50	78.91	43.28	45.00
-Domestic	3,032.00	3,549.00	3,146.16	3,952.33
<b>Total</b>	<b>3,147.50</b>	<b>3,627.91</b>	<b>3,189.45</b>	<b>3,997.33</b>
Note : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure A, B,C & D				

**ANNEXURE – B.2 : Restated Statement of Other Income**

Particulars	As at January 05, 2022	As at 31st March		
		2021	2020	2019
Interest income	-	-	1.52	2.33
Dividend Income	-	-	-	-
Net gain/loss on sale of Investments	187.13	23.06	21.32	3.31
Miscellaneous	109.72	58.32	45.89	78.18
<b>Total</b>	<b>296.85</b>	<b>81.38</b>	<b>68.74</b>	<b>83.82</b>

Note : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure A, B,C & D

**ANNEXURE – B.3 : Restated Statement of Cost of Material Consumed**

Particulars	As at January 05, 2022	As at 31st March		
		2021	2020	2019
Opening Stock of Raw Materials	329.05	166.57	198.44	67.96
Add: Purchases During the Period	688.99	1,463.31	938.42	1,516.12
Add: Manufacturing Expenses (Annexure B.3.1)	504.98	584.12	488.59	602.14
Less: Closing Stock of Raw Materials	197.06	329.05	166.57	198.44
<b>Total</b>	<b>1,325.96</b>	<b>1,884.95</b>	<b>1,458.88</b>	<b>1,987.77</b>

Note : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure A, B,C & D

**Annexure B.3.1 : Restated Statements of Manufacturing Expenses**

Particulars	As at January 05, 2022	As at 31st March		
		2021	2020	2019
Power & Fuel	136.64	156.10	137.24	145.00
Repair & Maintenance	101.06	100.15	78.31	131.14
Insurance	5.26	11.28	9.52	9.71
Freight & Forwarding	37.21	61.71	43.60	62.88
Duties & Taxes	5.00	8.44	15.14	19.49
Other Manufacturing Expenses	219.81	246.44	204.79	233.92
<b>Total</b>	<b>504.98</b>	<b>584.12</b>	<b>488.59</b>	<b>602.14</b>

**ANNEXURE – B.4 : Restated Statement of Changes in Inventory**

Particulars	As at January 05, 2022	As at 31st March		
		2021	2020	2019
Opening Stock of Finished Goods	54.89	86.11	53.22	39.13
Less: Closing Stock of Finished Goods	62.62	54.89	86.11	53.22
Opening Stock of Work-in-Progress	176.71	106.65	58.67	43.91
Less: Closing Stock of Work-in-progress	105.37	176.71	106.65	58.67
<b>Total</b>	<b>63.60</b>	<b>(38.83)</b>	<b>(80.87)</b>	<b>(28.85)</b>

Note : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure A, B,C & D

**ANNEXURE – B.5 : Restated Statement of Employee Benefit Expense**

Particulars	As at January 05, 2022	As at 31st March		
		2021	2020	2019
Salary Expenses	140.98	162.74	167.66	165.08
Gratuity Expenses		7.94	5.81	8.37
Contribution to Statutory Funds	6.93	5.90	9.63	9.60
Staff Welfare Exp	10.80	6.66	8.90	7.63
<b>Total</b>	<b>158.71</b>	<b>183.24</b>	<b>192.00</b>	<b>190.69</b>

Note : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure A, B,C & D

**ANNEXURE – B.6 : Restated Statement of Finance costs**

Particulars	As at January 05, 2022	As at 31st March		
		2021	2020	2019
Interest on Statutory Dues				
Interest on Borrowings	3.77	6.73	7.73	15.18
Interest on Partners' Capital	245.46	208.28	184.36	174.25
other finance cost	3.75	4.96	6.37	13.94
<b>Total</b>	<b>252.98</b>	<b>219.97</b>	<b>198.46</b>	<b>203.37</b>

Note : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure A, B,C & D

**ANNEXURE – B.7 : Restated Statement of Depreciation & Amortization**

Particulars	As at January 05, 2022	As at 31st March		
		2021	2020	2019
Depreciation	116.49	141.17	120.90	96.97
Amortization of Preliminary Expenses	-	-	-	-
<b>Total</b>	<b>116.49</b>	<b>141.17</b>	<b>120.90</b>	<b>96.97</b>

Note : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure A, B,C & D

**ANNEXURE – B.8 : Restated Statement of Other Expenses**

Particulars	As at January 05, 2022	As at 31st March		
		2021	2020	2019
<b>Administrative Expenses :</b>				
Telephone & Postage	1.36	1.85	1.78	1.84
Printing & Stationary	1.67	1.72	2.06	3.22
Rent, Rates & Taxes	6.80	20.64	18.29	14.30
Audit Fees	4.01	4.23	2.90	2.26
Travelling Expenses	2.48	2.49	5.13	9.89
Legal & Professional Fees	51.67	4.82	66.36	25.84
Donation & Subscriptions	0.43	1.99	11.65	3.81
Safety & Security Expenses	2.88	3.93	3.96	2.69
Other Administrative Expenses	5.74	16.75	6.29	21.96
<b>Selling &amp; Distribution Expenses :</b>				
Advertising & Promotion	8.08	63.20	12.77	2.13
Commission	86.65	100.71	94.64	128.64
Freight Outwards	38.56	36.75	36.59	44.48
Write Offs	2.13	0.16	0.00	0.01
Other Expenses	4.93	11.03	5.16	1.44
<b>Total</b>	<b>217.40</b>	<b>270.26</b>	<b>267.58</b>	<b>262.50</b>

Note : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure A, B,C & D

## ANNEXURE – E : STATEMENT OF MATERIAL ADJUSTMENT TO THE RESTATED FINANCIAL STATEMENTS

### 1 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 (ICDR) Regulations, 2018.

### 2. 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	As at January 05, 2022	As at 31st March		
		2021	2020	2019
<b>Net Profits transferred to Capital A/c as per audited financial statements of Partnership Firm</b>	1,036.48	645.67	665.78	888.16
<b>Add/(Less) : Adjustments on account of -</b>				
Changes in Finance cost	-	-	-	-
Changes in Other Expenses	-	-	-	-
Changes in Depreciation	72.72	133.82	196.02	139.63
Changes in Deferred Tax	(18.30)	(33.68)	(49.33)	(35.14)
Changes in Income tax	(150.49)	-	-	-
Deferred Tax Liability / Asset Adjustment	-	-	-	-
MAT Credit Entitlement Account	-	-	-	-
Difference in Depreciation in actual books of accounts of partnership firm and income tax return	-	(0.21)	-	-
<b>Restated Profit/ (Loss)</b>	<b>940.41</b>	<b>745.60</b>	<b>812.47</b>	<b>992.64</b>

### 3. Notes on Material Adjustments pertaining to prior years

#### (1) Prepaid Expenses charged to Profit & Loss Account

Expenses related to Next year were transferred in Prepaid of Current Year

#### (2) Provision for Outstanding Expenses

Provision is made for expenses related to particular periods & their corresponding impact is given in next year.

#### (3) Difference on Account of Calculation in Deferred Tax

Deferred Tax is calculated on difference between Depreciation as per Restated Financial statements and Depreciation allowable as per the provisions of The Income Tax Act, 1961.

#### (4) Change in Provision for Current Tax

Since the Restated profit has been changed so that the Provision for current tax is also got changed

### Reconciliation Statement between Restated Reserve & Surplus affecting Equity due to Adjustment made in Restated Financial Statements:

Particulars	As at January 05, 2022	For The Year Ended March 31,		
		2021	2020	2019
<b>Partners' Current &amp; Fixed Capital &amp; Reserves &amp; Surplus as per Audited financial Statement</b>	3,875.44	4,228.98	3,662.75	2,982.38
Add/(Less) : Adjustments on account of change in Profit/Loss	(96.07)	99.93	146.69	104.48
Total Adjustments (B)	<b>255.03</b>	<b>351.10</b>	<b>251.17</b>	<b>104.48</b>
<b>Partners' Current &amp; Fixed Capital &amp; Reserves &amp; Surplus as per Restated Financial Statement</b>	<b>4,130.47</b>	<b>4,580.08</b>	<b>3,913.92</b>	<b>3,086.87</b>

**ANNEXURE - F : RESTATED STATEMENT OF TAX SHELTERS**

Sr. No	Particulars	As at January 05, 2022	As at 31st March		
			2021	2020	2019
<b>A</b>	<b>Restated Profit before tax</b>	<b>1,309.21</b>	<b>1,048.52</b>	<b>1,101.24</b>	<b>1,368.71</b>
	STCG taxable at Special Rate	1.91	13.54	-	-
	LTCG taxable at Special Rate	103.35	-	-	-
	Normal Corporate Tax Rates (%)	30.00%	30.00%	30.00%	30.00%
	Special Tax Rate on STCG	15.00%	15.00%	-	-
	Special Tax Rate on LTCG	10.00%	-	-	-
	MAT Tax Rates (%)	15.60%	15.60%	19.24%	19.055%
<b>B</b>	<b>Tax thereon (including surcharge and education cess)</b>				
	Tax on normal profits	361.18	310.49	330.37	410.61
	Tax on STCG	0.29	2.03	-	-
	Tax on LTCG	10.34	-	-	-
	Total	371.80	312.53	330.37	410.61
	<b>Adjustments:</b>				
<b>C</b>	<b>Permanent Differences</b>				
	Deduction allowed under Income Tax Act	165.00	142.45	231.17	257.81
	Exempt Income	-	-	-	-
	Allowance of Expenses under the Income Tax Act Section 35	-	-	-	-
	Disallowance of Income under the Income Tax Act	-	-	-	-
	Disallowance of Expenses under the Income Tax Act	-	5.02	11.15	4.36
	<b>Total Permanent Differences</b>	<b>(165.00)</b>	<b>(137.43)</b>	<b>(220.02)</b>	<b>(253.45)</b>
<b>D</b>	<b>Timing Differences</b>				
	Difference between Depreciation as per Income tax, 1961 and Companies Act 2013	(72.72)	(133.82)	(196.02)	(139.63)
	Provision for Gratuity disallowed	-	-	-	-
	Expense disallowed u/s 43B	-	-	-	-
	<b>Total Timing Differences</b>	<b>(72.72)</b>	<b>(133.82)</b>	<b>(196.02)</b>	<b>(139.63)</b>
<b>E</b>	<b>Net Adjustments E= (C+D)</b>	<b>(237.72)</b>	<b>(271.26)</b>	<b>(416.04)</b>	<b>(393.07)</b>
<b>F</b>	<b>Tax expense/(saving) thereon</b>	<b>(71.32)</b>	<b>(81.38)</b>	<b>(124.81)</b>	<b>(117.92)</b>
<b>G</b>	<b>Total Income/(loss) (A+E)</b>	<b>1,071.48</b>	<b>777.26</b>	<b>685.20</b>	<b>975.63</b>
	Taxable Income/ (Loss) as per MAT	1,236.48	914.70	905.22	1,229.08
<b>I</b>	<b>Income Tax as per normal provision</b>	<b>300.49</b>	<b>231.15</b>	<b>205.56</b>	<b>292.69</b>
<b>J</b>	<b>Income Tax under Minimum Alternative Tax under Section 115 JB of the Income Tax Act</b>	<b>192.89</b>	<b>142.69</b>	<b>174.16</b>	<b>234.20</b>
	<b>Net Tax Expenses (Higher of I,J)</b>	<b>300.49</b>	<b>231.15</b>	<b>205.56</b>	<b>292.69</b>
<b>K</b>	Relief u/s 90/91			0.00	0.00
	<b>Total Current Tax Expenses</b>	<b>300.49</b>	<b>231.15</b>	<b>205.56</b>	<b>292.69</b>
<b>L</b>	Adjustment for Interest on income tax/ others	50.00	38.09	33.88	48.24
	<b>Total Current Tax Expenses</b>	<b>350.49</b>	<b>269.24</b>	<b>239.44</b>	<b>340.93</b>

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**Note :** Calculation of Current Tax for the period ended on 05/01/2022 is as per the best information available to us on the date of this report and same shall not be considered as conclusive or exhaustive. Actual Liability might be different from the amount of Provision due to Lack of relevant information.

**Note:** Deduction allowable under chapter VI-A of The Income Tax Act, 1961 for the period ended 05/01/2022 are estimated on the basis of best information available to us. However Same is not Conclusive and actual figure might vary from estimated figure.

## ANNEXURE - G : RESTATED STATEMENT OF CAPITALISATION

Sr. No	Particulars	Pre issue*	Post issue**
	<b>Debts</b>		
A	Long Term Debt	-	-
B	Short Term Debt	-	-
C	<b>Total Debt</b>		
	<b>Equity Shareholders Funds</b>		
	Equity Share Capital	15,00,00,000	-
	Reserves and Surplus	-	-
D	<b>Total Equity</b>		
	Long Term Debt/ Equity Ratio (A/D)	0	0
	Total Debt/ Equity Ratio (C/D)	0	0

**Notes:**

\* The amounts are consider as outstanding as on 05.01.2022 in partners' fixed capital account.

\*\* Post Issue Figures are not available since Issue Size is not yet final as on date

**ANNEXURE - H : RESTATED STATEMENT OF CONTINGENT LIABILITIES**

Particulars	As at January 05, 2022	As at 31st March		
		2021	2020	2019
1. Bank Guarantee/ LC Discounting for which FDR margin money has been given to the bank as Security	-	-	-	-
2. Capital Commitment	-	-	-	-
3. Income Tax Demand	-	-	-	-
4. TDS Demands	-	-	-	-
5. ESIC Demand	-	-	-	-
<b>Total</b>	-	-	-	-

**Note:** As stated by the Management, there are pending Income Tax Litigations against the Company. However management is of opinion that no actual liability may arise from such litigations, and hence no provision for contingent liability is made.

**ANNEXURE - I : RESTATED STATEMENT OF ACCOUNTING RATIOS**

Particulars	As at January 05, 2022	As at 31st March		
		2021	2020	2019
Restated PAT as per P& L Account (Rs. in Lakhs)	940.41	745.60	812.47	992.64
<b>EBITDA</b>	1,678.68	1,409.66	1,420.60	1,669.05
Actual No. of Equity Shares outstanding at the end of the period	1,50,00,000	1,50,00,000	1,50,00,000	1,50,00,000
Weighted Average Number of Equity Shares at the end of the Period	1,50,00,000	1,50,00,000	1,50,00,000	1,50,00,000
Net Worth	4,130.47	4,580.08	3,913.92	3,086.87
Current Assets	2,349.07	1,969.28	2,311.38	2,057.03
Current Liabilities	811.74	546.87	1,409.75	1,200.34
<b>Earnings Per Share</b>				
Basic EPS (Pre Bonus)	6.27	4.97	5.42	6.62
Eps (Post Bonus)	6.27	4.97	5.42	6.62
<b>Return on Net Worth (%)</b>	22.77%	16.28%	20.76%	32.16%
<b>Net Asset Value Per Share</b>	27.54	30.53	26.09	20.58
<b>Current Ratio</b>	2.89	3.60	1.64	1.71
<b>EBITDA</b>	1,678.68	1,409.66	1,420.60	1,669.05
Nominal Value per Equity share(Rs.)	10.00	10.00	10.00	10.00

Notes :

1) The ratios have been calculated as below:

The company has been formed from conversion of Partnership Firm into Company vide a certificate of incorporation dated 06.01.2022. The Company has been converted with paid up equity share capital of Rs. 15,00,00,000 divided into 1,50,00,000 equity shares of Rs. 10 each. The status of the Company prior to 06.01.2022 was that of a Partnership Firm. Hence, EPS and NAV per share for all the years has been calculated by considering the number of shares outstanding post conversion of partnership firm into Company (i.e. 1,50,00,000 equity shares)

- Basic Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Equity Shares outstanding during the year.
- Diluted Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Diluted Potential Equity Shares outstanding during the year.
- Return on Net Worth (%) = Restated PAT attributable to Equity Shareholders/ Net Worth X 100
- Restated Net Asset Value per equity share (Rs.) = Restated Net Worth as at the end of the year/ Total Number of Equity Shares outstanding during the year.

2) Weighted Average Number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/year.

3) Earnings Per Share calculation are in accordance with Accounting Standard 20- Earnings Per Share, notified under the Companies (Accounting Standards) Rules 2006, as amended.

4) Net Worth = Equity Share Capital + Reserve and Surplus (including surplus in the Statement of Profit & Loss)

5) The figures disclosed above are based on the Restated Financial Statements of the Company.

S.No.	Particular	Ratio	Numerator	Denominator	As at January 05, 2022	As at 31st March			Reason for Movements
						2021	2020	2019	
(a)	Current Ratio	Current assets	<b>Current assets:-</b> inventories + trade receivables + cash & cash equipments + short term loans & advances + other current assets	<b>Current liabilities:-</b> short term borrowings + trade payables + other current liabilities + short term provisions	2.89	3.60	1.64	1.71	There is significant change in the ratio due to write off of provisions and Other Current Assets.
(b)	Debt-Equity Ratio	Debt	<b>Debt:-</b> Total Outside Liabilities	<b>Equity:-</b> equity attributable to equity holders	0.00	0.01	0.01	0.01	
(c)	Debt Service Coverage Ratio	Earning available for debt services	<b>Earning available for debt services :-</b> Earning before interest (attributable to long-term borrowing) and tax	<b>Interest + Principal :-</b> interest expenses on borrowings and principal amount of borrowings due during the current year.	0.09	0.38	0.33	0.64	Amount of repayment of unsecured loans is not fixed and constant. Hence there is significant fluctuation in this ratio.
(d)	Return on Equity Ratio	Net Profit after taxes - Preference Dividend (if any)	<b>Net Profit after taxes - Preference Dividend (if any) :-</b> Profit/(Loss) for the year attributable to equity holders of the parent	<b>Equity shareholders' fund :-</b> equity attributable to equity holders of the parent. Average Equity shareholders' fund = (Opening equity shareholders' fund + closing equity shareholders' fund) / 2	21.59%	17.56%	23.21%	38.72%	As the entity was a partnership firm in period under consideration, Capital is subject to change due to many reasons like addition and withdrawals. Hence there is substantial change in this ratio.
(e)	Inventory turnover ratio (in times)	Cost of good sold	<b>Cost of good sold :-</b> purchases + manufacturing expenses + changes in inventories of stock-in-trade	<b>Average Inventory</b>	4.09	5.28	5.57	0.00	
(f)	Trade Receivables turnover ratio (in times)	Revenue from operations	Revenue from operations	<b>Average Trade Receivables</b>	2.83	4.55	4.90	0.00	
(g)	Trade payables turnover ratio (in times)	Purchase Trade payables	<b>Purchase :-</b> Purchases	<b>Average Trade Payables</b>	6.55	17.63	12.47	0.00	
(h)	Net capital turnover ratio (in times)	Revenue from operations	Revenue from operations	<b>Capital employed: -</b> total equity + long term borrowing (including current maturity). Capital employed is worked out based on average i.e. (opening capital employed + closing capital employed) / 2	0.72	0.85	0.90	0.00	
(i)	Net profit ratio	Net profit after tax	Net profit after tax	Revenue from operations	29.88%	20.55%	25.47%	24.83%	
(j)	Return on Capital employed	Earning before interest & taxes (EBIT)	<b>Earning before interest &amp; taxes (EBIT) :-</b> Profit/(loss) before interest (attributable to long-term borrowing) and tax	<b>Capital Employed: -</b> total equity + long term borrowing (including current maturity). Capital employed is worked out based on average i.e. (opening capital employed + closing capital employed) / 2	35.72%	29.60%	36.73%	0.12%	
(k)	Return on investment.	Net Profit after taxes	Net profit after tax	<b>Average total assets :-</b> (opening total assets + closing total assets) / 2	4.54%	3.47%	4.14%	0.00%	

## ANNEXURE - J(i) : RESTATED STATEMENT OF RELATED PARTY DISCLOSURES

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.

### i. List of Related Parties and Nature of Relationship :

Particulars	Name of Related Parties
a) Key Management Personnel's	Shrinand Kamlakar Palsikar
b) Key Management Personnel's	Sangita Shrinand Palsikar
c) Key Management Personnel's	Urmila Bhonde
d) Relative of Key Management Personnel's	Shrichi S Palsikar
e) Key Management Personnel's	Shripada Shrinand Palsikar

**Note 1 :** The above statements should be read with the significant accounting policies and notes to restated

**Note 2 :** Urmila Bhonde was partner of erstwhile SKP Bearing Industries and was expired on 25/01/2019

### ANNEXURE - J(ii) - Transactions carried out with related parties referred to in (1) above, in ordinary course of business:

Nature of Transactions	Name of Related	As at January 05, 2022	As at March 31		
			2021	2020	2019
Int. on capital	Shrinand Kaml	106.17	87.33	76.39	78.51
rent for pune office	Shrinand Kaml	1.42	1.94	2.10	2.10
<b>TOTAL</b>		<b>107.58</b>	<b>89.28</b>	<b>78.49</b>	<b>80.61</b>
Int. on capital	Sangita Shrinan	139.29	120.95	107.98	61.47
rent for pune office	Sangita Shrinan	1.42	1.94	2.10	2.10
guest house rent	Sangita Shrinan	-	4.32	0.00	2.52
<b>TOTAL</b>		<b>140.71</b>	<b>127.21</b>	<b>110.08</b>	<b>66.09</b>
Int. on capital	urmila bhonde	-	-	-	34.27
guest house rent	urmila bhonde	-	-	-	1.80
<b>TOTAL</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>36.07</b>
salary	Shrichi S Palsik	-	-	-	4.50
int. on unsecured loan	Shrichi S Palsik	3.29	4.87	4.08	2.08
professional fees	Shrichi S Palsik	47.20	70.80	60.00	20.00
Sales promotion exps.	Shrichi S Palsik	5.90			
<b>TOTAL</b>		<b>56.39</b>	<b>75.67</b>	<b>64.08</b>	<b>26.58</b>
salary	Shripada Shrina	4.48	5.16	4.41	4.44
int. on unsecured loan	Shripada Shrina	0.00	1.29	2.07	2.35
<b>TOTAL</b>		<b>4.48</b>	<b>6.45</b>	<b>6.48</b>	<b>6.79</b>

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, profits and

### ANNEXURE - J(iii) - Outstanding Balance as at the end of the year

Sr No.	Particulars	05.01.2022	31.03.2021	31.03.2020	31.03.2019
1	Shrichi S Palsik	-	35.96	30.62	16.90
2	Shripada Shrina	-	-	9.94	19.11
<b>Total</b>			<b>35.96</b>	<b>40.56</b>	<b>36.01</b>

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

## OTHER FINANCIAL INFORMATION

The details of accounting ratios derived from Restated Financial Statements required to be disclosed under the SEBI ICDR Regulations are set forth below:

Particulars	As at January 05, 2022	As at 31st March		
		2021	2020	2019
Restated PAT as per P& L Account (Rs. in Lakhs)	940.41	745.60	812.47	992.64
EBITDA (Rs. in Lakhs)	1,678.68	1,409.66	1,420.60	1,669.05
Actual No. of Equity Shares outstanding at the end of the period	1,50,00,000	1,50,00,000	1,50,00,000	1,50,00,000
Weighted Average Number of Equity Shares at the end of the Period	1,50,00,000	1,50,00,000	1,50,00,000	1,50,00,000
Net Worth (Rs. in Lakhs)	4,130.47	4,580.08	3,913.92	3,086.87
Current Assets (Rs. in Lakhs)	2,349.07	1,969.28	2,311.38	2,057.03
Current Liabilities (Rs. in Lakhs)	811.74	546.87	1,409.75	1,200.34
<b>Earnings Per Share</b>				
Basic EPS	6.27	4.97	5.42	6.62
<b>Return on Net Worth (%)</b>	22.77%	16.28%	20.76%	32.16%
<b>Net Asset Value Per Share (Rs.)</b>	27.54	30.53	26.09	20.58
<b>Current Ratio</b>	2.89	3.60	1.64	1.71
<b>EBITDA (Rs. in Lakhs)</b>	1,678.68	1,409.66	1,420.60	1,669.05
Nominal Value per Equity share (Rs.)	10.00	10.00	10.00	10.00

Notes:

1) The ratios have been calculated as below:

The company has been formed from conversion of Partnership Firm into Company vide a certificate of incorporation dated 06.01.2022. The Company has been converted with paid up equity share capital of Rs. 15,00,00,000 divided into 1,50,00,000 equity shares of Rs. 10 each. The status of the Company prior to 06.01.2022 was that of a Partnership Firm. Hence, EPS and NAV per share for all the years has been calculated by considering the number of shares outstanding post conversion of partnership firm into Company (i.e., 1,50,00,000 equity shares)

a) Basic Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Equity Shares outstanding during the year.

b) Diluted Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Diluted Potential Equity Shares outstanding during the year.

c) Return on Net Worth (%) = Restated PAT attributable to Equity Shareholders/ Net Worth X 100

d) Restated Net Asset Value per equity share (Rs.) = Restated Net Worth as at the end of the year/ Total Number of Equity Shares outstanding during the year.

2) Weighted Average Number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/year.

3) Earnings Per Share calculation are in accordance with Accounting Standard 20- Earnings Per Share, notified under the Companies (Accounting Standards) Rules 2006, as amended.

4) Net Worth = Equity Share Capital + Reserve and Surplus (including surplus in the Statement of Profit & Loss)

5) The figures disclosed above are based on the Restated Financial Statements of the Company.

## CAPITALISATION STATEMENT

Sr. No	Particulars	Pre issue*	Post issue**
	<b>Debts</b>		
A	Long Term Debt	-	-
B	Short Term Debt	-	-
C	<b>Total Debt</b>		
	<b>Equity Shareholders Funds</b>		
	Equity Share Capital	15,00,00,000	-
	Reserves and Surplus	-	-
D	<b>Total Equity</b>		
	Long Term Debt/ Equity Ratio (A/D)	-	-
	Total Debt/ Equity Ratio (C/D)	-	-

**Notes:**

\* The amounts are considered as outstanding as on 05.01.2022 in partners' fixed capital account.

\*\* Post Issue Figures are not available since Issue Size is not yet final as on date

## FINANCIAL INDEBTEDNESS

Our Company has availed borrowings in the ordinary course of our business. Set forth below is a brief summary of our aggregate outstanding borrowings as on January 05, 2022:

### Details of Secured Borrowings

Name of Lender	Sanction Date	Nature of the Facility	Amount Sanctioned (₹ In Lakhs)	Amount outstanding as on January 05, 2022 (₹ In Lakhs)	Interest Rate and Security
State Bank of India	January 17, 2022	Overdraft	99.00	(27.56)	<p><b>Purpose</b> Business Loan</p> <p><b>Security</b> Hypothecation of Fixed Deposits</p> <p><b>Mode of Repayment</b> Maturity (including before maturity) proceeds of the fixed deposit account</p> <p><b>Rate of Interest</b> 1% p.a. above the rate applicable on FCNB/NRE/NRO/domestic special term-de 6% p.a. with month rests</p>

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

*The following discussion and analysis of our financial condition and results of operations for the period ended on January 05, 2022 and financial years ended on 2021, 2020 and 2019 is based on, and should be read in conjunction with, our Restated Financial Statements, including the schedules, notes and significant accounting policies thereto, included in the chapter titled "Restated Financial Statements" beginning on page 126 of this Draft Prospectus. Our Restated Financial Statements have been derived from our audited financial statements and restated in accordance with the SEBI ICDR Regulations and the ICAI Guidance Note.*

*You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in this Draft Prospectus. You should also read the section titled "Risk Factors" beginning on page 21 of this Draft Prospectus, which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year are to the twelve-month period ended March 31 of that year.*

*In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to SKP Bearing Industries Limited, our Company. Unless otherwise indicated, financial information included herein are based on our "Restated Financial Statements" for the period ended January 05, 2022 and financial years ended on 2021, 2020 and 2019 included in this Draft Prospectus beginning on page 126 of this Draft Prospectus.*

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

### **BUSINESS OVERVIEW**

Our Company was originally formed as a partnership firm under the name and style of "M/s. S K P Bearing Industries" pursuant to a deed of partnership dated November 21, 1991, as amended from time to time. M/s. S K P Bearing Industries was thereafter converted into a private limited company "SKP Bearing Industries Private Limited" on January 06, 2022 pursuant to the provisions of Chapter XXI of the Companies Act and fresh a certificate of Incorporation dated January 06, 2022 was issued by Registrar of Companies, Ahmedabad vide CIN No. U29305GJ2022PTC128492. Subsequently, our Company has been converted into a public limited company and the name of our Company changed to "SKP Bearing Industries Limited" pursuant to a special resolution passed at the Extra-Ordinary General Meeting of our Company held on January 31, 2022 and a fresh Certificate of Incorporation dated February 15, 2022 issued by the Registrar of Companies, Ahmedabad. The Corporate Identity Number of our Company is U29305GJ2022PLC128492.

Our Company is in the business of manufacturing and exporting of needle rollers, cylindrical rollers, pins and steel balls ("Rolling Elements"). Our company is also engaged in the business of generating, distributing, supply, accumulation and sale of electricity from solar and wind energy.

We currently, have our manufacturing facility unit located at Survey No. 2127, Mulchand Road, Wadhwan – 363 030, Surendranagar, Gujarat, India having a total area of approximately 16,160 sq. mtrs. As on date, this facility has machineries installed for manufacturing of rollers for 600 million pcs, and manufacturing of balls for 480 tons. Our products are manufactured with advanced technology.

As of February 23, 2022 the total value of our order book is about ₹280 Lakhs. The total value of the Order Book has been certified by the Statutory Auditor vide their certificate dated March 08, 2022.

For further details, please refer chapter titled "Our Business" on page 82 of this Draft Prospectus.

### **SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE STUB PERIOD**

In the opinion of the Board of Directors of our Company, since the date of the stub period as disclosed in this Draft Prospectus, there have not arisen 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.

1. Our Company, SKP Bearing Industries Private Limited was converted into Public Limited Company consequent to change of name to SKP Bearing Industries Limited and a Fresh Certificate of Incorporation consequent upon conversion from Private Company to Public Company dated February 15, 2022 issued by Registrar of Companies, Ahmedabad, being Corporate Identification Number U29305GJ2022PLC128492.
2. The Board of our Company has approved to raise funds through Initial Public Offering in the board meeting held on February 15, 2022.
3. The Authorized Share Capital of the company was increased from 1,50,00,000 Equity Shares of ₹10/- each to 1,70,00,000 Equity Shares of ₹10/- each vide resolution passed in EGM dated February 17, 2022.
4. The members of our Company approved proposal of Board of Directors to raise funds through initial public offering in the EGM held on February 17, 2022.

## **FACTORS AFFECTING OUR RESULTS OF OPERATIONS**

Our business is subject to various risks and uncertainties, including those discussed in the section titled “*Risk Factors*” on page 21 beginning of this Draft Prospectus.

Our Company’s future results of operations could be affected potentially by the following factors:

- General economic and business conditions in India and in the markets in which we operate and in the local, regional and national economies;
- Changes in laws and regulations relating to the Sectors in which we operate;
- Exchange rate fluctuations;
- Loss of one or more significant customers;
- Our ability to successfully implement our growth strategy and expansion plans and to successfully launch and implement various projects and business plans for which funds are being raised through this Issue;
- Increased cost of raw materials for inventory and, in particular, of steel;
- Loss of key employees;
- Significant developments in India’s economic liberalization and deregulation policies, and the fiscal regime;
- Occurrence of natural disasters or calamities affecting the areas in which we have operations; and
- Volatility in the Indian and global securities markets.

## **SIGNIFICANT ACCOUNTING POLICIES**

Our significant accounting policies are described in the section entitled “*Restated Financial Statements*” on page 126 of this Draft Prospectus.

## **COMPONENTS OF INCOME AND EXPENDITURE**

### **Total Revenue**

Our total revenue is divided into revenue from operations and other income. Revenue from operations consists revenue from domestic sales and export sales of bearings, rollers, pins and balls, sales of electricity and sales of energy.

Our other income consists of interest income on fixed deposits, dividend, sale of investments and other income.

### **Total Expenses**

Our total expenses comprise of cost of materials consumed, changes in inventories, employee benefits expenses, finance costs, depreciation and amortization expenses, and other expenses.

### Cost of Goods Sold

Cost of goods sold consists of cost of material consumed and changes of inventories of finished goods and work in progress. Cost of material consumed consists of expenditure on raw materials and manufacturing expenses. Changes in inventory of finished goods and work in progress consist of change in our inventory of finished goods and work in progress as at the beginning and end of the year.

### Employee benefits expenses

Employee benefit expenses comprises of (i) salaries, wages and bonus, (ii) contribution to statutory funds, (iii) gratuity expenses and (iv) staff welfare expenses.

### Finance costs

Finance cost includes interest on borrowings, interest on partners' capital and other finance costs.

### Depreciation and Amortization Expenses

Depreciation and amortization expenses primarily include depreciation expenses on our tangible assets, in the nature of office equipment, furniture & fixtures, building, vehicles and plant and machinery.

### Other Expenses

Other expenses majorly comprise of audit fees, legal and professional fees, rent expenses, commission expenses, freight outward expenses, administration and promotion expenses, etc.

## **RESULTS OF OPERATIONS**

The following discussion on results of operations should be read in conjunction with the Restated Financial Statements of our Company for the period ended January 05, 2022 and financial years ended on 2021, 2020 and 2019:

(₹ in Lakhs)

Particulars	For the period ended on January 05, 2022	% of Total Revenue	For the Year ended on March 31, 2021	% of Total Revenue	For the Year ended on March 31, 2020	% of Total Revenue	For the Year ended on March 31, 2019	% of Total Revenue
<b>Revenue:</b>								
Revenue from Operations	3,147.50	91.38	3,627.91	97.81	3,189.45	97.89	3,997.33	97.95
Other income	296.85	8.62	81.38	2.19	68.74	2.11	83.82	2.05
<b>Total revenue</b>	<b>3,444.35</b>	<b>100.00</b>	<b>3,709.29</b>	<b>100.00</b>	<b>3,258.18</b>	<b>100.00</b>	<b>4,081.15</b>	<b>100.00</b>
<b>Expenses:</b>								
Cost of Materials consumed	1,325.96	38.50	1,884.95	50.82	1,458.88	44.78	1,987.77	48.71
Change in Inventories	63.60	1.85	(38.83)	(1.05)	(80.87)	(2.48)	(28.85)	(0.71)
Employees Benefit Expenses	158.71	4.61	183.24	4.94	192.00	5.89	190.69	4.67
Finance Costs	252.98	7.34	219.97	5.93	198.46	6.09	203.37	4.98
Depreciation and Amortization	116.49	3.38	141.17	3.81	120.90	3.71	96.97	2.38
Other expenses	217.40	6.31	270.26	7.29	267.58	8.21	262.50	6.43
<b>Total Expenses</b>	<b>2,135.14</b>	<b>61.99</b>	<b>2,660.77</b>	<b>71.73</b>	<b>2,156.94</b>	<b>66.20</b>	<b>2,712.45</b>	<b>66.46</b>
<b>Profit before exceptional and extraordinary items and tax</b>	<b>1,309.21</b>	<b>38.01</b>	<b>1,048.52</b>	<b>28.27</b>	<b>1,101.24</b>	<b>33.80</b>	<b>1,368.71</b>	<b>33.54</b>
Exceptional Items	-	-	-	-	-	-	-	-
<b>Profit before extraordinary items and tax</b>	<b>1,309.21</b>	<b>38.01</b>	<b>1,048.52</b>	<b>28.27</b>	<b>1,101.24</b>	<b>33.80</b>	<b>1,368.71</b>	<b>33.54</b>
Extraordinary Items	-	-	-	-	-	-	-	-
<b>Profit before tax</b>	<b>1,309.21</b>	<b>38.01</b>	<b>1,048.52</b>	<b>28.27</b>	<b>1,101.24</b>	<b>33.80</b>	<b>1,368.71</b>	<b>33.54</b>

Particulars	For the period ended on January 05, 2022	% of Total Revenue	For the Year ended on March 31, 2021	% of Total Revenue	For the Year ended on March 31, 2020	% of Total Revenue	For the Year ended on March 31, 2019	% of Total Revenue
<b>Tax expense:</b>								
Current tax	350.49	10.18	269.24	7.26	239.44	7.35	340.93	8.35
Deferred Tax	18.30	0.53	33.68	0.91	49.33	1.51	35.14	0.86
<b>Profit/ (Loss) for the period from continuing operations</b>	<b>940.41</b>	<b>27.30</b>	<b>745.60</b>	<b>20.10</b>	<b>812.47</b>	<b>24.94</b>	<b>992.64</b>	<b>24.32</b>

## REVIEW OF OPERATIONS FOR THE PERIOD ENDED JANUARY 05, 2022

### Income

#### Revenue from Operations

The total income from operations for the period ended on January 05, 2022 was ₹ 3,147.50 Lakhs which is about 91.38% of the total revenue comprising of domestic sales of ₹ 3,032.00 Lakhs and Export sales of ₹ 115.50 Lakhs.

#### Other Income

Other income for the period ended January 05, 2022 was ₹ 296.85 Lakhs which is 8.62% of the total revenue comprising of income from sale of investments of ₹ 187.13 Lakhs and miscellaneous income of ₹ 109.72 Lakhs.

### Expenditure

#### Cost of goods sold

Our cost of goods sold for the period ended January 05, 2022 was ₹ 1,389.55 Lakhs which is about 40.34% of total revenue comprising of expenditure on raw materials of ₹ 820.98 Lakhs, manufacturing expenses of ₹ 504.98 Lakhs and Changes in inventory of finished goods and work in progress of ₹ 63.60 Lakhs.

#### Employee Benefit Expenses

The Employee Benefit Expenses for the period ended on January 05, 2022 was ₹ 158.71 Lakhs which is 4.61% of the total revenue comprising of salary expense of ₹ 140.98 Lakhs, contribution to statutory funds of ₹ 6.93 Lakhs, and staff welfare expenses of ₹ 10.80 Lakhs.

#### Finance Costs

Finance cost for the period ended January 05, 2022 is ₹ 252.98 Lakhs which is about 7.34% of the total revenue comprising of interest on borrowings of ₹ 3.77 Lakhs, interest in partners' capital of ₹ 245.46 Lakhs and other finance costs of ₹ 3.75 Lakhs.

#### Depreciation and Amortization Expenses

Depreciation for the period ended on January 05, 2022 was ₹ 116.49 Lakhs which is 3.38% of the total revenue consisting depreciation on building for ₹ 8.70 Lakhs, depreciation on furniture and fixtures for ₹ 0.50 Lakhs, depreciation on office equipment for ₹ 2.10 Lakhs, depreciation on vehicles for ₹ 1.85 Lakhs, depreciation on office equipment for ₹ 2.10 Lakhs depreciation on plant & machinery for ₹ 98.52 Lakhs, depreciation on computer equipment for ₹ 0.33 Lakhs, and depreciation on other equipment for ₹ 0.33 Lakhs.

#### Other Expenses

Other Expenses for the period ended on January 05, 2022 was ₹ 27.83 Lakhs which is 11.72% of the total revenue majorly comprising of audit fees of ₹ 1.75 Lakhs, legal and professional fees of ₹ 6.98 Lakhs, printing and stationary expenses of ₹ 1.08 Lakhs, rent expenses of ₹ 5.45 Lakhs, repair and maintenance expenses of ₹ 1.06 Lakhs, issue related expenses of ₹ 3.00 Lakhs and team building expenses of ₹ 5.69 Lakhs.

### Profit before Tax

Profit before tax for the period ended on January 05, 2022 amounted to ₹ 1,309.21 Lakhs which is 38.01% of total revenue.

### Tax Expenses

Tax expenses for the period ended on January 05, 2022 amounted to ₹ 368.79 Lakhs which is 10.71% of total revenue. Total tax comprises of current tax of ₹ 350.49 Lakhs and deferred tax of ₹ 18.30 Lakhs.

### Profit after Tax

Profit after tax for the period ended on January 05, 2022 amounted to ₹ 940.41 Lakhs which is 27.30% of total revenue.

## COMPARISON OF FINANCIAL YEAR ENDED 2021 TO FINANCIAL YEAR ENDED 2020

### **Income**

**Total Revenue:** Our total revenue increased by 13.85% to ₹ 3,709.29 Lakhs for the FY 2021 from ₹ 3,258.18 Lakhs for the FY 2020 due to the factors described below:

#### Revenue from Operations

Our revenue from operations was increased by 13.75% to ₹ 3,627.91 Lakhs for the FY 2021 from ₹ 3,189.45 Lakhs for the FY 2020 due to increase in domestic sales by ₹ 402.84 Lakhs and increase in export sales by ₹ 35.62 Lakhs in the year FY 2021.

#### Other Income

Other income increased by 18.40% to ₹ 81.38 Lakhs in FY 2021 from ₹ 68.74 Lakhs in FY 2020 due to increase in sale of investments by ₹ 1.75 Lakhs and increase in miscellaneous income by ₹ 12.43 Lakhs in the year FY 2021.

### **Expenditure**

**Total Expenses:** Our total expenses increased by 23.36% to ₹ 2,660.77 Lakhs for the FY 2021 from ₹ 2,156.94 Lakhs for the FY 2020 due to the factors described below:

#### Cost of goods sold

Cost of goods sold increased by 33.97% to ₹ 1,846.12 Lakhs in FY 2021 from ₹ 1,378.01 Lakhs in FY 2020 due to increase in cost of material consumed by ₹ 426.08 Lakhs and decrease in changes in inventories by ₹ 42.04 Lakhs in the year FY 2021.

#### Employee Benefit Expenses

The Employee Benefit Expenses decreased by 4.56% to ₹ 183.24 Lakhs in FY 2021 from ₹ 192.00 Lakhs in FY 2020. This decrease was mainly due to decrease in salary expenses by ₹ 4.92 Lakhs, increase in gratuity expenses by ₹ 2.13 Lakhs, decrease in contribution to statutory funds by ₹ 3.73 Lakhs, and decrease in staff welfare expenses by ₹ 2.23 Lakhs.

#### Finance Costs

The Financial costs increased by 10.84% to ₹ 219.97 Lakhs in FY 2021 from ₹ 198.46 Lakhs in FY 2020. This increase was mainly due to increase in interest on partners' capital by ₹ 23.92 Lakhs, decrease in interest on borrowings by ₹ 1.00 Lakhs and decrease in other finance cost by ₹ 1.41 Lakhs.

#### Depreciation and Amortization Expenses

The Depreciation and Amortization expenses increased by 16.77% to ₹ 141.17 Lakhs in FY 2021 from ₹ 120.90 Lakhs in FY 2020. The increase was mainly on account of increase in Fixed Assets of ₹ 178.81 Lakhs.

#### Other Expenses

The Other expenses increased by 1.00% to ₹ 270.26 Lakhs in FY 2021 from ₹ 267.58 Lakhs in FY 2020 majorly due to decrease in legal and professional fees by ₹ 61.54 Lakhs, decrease in donation and subscriptions by ₹ 9.66 Lakhs, increase in other administrative expenses by ₹ 10.46 Lakhs, increase in advertising and promotion expenses by ₹ 50.42 Lakhs, increase in commission expenses by ₹ 6.07 Lakhs and increase in other expenses by ₹ 5.88 Lakhs.

#### Profit before Tax

Our profit before tax decreased by 4.79% to ₹ 1,048.52 Lakhs for the FY 2021 from ₹ 1,101.24 Lakhs for the FY 2020. The decrease was mainly due to the factors described above.

#### Tax Expenses

Our total tax expense also accordingly increased by 4.90% to ₹ 302.92 Lakhs in FY 2021 from ₹ 288.77 Lakhs in the FY 2020 on account of increase in current tax by ₹ 29.80 Lakhs and decrease in deferred tax assets by ₹ 15.65 Lakhs.

#### Profit after Tax

After accounting for taxes at applicable rates, our Profit after Tax decreased by 8.23% to ₹ 745.60 Lakhs in FY 2021 from ₹ 812.47 Lakhs in FY 2020.

### **COMPARISON OF FINANCIAL YEAR ENDED 2020 TO FINANCIAL YEAR ENDED 2019**

#### **Income**

**Total Revenue:** Our total revenue decreased by 20.17% to ₹ 3,258.18 Lakhs for the FY 2020 from ₹ 4,081.15 Lakhs for the FY 2019 due to the factors described below:

#### Revenue from Operations

Our revenue from operations was decreased by 20.21% to ₹ 3,189.45 Lakhs for the FY 2020 from ₹ 3,997.33 Lakhs for the FY 2019 due to decrease in domestic sales by ₹ 806.17 Lakhs and decrease in export sales by ₹ 1.71 Lakhs in the year FY 2020.

#### Other Income

Other income decreased by 18.00% to ₹ 68.74 Lakhs in FY 2020 from ₹ 83.82 Lakhs in FY 2019 due to increase in sale of investments by ₹ 18.00 Lakhs, decrease in miscellaneous income by ₹ 32.28 Lakhs and decrease in interest on borrowings by ₹ 0.81 Lakhs in the year FY 2020.

#### **Expenditure**

**Total Expenses:** Our total expenses decreased by 20.48% to ₹ 2,156.94 Lakhs for the FY 2020 from ₹ 2,712.45 Lakhs for the FY 2019 due to the factors described below:

#### Cost of goods sold

Cost of goods sold decreased by 29.65% to ₹ 1,378.01 Lakhs in FY 2020 from ₹ 1,958.92 Lakhs in FY 2019 due to decrease in cost of material consumed by ₹ 528.90 Lakhs and increase in changes in inventories by ₹ 52.02 Lakhs in the year FY 2020.

#### Employee Benefit Expenses

The Employee Benefit Expenses increased by 0.69% to ₹ 192.00 Lakhs in FY 2020 from ₹ 190.69 Lakhs in FY 2019. This increase was mainly due to increase in salary expenses by ₹ 2.58 Lakhs, decrease in gratuity expenses by ₹ 2.55 Lakhs, increase in contribution to statutory funds by ₹ 0.03 Lakhs, and increase in staff welfare expenses by ₹ 1.26 Lakhs.

#### Finance Costs

The Financial costs decreased by 2.41% to ₹ 198.46 Lakhs in FY 2020 from ₹ 203.37 Lakhs in FY 2019. This decrease was mainly due to decrease in interest on borrowings by ₹ 7.45 Lakhs, decrease in other finance cost by ₹ 7.57 Lakhs, and increase in interest on partners' capital by ₹ 10.11 Lakhs.

### Depreciation and Amortization Expenses

The Depreciation and Amortization expenses increased by 24.68% to ₹ 120.90 Lakhs in FY 2020 from ₹ 96.97 Lakhs in FY 2019. The increase was mainly on account of increase in Fixed Assets of ₹ 595.57 Lakhs.

### Other Expenses

The Other expenses increased by 1.94% to ₹ 267.58 Lakhs in FY 2020 from ₹ 262.50 Lakhs in FY 2019 majorly due to increase in legal and professional fees by ₹ 40.52 Lakhs, increase in advertising and promotion expenses by ₹ 10.65 Lakhs, increase in donation and subscription by ₹ 7.83 Lakhs, increase in rent expenses by ₹ 3.99 Lakhs, increase in other expenses by ₹ 3.71 Lakhs, decrease in commission expenses by ₹ 34.00 Lakhs, decrease in other administrative expenses by ₹ 15.67 Lakhs, decrease in freight outward expenses by ₹ 7.89 Lakhs, decrease in travelling expenses by ₹ 4.76 Lakhs and decrease in printing and stationary expenses by ₹ 1.16 Lakhs.

### Profit before Tax

Our profit before tax decreased by 19.54% to ₹ 1,101.24 Lakhs for the FY 2020 from ₹ 1,368.71 Lakhs for the FY 2019. The decrease was mainly due to the factors described above.

### Tax Expenses

Our total tax expense also accordingly decreased by 23.21% to ₹ 288.77 Lakhs in FY 2020 from ₹ 376.07 Lakhs in the FY 2019 on account of decrease in current tax by ₹ 101.49 Lakhs and increase in deferred tax by ₹ 14.19 Lakhs.

### Profit after Tax

After accounting for taxes at applicable rates, our Profit after Tax decreased by 18.15% to ₹ 812.47 Lakhs in FY 2020 from ₹ 992.64 Lakhs in FY 2019.

## **OTHER KEY RATIOS**

The table below summarizes key ratios in our Restated Financial Statements for the period ended January 05, 2022 and financial years ended on 2021, 2020 and 2019:

Particulars	For the period ended January 05, 2022	For the Financial Year ended		
		2021	2020	2019
Fixed Assets Turnover Ratio	1.28	1.49	1.34	1.88
Current Ratio	2.89	3.60	1.64	1.71
Debt-Equity Ratio	-	0.01	0.01	0.01

**Fixed Asset Turnover Ratio:** This is defined as revenue from operations divided by total fixed assets based on Restated Financial Statements.

**Current Ratio:** This is defined as current assets divided by current liabilities, based on Restated Financial Statements.

**Debt Equity Ratio:** This is defined as total debt divided by total shareholder funds. Total debt is the sum of long-term borrowings, short-term borrowings and current maturities of long-term debt, based on Restated Financial Statements.

## **CASH FLOWS**

The table below is our cash flows for the period ended January 05, 2022 and financial years ended on 2021, 2020 and 2019:  
(₹ in Lakhs)

Particulars	For the period ended January 05, 2022	For the financial year ended on		
		2021	2020	2019
Net cash (used)/from operating activities	1,269.90	526.36	1,211.02	657.62
Net cash (used)/from investing activities	465.70	(315.64)	(955.36)	(302.91)
Net cash (used)/from financing activities	(1,678.96)	(304.01)	(179.33)	(355.95)
Cash and Cash equivalents at the beginning of the year	12.03	105.32	29.00	30.24
Cash and Cash equivalents at the end of the year	68.66	12.03	105.32	29.00

### ***Cash Flows from Operating Activities***

#### ***For the period ended on January 05, 2022***

Our net cash generated from operating activities was ₹ 1,269.90 Lakhs for the period ended January 05, 2022. Our operating profit before working capital changes was ₹ 1,678.68 Lakhs for the period ended January 05, 2022 which was primarily adjusted against income tax of ₹ 350.49 Lakhs, decrease in inventories by ₹ 195.59 Lakhs, increase in trade receivables by ₹ 296.23 Lakhs, decrease in loans and advances of ₹ 60.28 Lakhs, increase in other current and non-current assets of ₹ 282.79 Lakhs, decrease in trade payables of ₹ 8.56 Lakhs and increase in other current liabilities of ₹ 273.43 Lakhs.

#### ***For the year ended on March 31, 2021***

Our net cash generated from operating activities was ₹ 526.36 Lakhs for the financial year ended March 31, 2021. Our operating profit before working capital changes was ₹ 1,409.66 Lakhs for the financial year ended March 31, 2021 which was primarily adjusted against income tax of ₹ 269.24 Lakhs, increase in inventories by ₹ 201.31 Lakhs, increase in trade receivables by ₹ 330.71 Lakhs, increase in loans and advances by ₹ 201.33 Lakhs, decrease in other current and non-current assets of ₹ 982.16 Lakhs, increase in trade payables of ₹ 52.87 Lakhs and decrease in other current liabilities of ₹ 915.75 Lakhs.

#### ***For the year ended on March 31, 2020***

Our net cash generated from operating activities was ₹ 1,211.02 Lakhs for the financial year ended March 31, 2020. Our operating profit before working capital changes was ₹ 1,419.07 Lakhs for the financial year ended March 31, 2020 which was primarily adjusted against income tax of ₹ 239.44 Lakhs, increase in inventories by ₹ 49.00 Lakhs, decrease in trade receivables by ₹ 38.69 Lakhs, decrease in loans and advances of ₹ 67.45 Lakhs, increase in other current and non-current assets of ₹ 235.17 Lakhs, decrease in trade payables of ₹ 37.42 Lakhs and increase in other current liabilities of ₹ 246.83 Lakhs.

#### ***For the year ended on March 31, 2019***

Our net cash generated from operating activities was ₹ 657.62 Lakhs for the financial year ended March 31, 2019. Our operating profit before working capital changes was ₹ 1,666.72 Lakhs for the financial year ended March 31, 2019 which was primarily adjusted against income tax of ₹ 340.93 Lakhs, increase in inventories by ₹ 159.33 Lakhs, increase in trade receivables by ₹ 144.06 Lakhs, increase in loans and advances of ₹ 71.54 Lakhs, increase in other current and non-current assets of ₹ 653.02 Lakhs, increase in trade payables of ₹ 37.07 Lakhs and increase in other current liabilities of ₹ 322.72 Lakhs.

### ***Cash Flows from Investing Activities***

#### ***For the period ended on January 05, 2022***

Net cash flow generated from investing activities for the period ended on January 05, 2022 was ₹ 465.70 Lakhs. This was primarily on account of purchase of fixed assets of ₹ 138.54 Lakhs and decrease in non-current assets by ₹ 604.24 Lakhs.

#### ***For the year ended on March 31, 2021***

Net cash flow used in investing activities for the period ended March 31, 2021 was ₹ 315.64 Lakhs. This was primarily on account of purchase of fixed assets of ₹ 196.97 Lakhs and increase in other non-current assets by ₹ 118.67 Lakhs.

#### ***For the year ended on March 31, 2020***

Net cash flow used in investing activities for the year ended March 31, 2020 was ₹ 955.36 Lakhs. This was primarily on account of purchase of fixed assets of ₹ 365.66 Lakhs, interest income of ₹ 1.52 Lakhs and increase in other non-current assets by ₹ 591.23 Lakhs.

#### ***For the year ended on March 31, 2019***

Net cash flow used in investing activities for the year ended March 31, 2019 was ₹ 302.91 Lakhs. This was primarily on account of purchase of fixed assets of ₹ 179.09 Lakhs, interest income of ₹ 2.33 Lakhs and increase in other non-current assets by ₹ 126.16 Lakhs.

## ***Cash Flows from Financing Activities***

### ***For the period ended on January 05, 2022***

Net cash flow used from financing activities for the period ended on January 05, 2022 was ₹ 1,678.96 Lakhs. This was primarily on account of repayment of borrowings of ₹ 35.96 Lakhs, finance costs of ₹ 252.98 Lakhs and withdrawal from partners' capital of ₹ 1390.03 Lakhs.

### ***For the year ended March 31, 2021***

Net cash flow used from financing activities for the year ended March 31, 2021 was ₹ 304.01 Lakhs. This was primarily on account of repayment of borrowings of ₹ 4.60 Lakhs, finance costs of ₹ 219.97 Lakhs and withdrawal from partners' capital of ₹ 79.44 Lakhs.

### ***For the year ended March 31, 2020***

Net cash flow from financing activities for the year ended March 31, 2020 was ₹ 179.33 Lakhs. This was mainly on account of increase in borrowings of ₹ 4.55 Lakhs, finance costs of ₹ 198.46 Lakhs and capital addition by our promoters of ₹ 14.58 Lakhs.

### ***For the year ended March 31, 2019***

Net cash flow from financing activities for the year ended March 31, 2019 was ₹ 355.95 Lakhs. This was mainly on account of repayment of borrowings of ₹ 207.01 Lakhs, finance costs of ₹ 203.37 Lakhs and capital addition by our promoters of ₹ 54.43 Lakhs.

## **RELATED PARTY TRANSACTIONS**

Related party transactions with certain of our promoters, directors and their entities and relatives primarily relate to remuneration, salary, commission and offer of Equity Shares. For further details of related parties kindly refer chapter titled "Restated Financial Statements" beginning on page 126 of this Draft Prospectus.

## **OFF-BALANCE SHEET ITEMS**

We do not have any other off-balance sheet arrangements, derivative instruments or other relationships with any entity that have been established for the purposes of facilitating off-balance sheet arrangements.

## **QUALIFICATIONS OF THE STATUTORY AUDITORS WHICH HAVE NOT BEEN GIVEN EFFECT TO IN THE RESTATED FINANCIAL STATEMENTS**

There are no qualifications in the audit report that require adjustments in the Restated Financial Statements.

## **QUALITATIVE DISCLOSURE ABOUT MARKET RISK**

### ***Financial Market Risks***

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk. We are exposed to interest rate risk, inflation and credit risk in the normal course of our business.

### ***Interest Rate Risk***

Our financial results are subject to changes in interest rates, which may affect our debt service obligations in future and our access to funds.

### ***Effect of Inflation***

In line with changing inflation rates, we may rework our margins so as to absorb the inflationary impact.

### ***Credit Risk***

We are exposed to credit risk on monies owed to us by our customers. If our customers do not pay us promptly, or at all,

we may have to make provisions for or write-off such amounts.

## **OTHER MATTERS**

### **Unusual or infrequent events or transactions**

Except as described in this Draft Prospectus, during the period/ years under review there have been no transactions or events, which in our best judgment, would be considered “unusual” or “infrequent”.

### **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*” and chapter titled “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*”, beginning on page 21 and 129 of this Draft Prospectus respectively to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our company from continuing operations.

### **Future relationship between Costs and Income**

Other than as described in the section titled “*Risk Factors*” beginning on page 21 of this Draft Prospectus, to our knowledge there are no factors, which will affect the future relationship between costs and income or which are expected to have a material adverse impact on our operations and finances.

### **The extent to which material increases in revenue or income from operations are due to increased volume, introduction of new products or services or increased prices**

Increases in revenues are by and large linked to increases in introduction of new projects and volume of business activity carried out by the Company.

### **Any significant dependence on a single or few suppliers or customers.**

Our current revenue for the period ended January 05, 2022 and for financial year ended March 31, 2021, 2020 and 2019 is majorly dependent on few customers. The revenue from these customers constituted 26.45%, 45.04%, 53.38% and 48.20% of our revenue from operations in the period ended January 05, 2022 and for financial year ended March 31, 2021, 2020 and 2019. Further, our current purchases of raw materials for the period ended January 05, 2022 and for financial year ended March 31, 2021, 2020 and 2019 is majorly dependent on few suppliers. Total purchases from these suppliers constituted 59.92%, 50.48%, 51.70% and 51.80% of our total purchases of raw materials in the period ended January 05, 2022 and for financial year ended March 31, 2021, 2020 and 2019. The loss of such significant clients and suppliers would have a material effect on our financial results.

### **Status of any publicly announced new products or business segments**

Please refer to the chapter titled “*Our Business*” beginning on page 82 of this Draft Prospectus for new products or business segments.

### **The extent to which the business is seasonal**

Our business is not seasonal in nature.

### **Competitive Conditions**

We face competition from various domestic and other players in the market. Most of our competitors in the regional level are from the unorganized sector of the industry. We intend to continue competing vigorously to capture more market share and manage our growth in an optimal way. Some of our competitors have greater financial, marketing, sales and other resources than we do. However, we expect that our commitment to quality, past record of timely execution and transparency will provide us with an edge over our competitors. Further we believe that our competition also depends on several factors which include changing business framework, competitive price, established relationship with suppliers, brand recognition etc. We expect competition to intensify due to possible new entrants in the market, existing competitors further expanding their operations and our entry into new markets where we may compete with well-established unorganized companies/ entities. This we believe may impact our financial condition and operations. For details, please refer to the section titled “*Risk Factors*” beginning on page 21 of this Draft Prospectus.

## SECTION VIII – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no:(i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; or (iv) Material Litigation (as defined below); involving our Company, Directors, Promoters or Group Company. Our Board, in its meeting held on February 21, 2022 determined that all pending litigation involving our Company, holding, Subsidiary, Directors, Promoters and Group Company, other than criminal proceedings and statutory or regulatory actions, disciplinary actions including penalty imposed by SEBI or stock exchanges, claims related to direct and indirect taxes, would be considered 'material' if the monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of 10% of total revenue of our company as per the audited previous full year financial statements ("Material Litigation").*

*As per the materiality policy adopted by the Board of our Company in its meeting held on February 21, 2022, the outstanding dues to creditors in excess of 10% of the trade payables of our company as per the audited previous full year financial statements will be considered material. Details of outstanding dues to creditors (including micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006) as required under the SEBI ICDR Regulations have been disclosed on our website at [www.skpbearings.com](http://www.skpbearings.com).*

*Our Company, Directors, Promoters are not Wilful Defaulters or Fraudulent Borrowers and there have been no violations of securities laws in the past or pending against them.*

### OUTSTANDING TAXATION MATTERS INVOLVING OUR COMPANY, DIRECTORS, PROMOTERS AND SUBSIDIARIES

#### PART 1: LITIGATION RELATING TO OUR COMPANY

##### A. FILED AGAINST OUR COMPANY

###### 1) Litigation involving Criminal Laws

NIL

###### 2) Litigation Involving Actions by Statutory/Regulatory Authorities

There have been instances of late payment, short deduction or late filing of TDS collections, payments and filing of TDS returns. Accordingly, the traces login reflects penalties and interest in respect of same. An aggregate of Rs. 1,03,140/- for various financial years starting from 2007-08 till 2021-22 is pending to be payable towards short deduction, late filing fee and Interest on late payment. Although no demand in respect of above has been raised against the Company, we are liable to pay the amounts as and when it is called up for.

###### 3) Disciplinary Actions by Authorities

NIL

###### 4) Litigation involving Tax Liability

Indirect Tax:

- a. Order no. 2782 dtd. 31.01.2021 was passed against M/s. SKP bearings Industries (hereinafter referred to as the Assesse) towards a demand of an amount of Rs. 97,048/- under Section 34(2) of Gujarat Value Added Tax out of which an amount of Rs. 11,485/- has been deposited by the assessee and the payment of remaining amount has been **stayed till 31.05.2022**. Further a demand for an amount of Rs. 9,25,686/- under Central Sales Tax Act, 1956 for the period 01.04.2016 till 31.03.2017 has been raised vide order no. 4729 dated 31.03.2021 out of which an amount of Rs. 1,09,549/- has been paid by the Assesse and the remaining amount has been **stayed till 31.03.2022**, vide order no. 10/RAJ/215/2020-21/SKP Bearing Industries/JA/ dated 31.03.2021.
- b. Order no. 4569 dtd. 31.12.2020 was passed against M/s. SKP bearings Industries (hereinafter referred to as the Assesse) towards a demand of an amount of Rs. 390/- under Section 34(2) of Gujarat Value Added Tax, 2003 and Rs.3,59,807/- under Central Sales Tax Act, 1956 for the period 01.04.2017 till 30.06.2017 out of which an amount

of Rs. 39,237/- has been paid by the Assesse and the remaining amount has been **stayed till 31.03.2022**, vide order no. 10/RAJ/2020-21/SKP Bearing Industries/JA/dated 31.03.2021.

Direct Tax:

**a. For A.Y. 2007-08 & 2008-09**

As per details available on the website of Income Tax authority an interest demand of Rs. 116/- for A.Y. 2007-08 and Rs. 1792/- for A.Y. 2008-09 against M/s. SKP Bearing Industries (Erstwhile Partnership Firm) (hereinafter referred to as “the Assesse”) **are pending to be paid u/s. 143(1) of the Income Tax Act, 1961.**

**b. For A.Y. 2016-17**

As per details available on the website of Income Tax authority a demand against M/s. SKP Bearing Industries (Erstwhile Partnership Firm) (hereinafter referred to as “the Assesse”) has been raised u/s. 143(1)(a) of the Income Tax Act, 1961 vide demand reference no. 2016201637058231165T dtd. 06.12.2016 for Rs. 31,460/- for the Assessment Year 2016-17 and **the same is outstanding to be paid.**

**c. For A.Y. 2017-18**

As per details available on the website of Income Tax authority a demand against M/s. SKP Bearing Industries (Erstwhile Partnership Firm) (hereinafter referred to as “the Assesse”) has been raised u/s. 143(1)(a) of the Income Tax Act, 1961 vide demand reference no. 2018201737096316755T dt. 18.02.2019 for Rs. 69,91,830/- for the Assessment Year 2017-18 and **the same is outstanding to be paid.**

Further an adjustment notice u/s. 143(1)(a) had been issued against the firm. However, the same has become time barred for submitting of response.

**5) Other Pending Litigation based on Materiality Policy of our Company**

A petition has been filed with the Madhya Pradesh Electricity Regulatory Commission, Bhopal, against the Firm M/s. SKP Bearing Industries (now converted into a Company under the provisions of the Companies Act, 2013) (hereinafter referred to as “the Company”) and seven others, under Regulation 18.9 of the MPERC (Terms and Conditions for Intra State Open Access In MP) Regulations, 2005, by M/s. Prism Johnson Limited.

The Petition has been filed on the grounds that M/s. Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited (hereinafter referred to as the “Respondent No. 1”) had issued a demand notice / Supplementary Bill (“Demand Notice”) dated 27.12.2018 seeking a recovery of a disputed amount of Rs. 2,56,26,841/- from the petitioner for the reason that the bills from the month of April 2015 to July 2017 issued to the petitioner have been retrospectively revised on account of non-adjustment of solar units in time of day (ToD) manner, on the basis of the letter of Respondent No. 1 dated 30.04.2014 issued for revision of earlier invoice, which the petitioner claims to have never received. Aggrieved by the raising of demand in retrospective manner, the petitioner has filed a petition no. 19 of 2020. However, no stakes of the Company are involved in the matter and the same has been made a party to the case only for the reason that the Petitioner had entered into an agreement with the Company and others along with Respondent No. 1 for the supply of electricity through the grid of the Respondent No. 1, based on which the respondent no. 1 has raised the demand in dispute. **The matter is pending before the concerned authority.**

**B. CASES FILED BY OUR COMPANY**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Disciplinary Actions by Authorities**

NIL

**4) Litigation involving Tax Liability**

Indirect Tax: NIL

Direct Tax: NIL

**5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

**PART 2: LITIGATION RELATING TO OUR DIRECTORS AND PROMOTERS OF THE COMPANY**

**A. LITIGATION AGAINST OUR DIRECTORS AND PROMOTERS**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Disciplinary Actions by Authorities**

NIL

**4) Litigation involving Tax Liability**

Indirect Tax: NIL

Direct Tax:

**I. Ms. Sangeeta Shrinand Palshikar (Director cum Promoter)**

**a. For A.Y. 2009-10**

As per details available on the website of Income Tax authority a demand against Ms. Sangeeta Palshikar (hereinafter referred to as "the Assessee") has been raised u/s. 143(1)(a) of the Income Tax Act, 1961 vide demand reference no. 2010200910007550341T dtd. 03.03.2011 for Rs. 1,68,476/- along with an interest of Rs. 1,74,304/- for the Assessment Year 2009-10 and **the same is outstanding to be paid.**

**II. Mr. Rajiv Vinayak Lokare (Independent Director)**

**b. For A.Y. 2008-09**

As per details available on the website of Income Tax authority a demand against Mr. Rajiv Vinayak Lokare (one of our independent Directors) (hereinafter referred to as "the Assessee") has been raised u/s. 154 of the Income Tax Act, 1961 vide demand reference no. 2014200810004075416T dtd. 22.08.2014 for Rs. 2,43,780/- for the Assessment Year 2008-09 and **the same is outstanding to be paid.**

**c. For A.Y. 2012-13**

As per details available on the website of Income Tax authority a demand against Mr. Rajiv Vinayak Lokare (one of our independent Directors) (hereinafter referred to as "the Assessee") has been raised u/s. 154 of the Income Tax Act, 1961 vide demand reference no. 2013201237016749706T dtd. 01.07.2013 for Rs. 34,330/- for the Assessment Year 2012-13 and **the same is outstanding to be paid.**

**5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

**B. LITIGATION FILED BY OUR DIRECTORS AND PROMOTERS**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Disciplinary Actions by Authorities**

NIL

**4) Litigation involving Tax Liability**

NIL

**5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

**PART 3: LITIGATION RELATING TO OUR SUBSIDIARIES**

As on date of this Draft Prospectus, our Company does not have a subsidiary.

**PART 4: LITIGATION RELATING TO OUR GROUP COMPANIES**

As on date of this Draft Prospectus, our Company does not have a group company.

**MATERIAL DEVELOPMENTS OCCURRING AFTER LAST BALANCE SHEET DATE**

Except as disclosed in Chapter titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 129 of this Draft Prospectus, there have been no material developments that have occurred after the Last Balance Sheet Date.

**OUTSTANDING DUES TO CREDITORS**

There are no disputes with such entities in relation to payments to be made to our Creditors. The details pertaining to amounts due towards such creditors are available on the website of our Company.

Below are the details of the Creditors where outstanding amount as on January 05, 2022:

<b>Name</b>	<b>Amount (₹ in Lakhs)</b>
Total Outstanding dues to Micro and Small & Medium Enterprises	-
Total Outstanding dues to Creditors other than Micro and Small & Medium Enterprises	100.86

## 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 (as applicable on date of this Draft Prospectus) and except as mentioned below, no further approvals are required for carrying on our present business.

In view of the approvals listed below, we can undertake this Offer and our current/proposed business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the Offer or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Draft Prospectus.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities. The following are the details of licenses, permissions and approvals obtained by the Company under various Central and State Laws for carrying out its business:

### APPROVALS IN RELATION TO OUR COMPANY'S INCORPORATION

1. Originally incorporated as a partnership firm in the name and style of M/S. S K P Bearing Industries vide partnership deed executed on November 21, 1991, firm registration no. GUJ-BVN-6903 dated May 11, 1992.
2. Later upon the Conversion of the firm into private Limited Company in meeting of partners of S K P Bearing Industries held on December 17, 2021, certificate of incorporation dated January 06, 2022 from the Registrar of Companies, Central Registration Centre, in the name of "SKP Bearing Industries Private Limited" (Corporate Identification No. - U29305GJ2022PTC128492) was issued.
3. Fresh Certificate of Incorporation dated February 15, 2022 from the Registrar of Companies, Ahmedabad, under the Companies Act, 2013 upon conversion of the Company from "SKP Bearing Industries Private Limited" to "SKP Bearing Industries Limited" vide shareholders resolution dated January 31, 2022 (Corporate Identification No.: U29305GJ2022PLC128492) was issued.

### APPROVALS IN RELATION TO THE OFFER

#### *Corporate Approvals*

1. Our Board of Directors has, pursuant to resolutions passed at its meeting held on February 15, 2022 authorized the Offer, subject to the approval by the shareholders of our Company under section 62(1) (c) of the Companies Act, 2013.
2. Our shareholders have, pursuant to a resolution dated February 17, 2022 under Section 62(1) (c) of the Companies Act, 2013, authorized the Offer.
3. Our Board of Directors has, pursuant to a resolution dated March 11, 2022 authorized our Company to take necessary action for filing the Draft Prospectus with NSE Emerge.

#### *Approvals from Stocks Exchange*

1. Our Company has received in- principle listing approval from the NSE Emerge dated [●] for listing of Equity Shares issued pursuant to the issue.

#### *Other Approvals*

1. The Company has entered into a tripartite agreement dated [●] with the Central Depository Services (India) Limited (CDSL) and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited, for the dematerialization of its shares.
2. The Company has entered into an agreement dated [●] with the National Securities Depository Limited (NSDL) and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited, for the dematerialization of its shares.

### APPROVALS/LICENSES/PERMISSIONS IN RELATION TO OUR BUSINESS

**Tax Related Approvals**

S. No	Description	Address of Place of Business / Premises	Registration Number	Issuing Authority	Date of issue	Date of Expiry
1.	Permanent Account Number (PAN)	-	ABHCS6240F	Income Tax Department	06.01.2022	Valid till Cancelled
2.	Tax Deduction Account Number (TAN)	-	AHMS42221E	Income Tax Department	06.01.2022	Valid till Cancelled
3.	GST Registration Certificate	Survey No. 2127, GIDC, Mulchand Road, Wadhwan 363 030, Surendranagar, Gujarat, India	24ABHCS6240F1ZH	Gujarat Goods and Services Tax Act, 2017	06.01.2022	Valid till Cancelled
4.	Registration under Gujarat state Tax on Profession, Trades, Callings and Employment Act, 1976	-	PEN156000814	Profession Tax officer Wadhwan Municipal Corporation, Wadhwan	23.09.2008	Valid till Cancelled

**Business Related Approvals**

S. No.	Description	Address of Place of Business / Premises	Registration Number	Issuing Authority	Date of issue	Date of Expiry
1.	Registration under Factories Act, 1948	SKP Bearing Industries Unit –II Survey No. 2127 of 2, Mulchand Road, Wadhwan-363035, Dist.: Surendranagar, Gujarat	Registration no. 225/29130/2008 License No. 12384	Directorate of Industrial Safety and Health, Gujarat State	Original issued on 02.05.2008	31.12.2021 Filed for renewal vide acknowledgement no. 2171982, dtd. 27.10.2021
2.	IATF 16949 certificate for quality management for manufacture of needle roller, cylindrical rollers and pins for automotive application	SKP Bearing Industries Unit –II Survey No. 2127 of 2, Mulchand Road, Wadhwan-363035, Dist.: Surendranagar, Gujarat	Certificate Registration No.: 12 111 39359 TMS IATF Certificate No. 0281801	TUV SUD Management Service GmbH Munich, Germany	14.12.2017	02.12.2023
3.	Registration under Gujarat Pollution Control Board	SKP Bearing Industries Unit –II Survey No. 2127 of 2, Mulchand Road, Wadhwan-363035, Dist.: Surendranagar, Gujarat	No. GPCB/CCA/SN-305/ID-29687/352511 Further amended vide order dated 17.07.2019 bearing no. AWH-102993	Gujarat State Pollution Control Board, Gandhinagar, Gujarat	16.04.2016	26.05.2026
4.	Certificate of Importer-	Plot No. 1408, IV Phase, GIDC, Wadhwan,	2499001933	Ministry of Commerce and Industry	14.10.1999	Valid till cancelled

S. No.	Description	Address of Place of Business / Premises	Registration Number	Issuing Authority	Date of issue	Date of Expiry
	Exporter Code IEC	Surendranagar, Gujarat-363035		Directorate General of Foreign Trade		

#### Registrations related to Labour Laws

S. No.	Description	Address of Place of Business / Premises	Registration Number	Issuing Authority	Date of issue	Date of Expiry
1.	Registration under the Employees Provident fund (EPF) Gujarat	Plot No. 1408, IV Phase, GIDC, Wadhwan, Surendranagar, Gujarat-363035	GJ/RJT/42374	Employees' Provident Fund Organisation, Ministry of Labour and Employment, Government of India, Regional Office, Gujarat	22.09.2005	Valid till Cancelled

#### Other Approvals

S. No.	Description	Address of Place of Business / Premises	Registration Number	Issuing Authority	Date of issue	Date of Expiry
1.	Entrepreneurs' Memorandum for setting up Micro, Small or Medium Enterprise	SKP Bearing Industries Unit –II Survey No. 2127 of 2, Mulchand Road, Wadhwan-363035, Dist.: Surendranagar, Gujarat	EM No. (Part II): 24-008-12-00440	District Industries Centre, Surendranagar	02.06.2008	Valid till Cancelled
2.	Udyog Aadhar Memorandum (UAM) Number As medium General Manufacturing unit	SKP Bearing Industries Unit –II Survey No. 2127 of 2, Mulchand Road, Wadhwan-363035, Dist.: Surendranagar, Gujarat	UDYAM-GJ-23-0003693	MSME (Ministry of Micro Small & Medium Enterprises)	13.06.2021 effective from 17.03.1993	Valid till cancelled

### INTELLECTUAL PROPERTY

#### Trademarks registered/Objcted/Abandoned in the name of our company

S. No.	Trademark	Trademark Type	Class	Applicant	Application No	Date of Application	Validity/Renewed up to	Registration Status
1.		Device	7	S K P Bearing Industries (Erstwhile Partnership Firm)	5214314	18.11.2021	NA	Objcted
2.		Device	7	S K P Bearing Industries (Erstwhile Partnership Firm)	961668	06.10.2000	NA	Withdrawn

#### Domain details

S. No	Domain Name and ID	Sponsoring Registrar and ID	Registrant Name, ID and Address	Creation Date	Registry Expiry Date
1.	<a href="https://www.skpbearings.com/">https://www.skpbearings.com/</a>	BigRock Solutions Ltd. Whois.bigrock.com	Harsh Savani, Add.: Royal Square Complex Office no 110 Tagore Road, Rajkot, Gujarat- 360002  ID: 72.52.128.82	06.03.2006	06.03.2022

#### APPROVALS/LICENSES/PERMISSIONS APPLIED FOR

S. No	Description	Application Number	Issuing Authority	Date of Application
1.	GST Application for wind mill in Madhya Pradesh	ARN: AA2302220212930	Madhya Pradesh Goods and Services Tax Act, 2017	01.02.2022

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE OFFER

Our Board of Directors have *vide* resolution dated February 15, 2022 authorized the Offer, subject to the approval by the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013.

The shareholders have authorized the Offer, by passing a Special Resolution at the Extra-Ordinary General Meeting held on February 17, 2022, in accordance with the provisions of Section 62(1)(c) of the Companies Act, 2013.

The Company has obtained approval from NSE *vide* letter dated [●] to use the name of NSE in this Offer Document for listing of equity shares on the NSE Emerge. NSE is the designated stock exchange.

### PROHIBITION BY SEBI OR OTHER GOVERNMENTAL AUTHORITIES

Further, our company, promoter, members of the promoter group, directors, are not debarred or prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the Board or any securities market regulator in any other jurisdiction or any other authority/court as on the date of this Draft Prospectus.

The listing of any securities of our Company has never been refused at any time by any of the stock exchanges in India.

### PROHIBITION BY RBI

Neither our Company nor any of our Promoters or Directors has been declared as wilful defaulter(s) or fraudulent borrowers by the RBI or any other governmental authority.

### DIRECTORS ASSOCIATED WITH THE SECURITIES MARKET

None of our Directors are associated with the securities market and there has been no outstanding action initiated by SEBI against them in the five years preceding the date of this Draft Prospectus.

### COMPLIANCE WITH THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018

Our Company, our Promoters and Promoter Group is in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 ("SBO Rules"), to the extent applicable, as on the date of this Draft Prospectus.

### ELIGIBILITY FOR THE OFFER

Our Company is an "Unlisted Issuer" in terms of the SEBI ICDR Regulations; and this Offer is an "Initial Public Offer" in terms of the SEBI ICDR Regulations.

This Offer is being made in terms of Regulation 229(2) of Chapter IX of the SEBI ICDR Regulations, as amended from time to time, whereby, an issuer whose post offer face value capital is more than ten crores' rupees and up to twenty-five crores' rupees, offer equity shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the NSE Emerge).

As per Regulation 229 (3) of the SEBI ICDR Regulations, our Company satisfies track record and/or other eligibility conditions of NSE Emerge.

- a) Our Company was incorporated on January 06, 2022, under the Companies Act, 2013 with the Registrar of Companies, Central Registration Centre.
- b) As on the date of this Draft Prospectus, our Company has a total paid-up capital (face value) of ₹1,500 Lakhs comprising 1,50,00,000 Equity Shares of ₹10/- each and the Post Offer paid-up Capital (face value) will be ₹ [●] Lakhs comprising [●] Equity Shares which shall be below ₹ 25 crores.
- c) Our Company including its erstwhile partnership firm has a combined track record of three years as on date of filing of this Draft Prospectus.

- d) Our company including its erstwhile partnership firm has operating profit (earnings before interest, depreciation and tax) from operations of ₹ 1,409.66 Lakhs in Fiscal 2021, ₹ 1,420.60 Lakhs in Fiscal 2020 and ₹ 1,669.05 Lakhs in Fiscal 2019 i.e., in all the 3 financial years preceding the date of this Draft Prospectus and its net-worth is positive.
- e) Our Company has not been referred to Board for Industrial and Financial Reconstruction (BIFR) or no proceedings have been admitted under Insolvency and Bankruptcy Code against our company and promoting companies.
- f) There is no winding up petition against the company, which has been admitted by NCLT/ Court of competent jurisdiction or a liquidator has not been appointed.
- g) No material regulatory or disciplinary action has been taken by a stock exchange or regulatory authority in the past three years against our Company.
- h) Other Disclosures:
  - We have disclosed all material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) of our company in the Draft Prospectus.
  - There are no defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by our company, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) during the past three years except as mentioned in the Draft Prospectus.
  - We have disclosed the details of our company, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) litigation record, the nature of litigation, and status of litigation. For details, please refer the chapter “*Outstanding Litigations and Material Developments*” on page 140 of this Draft Prospectus.
  - We have disclosed all details of the track record of the directors, the status of criminal cases filed or nature of the investigation being undertaken with regard to alleged commission of any offence by any of its directors and its effect on the business of the company, where all or any of the directors of issuer have or has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences etc. For Details, refer the chapter “*Outstanding Litigations and Material Developments*” on page 140 of this Draft Prospectus.

As per Regulation 230 (1) of the SEBI ICDR Regulations, our Company has ensured that:

- a) The Draft Prospectus has been filed with NSE and our Company has made an application to NSE for listing of its Equity Shares on the Emerge platform of NSE. NSE is the Designated Stock Exchange.
- b) Our Company has entered into an agreement dated [●] with NSDL and agreement dated [●] with CDSL for dematerialisation of its Equity Shares already issued and proposed to be issued.
- c) The entire pre-Offer capital of our Company has fully paid-up Equity Shares and the Equity Shares proposed to be issued pursuant to this IPO are fully paid-up.
- d) The entire Equity Shares held by the Promoters are in the process of dematerialization.
- e) The fund requirements set out for the Objects of the Offer are proposed to be met entirely from the Net Proceeds. Accordingly, our Company confirms that there is no requirement 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 Offer as required under the SEBI ICDR Regulations. For details, please refer the chapter “*Objects of the Offer*” on page 60 of this Draft Prospectus.

Our Company confirms that it will ensure compliance with the conditions specified in Regulation 230 (2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Offer in terms of Regulation 228 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 228 of the SEBI ICDR Regulations are as follows:

- (a) Neither our Company nor our Promoters, members of our Promoter Group or our Directors are debarred from accessing the capital markets by the SEBI.
- (b) None of our Promoters or Directors are promoters or directors of companies which are debarred from accessing the capital markets by the SEBI.
- (c) Neither our Company nor our Promoters or Directors is a wilful defaulter or fraudulent borrower.
- (d) None of our Promoters or Directors is a fugitive economic offender.

We further confirm that we shall be complying with all other requirements as laid down for such offer under Chapter IX of SEBI ICDR Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

**We further confirm that:**

1. In accordance with Regulation 246 of the SEBI ICDR Regulations, the lead manager shall ensure that the issuer shall file copy of the Prospectus with SEBI along with relevant documents as required at the time of filing the Prospectus to SEBI.
2. In accordance with Regulation 260 of the SEBI ICDR Regulations, this Offer is 100% underwritten and shall not restrict to the minimum subscription level. The LM shall underwrite at least 15% of the total offer size. For further details pertaining to underwriting please refer to chapter titled “*General Information*” beginning on page 43 of this Draft Prospectus.
3. In accordance with Regulation 268 of the SEBI ICDR Regulations, we shall ensure that the total number of proposed allottees in the Offer is greater than or equal to fifty, otherwise, the entire application money will be unblocked or refunded forthwith. If such money is not unblocked or repaid within four days from the date our company becomes liable to unblock or repay it, then our company and every officer in default shall, on and from expiry of fourth day, be liable to unblock or repay such application money, with interest as prescribed under SEBI ICDR Regulations and section 40 of the Companies Act, 2013.

**COMPLIANCE WITH PART A OF SCHEDULE VI OF THE SEBI ICDR REGULATIONS**

Our Company is in compliance with the provisions specified in Part A of Schedule VI of the SEBI ICDR Regulations.

**DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER SHRENI SHARES PRIVATE LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS OFFER DOCUMENT, THE LEAD MERCHANT BANKER ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, SHRENI SHARES PRIVATE LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED MARCH 11, 2022 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THE OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THIS OFFER DOCUMENT.**

**Note:** All legal requirements pertaining to the Offer will be complied with at the time of registration of this Prospectus with the RoC in terms of section 26 and 28 of the Companies Act, 2013.

#### **DISCLAIMER FROM OUR COMPANY, SELLING SHAREHOLDERS AND THE LEAD MANAGER**

Our Company, Selling Shareholders 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 and anyone placing reliance on any other source of information, including our Company's website, [www.skpbearings.com](http://www.skpbearings.com), or the website of any affiliate of our Company, would be doing so at his or her own risk.

The Lead Manager accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement to be entered into between the Underwriter and our Company and Market Maker Agreement entered into among Market Maker and our Company.

All information shall be made available by our Company, Selling Shareholders and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever.

Our Company, Selling Shareholders 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 centres etc.

The Lead Manager and its associates and affiliates may engage in transactions with and perform services for, our Company and associates of our Company in the ordinary course of business and may in future engage in the provision of services for which they may in future receive compensation. Shreni Shares Private Limited is not an associate of the Company and is eligible to be appointed as the Lead Manager in this Offer, under SEBI MB Regulations.

Investors who apply in this Offer 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 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, Selling Shareholders 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.

Neither our Company and Selling Shareholders nor Lead Manager is liable for any failure in (i) uploading the Applications due to faults in any software/ hardware system or otherwise, or (ii) the blocking of the Application Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on the account of any errors, omissions or non-compliance by various parties involved, or any other fault, malfunctioning, breakdown or otherwise, in the UPI Mechanism.

Further, the selling shareholders will be severally responsible for the respective statements confirmed or undertaken by it in this Draft Prospectus in relation to itself and its respective portion of the offered shares.

#### **DISCLAIMER IN RESPECT OF JURISDICTION**

This Offer is being made in India to persons resident in India including Indian nationals resident in India (who are not minors, except through their legal guardian), Hindu Undivided Families (HUFs), companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to non-residents including NRIs and FIIs. This Draft Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Draft Prospectus comes is required to inform himself or herself about,

and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and the Draft Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been any change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

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 U.S Securities Act and in compliance with applicable laws, legislations and Prospectus in each jurisdiction, including India.

#### **DISCLAIMER CLAUSE OF THE NSE**

As required, a copy of the Draft Prospectus shall be submitted to the NSE Emerge. The Disclaimer Clause as intimated by the NSE Emerge to us, post scrutiny of the Draft Prospectus, shall be included in the Prospectus prior to the filing with RoC.

#### **DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT**

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulations under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

**Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulations under the Securities Act and the applicable laws of the jurisdictions 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. Further, each applicant, wherever requires, agrees that such applicant will not sell or transfer any Equity Share 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.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applicants may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

#### **LISTING**

Application have been made to NSE Emerge for obtaining permission for listing of the Equity Shares being offered and sold in the Offer on its NSE Emerge after the allotment in the Offer. NSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Offer.

Our company has obtained In-principle approval from NSE vide letter dated [●] to use name of NSE in the Prospectus for listing of equity shares on NSE Emerge.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the NSE Emerge, the Company shall unblock, without interest, all moneys received from the applicants in pursuance of the Prospectus. If any such money is not unblocked within four (4) days after the issuer becomes liable to unblock it then our Company and every director of the company who is an officer in default shall, on and from the expiry of the fourth (4) day, be jointly and severally liable to unblock that money with interest at the rate of fifteen per cent per annum (15% pa) 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 (6) Working Days of the Offer Closing Date.

## **CONSENTS**

Consents in writing of: (a) The Directors, Promoters, the Chief Financial Officer, Company Secretary & Compliance Officer and the Statutory Auditors; and (b) the Lead Manager, Registrar to the Offer, the Legal Advisors to the Offer, Bankers to the Offer <sup>(1)</sup>, Bankers to the company, Market Maker and Underwriters to act in their respective capacities, have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Section 26 and Section 28 of the Companies Act, 2013.

*<sup>(1)</sup> The aforesaid will be appointed prior to filing of the Prospectus with RoC and their consents as above would be obtained prior to the filing of the Prospectus with RoC.*

In accordance with the Companies Act, 2013 and the SEBI ICDR Regulations, M/s Dipak P Shah & Co., Chartered Accountants, have provided their written consent to the inclusion of their reports dated March 08, 2022 on Restated Financial Statements and to the inclusion of their reports dated March 08, 2022 on Statement of Tax Benefits, which may be available to the Company and its shareholders, included in this Draft Prospectus in the form and context in which they appear therein and such consents and reports have not been withdrawn up to the time of filing of this Draft Prospectus.

## **EXPERT OPINION**

Except the report of the Peer Reviewed Auditor on statement of tax benefits and report on Restated Financial Statements for the period ended January 05, 2022 and for financial years ended March 31, 2021, 2020 and 2019 as included in this Draft Prospectus, our Company has not obtained any expert opinion.

Here, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act

## **PREVIOUS PUBLIC OR RIGHTS ISSUES DURING THE LAST FIVE YEARS**

We have not made any rights to the public and public issues in the past, and we are an “Unlisted Company” in terms of the SEBI ICDR Regulations and this Offer is an “Initial Public Offer” in terms of the SEBI ICDR Regulations.

## **COMMISSION AND BROKERAGE PAID ON PREVIOUS ISSUES OF OUR EQUITY SHARES IN LAST FIVE YEARS**

Since this is an Initial Public Offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since inception of the Company.

## **CAPITAL ISSUES DURING THE LAST THREE YEARS BY OUR COMPANY, LISTED GROUP COMPANIES, SUBSIDIARIES & ASSOCIATES OF OUR COMPANY**

Except as disclosed in Chapter titled “*Capital Structure*” on page 52 of Draft Prospectus, our Company has not made any capital issue during the previous three years.

We do not have any Group Company or Subsidiary or Associate as on date of this Draft Prospectus.

## **PERFORMANCE VIS-À-VIS OBJECTS**

Except as stated in the chapter titled “*Capital Structure*” beginning on page 52 of this Draft Prospectus, we have not made any previous rights and / or public issues during the last five (5) years and are an “Unlisted Issuer” in terms of SEBI ICDR Regulations and this Offer is an “Initial Public Offer” in terms of the SEBI ICDR Regulations, the relevant data regarding performance vis-à-vis objects is not available with the Company.

We do not have any Group Company or Subsidiary or Associate as on date of this Draft Prospectus.

#### PRICE INFORMATION OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER

Sr. No.	Issue name	Issue size (₹ Crores)	Issue price (₹)	Listing Date	Opening price on Listing Date (₹)	+/- % change in closing price, [+/-% change in Closing benchmark] 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/-% change in closing benchmark] 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/-% change in Closing benchmark] 180 <sup>th</sup> calendar days from listing
1.	Cospower Engineering Limited	2.04	51.00	March 30, 2020	51.00	+32.06% [+12.92%]	+36.27% [+22.51%]	+9.80% [+31.46%]
2.	KSolves India Limited	4.02	100.00	July 6, 2020	101.95	+6.50% [+3.08%]	+126.00% [+6.07%]	+377.00% [+30.24%]
3.	Bodhi Tree Multimedia Limited	3.70	95.00	October 21, 2020	95.00	-12.63% [+6.99%]	-17.11% [+19.63%]	-15.79% [+22.45%]
4.	Shine Fashions (India) Limited	1.60	40.00	November 2, 2020	40.50	+0.50% [+12.32%]	+23.75% [+16.42%]	+82.50% [+22.70%]
5.	Adjia Technologies Limited	2.00	74.00	March 15, 2021	74.50	-45.81% [-3.67%]	-36.82% [4.13%]	-61.49% [+15.70%]
6.	Getalong Enterprise Limited	5.18	69.00	October 08, 2021	73.05	+2.90% [+0.65%]	+2.90% [+0.91%]	-
7.	DMR Hydroengineering & Infrastructures Limited	2.09	21.00	December 07, 2021	25.00	+60.00% [+0.80%]	+52.38% [-9.06%]	-
8.	Alkosign Limited	12.15	45.00	February 01, 2022	45.25	+1.11% [-5.77%]	-	-
9.	Quality RO Industries Limited	2.70	51.00	February 09, 2022	52.25	+11.67% [-5.13%]	-	-
10.	Ekennis Software Service Limited	2.88	72.00	March 07, 2022	80.00	-	-	-

Sources: All share price data is from [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).

#### Note:

1. The BSE Sensex and CNX Nifty are considered as the Benchmark Index
2. Prices on BSE/NSE are considered for all of the above calculations
3. In case 30th/90th/180th day is not a trading day, closing price on BSE/NSE of the next trading day has been considered
4. In case 30th/90th/180th days, scrips are not traded then last trading price has been considered.
5. Designated Stock Exchange as disclosed by the respective Issuer at the time of the issue has been considered for disclosing the price information.

Summary statement of price information of past issues handled by Shreni Shares Private Limited:

Financial Year	Total no. of IPOs	Total funds	Nos. of IPOs trading at discount on as on 30 <sup>th</sup>	Nos. of IPOs trading at premium on as on 30 <sup>th</sup>	Nos. of IPOs trading at discount as on 180 <sup>th</sup> calendar	Nos. of IPOs trading at premium as on 180 <sup>th</sup> calendar

		raised (₹ Crores)	calendar days from listing date			calendar days from listing date			days from listing date			days from listing date		
			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 %
2021- 2022 <sup>s</sup>	***5	25.00	-	-	-	1	-	3	-	-	-	-	-	-
2020- 2021	**4	11.32	-	1	1	-	-	2	1	-	1	2	-	-
2019- 2020	*1	2.04	-	-	-	-	1	-	-	-	-	-	-	1

\* The script of Cospower Engineering Limited was listed on March 30, 2020.

\*\* The script of KSolves India Limited, Bodhi Tree Multimedia Limited, Shine Fashions (India) Limited and Adjia Technologies Limited were listed on July 6, 2020, October 21, 2020, November 02, 2020 and March 15, 2021 respectively.

\*\*\* The script of Getalong Enterprise Limited, DMR Hydroengineering & Infrastructures Limited, Alkosign Limited, Quality RO Industries Limited and Ekennis Software Service Limited were listed on October 08, 2021, December 07, 2021, February 01, 2022, February 09, 2022 and March 07, 2022 respectively.

§ The script of Getalong Enterprise Limited, DMR Hydroengineering & Infrastructures Limited, Alkosign Limited and Quality RO Industries Limited have not completed 180 Days from the date of listing. The script of Ekennis Software Service Limited has not completed 30 & 180 Days from the date of listing.

Note: Authum Investment and Infrastructure Limited is Rights Issue lead managed by Shreni Shares Private Limited in the Financial Year 2020-2021 and the same has not been included in the above-mentioned Summary Statement of Disclosure as the disclosure is limited to IPOs only.

#### **TRACK RECORD OF PAST ISSUES HANDLED BY LEAD MANAGER**

For details regarding track record of the Lead Manager to the Offer as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the Lead Manager at: [www.shreni.in](http://www.shreni.in).

#### **STOCK MARKET DATA OF EQUITY SHARES**

This being an initial public Offer of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

#### **MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES**

The Company and Selling Shareholders have appointed Bigshare Services Private Limited as the Registrar to the Offer, to handle the investor grievances in co-ordination with the Compliance Officer of the Company. All grievances relating to the present Offer may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

The Registrar to the Offer will handle investor's grievances pertaining to the Offer. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be co-ordinating with the Registrar to the Offer in attending to the grievances to the investor.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Offer or the SCSBs for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

The Company shall obtain authentication on the SCORES and comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 in relation to redressal of investor grievances through SCORES.

Our Board by a resolution on February 21, 2022 has also constituted a Stakeholders' Relationship Committee. The composition of the Stakeholders' Relationship Committee is as follows:

Name of the Directors	Nature of Directorship	Designation in Committee
Mr. Rajeev Vinayak Lokare	Non-Executive Independent Director	Chairman
Mr. Kishorbhai Chhanalal Parikh	Non-Executive Independent Director	Member
Ms. Sangita Shrinand Palshikar	Non-Executive Director	Member

For further details, please see the chapter titled "Our Management" beginning on page 109 of this Draft Prospectus.

Our Company has also appointed Ms. Pooja Kamleshkumar Sharma, as the Compliance Officer for the Offer and she may be contacted at the Registered Office of our Company.

**Ms. Pooja Kamleshkumar Sharma**

Survey No. 2127,  
Mulchand Road, Wadhwan - 363 030  
Surendranagar, Gujarat, India  
Tel No.: +91 9824231243  
Email: [info@skpbearings.com](mailto:info@skpbearings.com)  
Website: [www.skpbearings.com](http://www.skpbearings.com)

#### **STATUS OF INVESTOR COMPLAINTS**

We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Prospectus and hence there are no pending investor complaints as on the date of this Draft Prospectus.

#### **DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY**

The Company and Selling Shareholders have appointed Registrar to the Offer, to handle the investor grievances in coordination with our Company. All grievances relating to the present Offer may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to the Offer to ensure that the investor grievances are settled expeditiously and satisfactorily. The Registrar to the Offer will handle investor's grievances pertaining to the Offer. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be coordinating with the Registrar to the Offer in attending to the grievances to the investor.

All grievances relating to the ASBA process and UPI may be addressed to the SCSBs, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Offer or the SCSBs for the redressal of routine investor grievances will be seven (7) business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA applicants or UPI Payment Mechanism Applicants. Our Company, Selling Shareholders, the Lead Manager and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs / Sponsor Bank including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

#### **EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI**

Our Company has filed an application dated February 15, 2022 with SEBI under Regulation 300(1) of the SEBI ICDR Regulations, seeking an exemption from identifying and disclosing as a member of the Promoter Group, Ms. Samata Puranik (sister of our Promoter, Mr. Shrinand Kamlakar Palshikar) and body corporates/entities and HUFs in which Ms. Samata Puranik holds 20% or more of the equity share capital. Accordingly, the list of members of our Promoter Group does not include such individual/entities.

## SECTION IX – OFFER INFORMATION

### TERMS OF THE OFFER

*The Equity Shares being issued are subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, our Memorandum and Articles of Association, SEBI LODR Regulations, the terms of this Prospectus, the Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of this Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the Offer of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the NSE Emerge, the RBI, ROC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the Government of India, the Stock Exchange, the RoC and/or any other authorities while granting its approval for the Offer.*

*Please note that, in terms of Regulation 256 of the SEBI ICDR Regulations read with SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the applicants have to compulsorily apply through the ASBA Process and further in terms of SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, and as modified through its circular SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 (together, the “UPI Circular”) in relation to clarifications on streamlining the process of public Offer of equity shares and convertibles it has proposed to introduce an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. Currently, for application by RIIs through Designated Intermediaries, the existing process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds is discontinued and RIIs submitting their Application Forms through Designated Intermediaries (other than SCSBs) can only use the UPI mechanism with existing timeline of T+6 days until March 31, 2020 (“UPI Phase II”). Further SEBI through its circular no SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 has decided to continue with the Phase II of the UPI ASBA till further notice.*

*Further vide the said circular Registrar to the Offer and Depository Participants have been also authorized to collect the Application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Offer and Depository Participants as and when the same is made available.*

### **RANKING OF EQUITY SHARES**

The Equity Shares being issued shall be subject to the provisions of the Companies Act 2013, our Memorandum of Associations and Articles of Association shall rank pari passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please see the section titled “Main Provisions of the Articles of Association” beginning on page 185 of this Draft Prospectus.

### **MODE OF PAYMENT OF DIVIDEND**

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum and Articles of Association and provisions of the SEBI LODR Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment will be payable to the Applicants who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable laws. For further details, in relation to dividends, see “Dividend Policy” and “Main Provisions of the Articles of Association” beginning on page 125 and 185, respectively of this Draft Prospectus.

### **FACE VALUE AND OFFER PRICE**

The Equity Shares having a face value of ₹10/- each are being issued in terms of this Draft Prospectus at the price of ₹ [●] per Equity Share. The Offer Price is determined by our Company in consultation with the Lead Manager and is justified under the chapter titled “Basis for Offer Price” beginning on page 65 of this Draft Prospectus.

At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

### **RIGHTS OF THE EQUITY SHAREHOLDERS**

Subject to applicable laws, rules, regulations and guidelines and our Articles of Association, our Shareholders shall have the following rights:

1. Right to receive dividends, if declared;
2. Right to receive Annual Reports and notices to members;
3. Right to attend general meetings and exercise voting rights, unless prohibited by law;
4. Right to vote on a poll either in person or by proxy and e-voting, in accordance with the provisions of the Companies Act;
5. Right to receive offers for rights shares and be allotted bonus shares, if announced;
6. Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
7. Right of free transferability of the Equity Shares, subject to applicable laws including any RBI rules and regulations; and
8. Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI LODR Regulations, and our Memorandum of Association and Articles of Association.

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 or splitting, see “*Main Provisions of the Articles of Association*” beginning on page 185 of this Draft Prospectus.

#### **MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT**

Trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares in terms of the SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012 and the same may be modified by NSE Emerge from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Offer will be done in multiples of [●] Equity Share subject to a minimum allotment of [●] Equity Shares to the successful Applicants.

Further, in accordance with SEBI ICDR Regulations the minimum application size in terms of number of specified securities shall not be less than ₹1.00 Lakh per application.

#### **JOINT HOLDERS**

Where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

The Equity Shares have not been and will not be registered under the U.S Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S Securities Act and referred to in this Prospectus as “U.S. QIBs”, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Prospectus as “QIBs”) in transactions exempt from, or not subject to, the registration requirements of the U.S Securities Act, and (ii) 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.

#### **NOMINATION FACILITY TO INVESTORS**

In accordance with Section 72 (1) & 72 (2) of the Companies Act, 2013, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 (3) of the Companies Act, 2013, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in accordance to Section 72 (4) of the Companies Act, 2013, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Articles of Association of the Company, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

1. to register himself or herself as the holder of the Equity Shares; or
2. to make such transfer of the Equity Shares, as the deceased holder could have made

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Applicant would prevail. If the Applicant wants to change the nomination, they are requested to inform their respective Depository Participant.

## OFFER PROGRAM

<b>Offer Opens on</b>	[●]
<b>Offer Closes on</b>	[●]

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

<b>Finalization of Basis of Allotment with the Designated Stock Exchange</b>	On or before [●]
<b>Initiation of Refunds / unblocking of funds from ASBA Account*</b>	On or before [●]
<b>Credit of Equity Shares to demat account of the Allottees</b>	On or before [●]
<b>Commencement of trading of the Equity Shares on the Stock Exchanges</b>	On or before [●]

*\*In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/ withdrawn/ deleted ASBA Forms, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchange Applying platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Applicant shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Application Amount, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Application, exceeding four Working Days from the Offer Closing Date, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The post Offer LM shall be liable for compensating the Applicant at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher from the date of receipt of the Investor grievance until the date on which the blocked amounts are unblocked. For the avoidance of doubt, the provisions of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs to the extent applicable.*

In terms of Regulation 265 of SEBI ICDR Regulations, the Offer shall be open after at least three (3) working days from the date of filing the Prospectus with the Registrar of Companies.

In terms of Regulation 266 (3) of SEBI ICDR Regulations, in case of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Offer Period disclosed in the Prospectus, for a minimum period of three (3) working days, subject to the provisions of Regulation 266(1).

The above timetable is indicative and does not constitute any obligation on our Company or the Lead Manager.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Offer Closing Date, the timetable may change due to various factors, such as extension of the Offer Period by our Company, or

any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. Each of the Promoter confirms that it shall extend such reasonable support and co-operation in relation to its respective portion of the Offered Shares for completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within Six Working Days from the Offer Closing Date or such other period as may be prescribed by SEBI.

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

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

**It is clarified that applications not uploaded on the electronic bidding system or in respect of which the full application Amount is not blocked by SCSBs or under the UPI Mechanism, as the case may be, would be rejected.**

In case of force majeure, banking strike or similar circumstances, the issuer may, for reasons to be recorded in writing, extend the (Offer) period disclosed in the Prospectus, for a minimum period of three (3) working days, subject to the Offer Period not exceeding ten (10) working days.

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

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

## **MINIMUM SUBSCRIPTION**

This Offer is not restricted to any minimum subscription level. This Offer is 100% underwritten per Regulation 260(1) of SEBI ICDR Regulations.

As per Section 39 of the Companies Act, 2013, if the “stated minimum amount” has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the Offer through the Offer Document including devolvement of Underwriters, our Company shall forthwith refund the entire subscription amount received within 15 days from the closure of the offer, if there is a delay beyond such time, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest as prescribed under the SEBI ICDR Regulations, the Companies Act, 2013 and applicable laws.

The minimum number of allottees in this Offer shall be 50 shareholders. In case the minimum number of prospective allottees is less than fifty (50), no allotment will be made pursuant to this Offer and the monies blocked by the SCSBs shall be unblocked within four (4) working days of closure of Offer.

In accordance with Regulation 260 (1) of the SEBI ICDR Regulations, our Offer shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the Offer through this Draft Prospectus and

shall not be restricted to the minimum subscription level. Further, in accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than ₹ 1,00,000 (Rupees One Lakh) per application.

The Equity Shares have not been and will not registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the application law of such jurisdiction.

#### **ARRANGEMENTS FOR DISPOSAL OF ODD LOTS**

The trading of the Equity Shares will happen in the minimum contract size of [●] 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.

#### **RESTRICTIONS, IF ANY ON TRANSFER AND TRANSMISSION OF EQUITY SHARES**

The lock-in of the pre- offer capital of our Company as provided in “*Capital Structure*” beginning on page 52 of this Draft Prospectus and except as provided in our Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details, see “*Main Provisions of the Articles of Association*” beginning on page 185 of this Draft Prospectus.

#### **NEW FINANCIAL INSTRUMENTS**

As on the date of this Draft Prospectus, there are no outstanding warrants, new financial instruments or any rights, which would entitle the shareholders of our Company, including our Promoter, to acquire or receive any Equity Shares after the Offer.

#### **MIGRATION TO MAIN BOARD**

In accordance with the Circular dated March 10, 2014, our Company will have to be mandatorily listed and traded on the NSE Emerge for a minimum period of two years from the date of listing and only after that it can migrate to the Main Board of the NSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter IX of the SEBI ICDR Regulations.

As per the provisions of the Chapter IX of the SEBI ICDR Regulations, our Company may migrate to the main board of NSE from the NSE Emerge on a later date subject to the following:

1. If the paid-up capital of the Company is likely to increase above ₹25 crores by virtue of any further offer of capital by way of rights, preferential offer, bonus offer etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the Company has obtained in-principal approval from the main board), we shall have to apply to NSE for listing our shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.
2. If the paid-up capital of the Company is more than ₹10 crores but below ₹25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter shareholders in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

#### **MARKET MAKING**

The shares issued through this Offer are proposed to be listed on the NSE Emerge with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on NSE Emerge. For further details of the market making arrangement please refer the chapter titled “*General Information*” beginning on page 43 of this Draft Prospectus.

## OFFER STRUCTURE

This Offer is being made in terms of Regulation 229 (2) of the Chapter IX of SEBI ICDR Regulations, as amended from time to time, whereby, our post Offer face value capital exceeds ten crore rupees but not more than twenty-five crore rupees. The Company shall Offer specified securities 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 this Offer, please see the chapters titled “*Terms of the Offer*” and “*Offer Procedure*” beginning on page 157 and 164 respectively, of this Draft Prospectus.

### OFFER STRUCTURE

This Offer comprised of Initial Public Offering of up to 44,00,000 Equity Shares for Cash at an Offer Price of ₹ [●] per Equity Share comprising of Fresh Offer of up to 16,00,000 Equity Shares for Cash at an Offer Price ₹ [●] per Equity Share aggregating up to ₹ [●] Lakhs by our Company and Offer for sale of up to 28,00,000 Equity Shares for Cash at an Offer Price ₹ [●] per Equity Share aggregating up to ₹ [●] Lakhs by the Selling Shareholders.

Particulars	Net Offer to Public	Market Maker Reservation Portion
Number of Equity Shares available for allocation <sup>(1)</sup>	Up to [●] Equity Shares	Up to [●] Equity Shares
Percentage of Offer Size available for Allocation	[●] % of the Offer Size	[●] % of the Offer Size
Basis of Allotment	Proportionate subject to minimum allotment of [●] Equity Shares and further allotment in multiples of [●] Equity Shares each <sup>(1)</sup>  For further details please refer section explaining the Basis of Allotment in the GID	Firm Allotment
Mode of Application	All the applicants shall make the application (Online or Physical) through the ASBA Process only (including UPI mechanism for Retail Individual Investors using Syndicate ASBA)	
Mode of Allotment	Compulsorily in dematerialised form	
Minimum Application Size	<i>For Other than Retail Individual Investors:</i>  Such number of Equity Shares in multiples of [●] Equity Shares such that the Application Value exceeds ₹ 2,00,000.  <i>For Retail Individuals Investors:</i>  [●] Equity Shares	Up to [●] Equity Shares
Maximum Application Size	<i>For Other than Retail Individual Investors:</i>  Such number of Equity Shares in multiples of [●] Equity Shares such that the Application Size does not exceed ₹2,00,000 Equity Shares, subject to applicable limits to the Applicant.  <i>For Retail Individuals Investors:</i>  Such number of Equity Shares in multiples of [●] Equity Shares such that the application value does not exceed ₹2,00,000.	Up to [●] Equity Shares
Trading Lot	[●] Equity Shares	[●] Equity Shares. However, the Market Maker may buy odd lots if any in the market as required under the SEBI ICDR Regulations.
Who can Apply <sup>(2)</sup>	<i>For Other than Retail Individual Investors:</i>  Resident Indian individuals, Eligible NRIs, HUFs (in the name of the Karta), companies,	Market Maker

Particulars	Net Offer to Public	Market Maker Reservation Portion
	corporate bodies, scientific institutions societies and trusts.  <i>For Retail Individuals Investors:</i>  Resident Indian individuals, HUFs (in the name of the Karta) and Eligible NRIs.	
Terms of Payment <sup>(3)</sup>	The entire Application Amount will be payable at the time of submission of the Application Form.	
Application Lot Size	[●] Equity Share and in multiples of [●] Equity Shares thereafter	

<sup>(1)</sup> Since present Offer is a fixed price Offer, the allocation in the net Offer to the public category in terms of Regulation 253(2) of the SEBI ICDR Regulations, shall be made as follows:

(a) Minimum fifty per cent 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;

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

Explanation - For the purpose of sub-regulation (2), if the retail individual investor category is entitled to more than fifty per cent of the Offer size on a proportionate basis, the retail individual investors shall be allocated that higher percentage.”

<sup>(2)</sup> In case of joint Applications, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders.

<sup>(3)</sup> In case of ASBA Applicants, the SCSB shall be authorised to block such funds in the bank account of the ASBA Applicant (including Retail Individual Investors applying through UPI mechanism) that are specified in the Application Form. SCSBs applying in the Offer must apply through an ASBA Account maintained with any other SCSB.

This Offer is being made in terms of Chapter IX of the SEBI ICDR Regulations. For further details, please refer chapter titled “Offer Procedure” beginning on page 164 of this Draft Prospectus.

## OFFER PROCEDURE

All Applicants should read the General Information Document for Investing in Public Offer (“GID”) prepared and issued in accordance with the SEBI circular no SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 which is issued in supersession of the Circular SEBI Circular CIR/CFD/DIL/12/2013 dated October 23, 2013 & UPI Circular which highlights the key rules, processes and procedures applicable to public offers in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the website of Stock Exchange(s), the Company and the Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.

Additionally, all Applicants may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Application size; (iii) price discovery and allocation; (iv) payment Instructions for ASBA Applicants; (v) issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Offer; (vi) price discovery and allocation; (vii) General Instructions (limited to instructions for completing the Application Form); (viii) designated date; (ix) disposal of applications; (x) submission of Application Form; (xi) other instructions (limited to joint applications in cases of individual, multiple applications and instances when an application would be rejected on technical grounds); (xii) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xiii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund.

SEBI vide the UPI Circulars, has introduced an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI mechanisms for RIIs applying through Designated Intermediaries have been made effective along with the existing process and existing timeline of T+6 days (“UPI Phase I”). The same was applicable until June 30, 2019.

With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Applications by RIIs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Applications with existing timeline of T+6 days will continue for a period of three months or launch of five main board public offers, whichever is later (“UPI Phase II”), Further pursuant to SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. However, given the prevailing uncertainty due to the COVID-19 pandemic, SEBI vide its circular no. The final reduced timeline of T+3 days be made effective using the UPI Mechanism for applications by RIIs (“UPI Phase III”), as may be prescribed by SEBI. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular shall come into force for initial public offers opening on/or after May 01, 2021, except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular, are deemed to form part of this Draft Prospectus. If the Offer is made under UPI Phase III, the same will be advertised in all editions of the English national daily newspaper, all editions of the Hindi national daily newspaper, regional edition of the regional daily newspaper on or prior to the Offer Opening Date and such advertisement shall also be made available to the Stock Exchange for the purpose of uploading on their website

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding Four (4) Working Days from the Offer Closing Date, the Applicant shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding Four (4) Working Days from the Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The LM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, has reduced the timelines for refund of Application money to four days.

Our Company and Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document and is not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their applications are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus and the Prospectus.

Further, the Company and the Lead Manager are not liable for any adverse occurrences’ consequent to the implementation of the UPI Mechanism for application in this Offer.

## PHASED IMPLEMENTATION OF UNIFIED PAYMENTS INTERFACE

SEBI has issued UPI Circulars in relation to streamlining the process of public Offer of equity shares and convertibles. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIIs through intermediaries with the objective to reduce the time duration from public Offer closure to listing from six working days to up to three working days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circular proposes to introduce and implement the UPI payment mechanism in three phases in the following manner:

**Phase I:** This phase has become applicable from January 1, 2019 and will continue till June 30, 2019. Under this phase, a Retail Individual Investor would also have the option to submit the Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public Offer closure to listing would continue to be six working days.

**Phase II:** This phase commenced on completion of Phase I, i.e., with effect from July 1, 2019 and was to be continued for a period of three months or launch of five main board public offers, whichever is later. Further, as per the SEBI circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, the UPI Phase II has been extended until March 31, 2020. Further still, as per SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the current Phase II of Unified Payments Interface with Application Supported by Blocked Amount be continued till further notice. Under this phase, submission of the Application Form by a Retail Individual Investor through intermediaries to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public Offer closure to listing would continue to be six working days during this phase.

**Phase III:** The commencement period of Phase III is yet to be notified. In this phase, the time duration from public Offer closure to listing is proposed to be reduced to three working days.

All SCSBs offering facility of making application in public offers shall also provide facility to make application using the UPI Mechanism. The Issuers will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Investors into the UPI payment mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchange and the Lead Manager.

## FIXED PRICE OFFER PROCEDURE

The Offer is being made in compliance with the provisions of Chapter IX of SEBI ICDR Regulations through a Fixed Price Process wherein 50% of the Net Offer is allocated for Retail Individual Investors and the balance shall be offered to individual applicants other than Retail Individual Investors and other investors including Corporate Bodies or Institutions, QIBs and Non-Institutional Investors. However, if the aggregate demand from the Retail Individual Investors is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Offer Price.

Additionally, if the Retail Individual Investors category is entitled to more than 50% on proportionate basis, the Retail Individual Investors shall be allocated that higher percentage. However, the Application by an Applicant should not exceed the investment limits prescribed under the relevant regulations/statutory guidelines.

Subject to the valid Applications being received at the Offer Price, allocation to all categories in the Net Offer, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Investors shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the LM and the Stock Exchange.

**Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. The Application Forms which do not have the details of the Applicant's depository account including DP ID, PAN and Beneficiary Account Number/UPI ID (for RII Applicants using the UPI Mechanism), shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchanges, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected.**

**Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchange.**

#### **AVAILABILITY OF DRAFT PROSPECTUS, PROSPECTUS AND APPLICATION FORMS**

Copies of the Application Form and the Abridged Prospectus will be available at the offices of the LM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the Stock Exchange(s), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one (1) day prior to the Offer Opening Date.

All Applicants (other than Applicants using the UPI mechanism) shall mandatorily participate in the Offer only through the ASBA process. ASBA Applicants (other than Applicants using the UPI mechanism) must provide bank account details and authorisation to block funds in the relevant space provided in the Application Form and the Application Forms that do not contain such details are liable to be rejected. Further Retail Individual Investors may participate in the Offer through UPI by providing details in the relevant space provided in the Application Form and the Application Forms that do not contain the UPI ID are liable to be rejected. Retail Individual Investors may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of the SEBI.

Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of Electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Application Form for various categories is as follows:

<b>Category</b>	<b>Colour of Application Form</b>
Resident Indians / Eligible NRIs applying on a non-repatriation basis (ASBA)	White*
Non-Residents and Eligible NRIs applying on a repatriation basis (ASBA)	Blue*

\*Excluding Electronic Application Form.

Designated Intermediaries (other than SCSBs) after accepting application form submitted by RIIs (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Application Forms to respective SCSBs where the Applicants has a bank account and shall not submit it to any non-SCSB Bank.

For RIIs using UPI mechanism, the Stock Exchanges shall share the bid details (including UPI ID) with Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIIs for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIIs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchanges bidding platform, and the liability to compensate RIIs (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Bank, NPCI or the Banker to the Offer) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the Bankers to an Offer. The Lead Manager shall also be required to obtain the audit trail from the Sponsor Banks and the Banker to the Offer for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021.

The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the website of the Stock Exchange shall bear a system generated unique application number. Applicants are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

Pursuant to SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 Dated November 10, 2015, an Investor, intending to subscribe to this Offer, shall submit a completed application form to any of the following intermediaries (Collectively called – Designated Intermediaries”):

1. An SCSB, with whom the bank account to be blocked, is maintained
2. A syndicate member (or sub-syndicate member)
3. A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (“broker”)

4. A Depository Participant (“DP”) (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5. 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 intermediary 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:

<b>For Applications submitted by Investors to SCSBs:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors to intermediaries other than SCSBs:</b>	After accepting the application form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Offer.
<b>For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment:</b>	After accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account.

Stock exchange shall validate the electronic bid details with depository’s records for DP ID/Client ID and PAN, on a real-time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Applicants are deemed to have authorized our Company to make the necessary changes in the Prospectus, without prior or subsequent notice of such changes to the Applicants. Applicants shall submit an Application Form either in physical or electronic form to the SCSB’s authorising blocking of funds that are available in the bank account specified in the Application Form used by ASBA Applicants. Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms/ Application Forms to the respective SCSB, where the Applicant has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

### **Who Can Apply?**

In addition to the category of Applicants set forth in the General Information Document, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines:

1. Indian nationals’ resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: —Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Kartal. Applications by HUFs would be considered at par with those from individuals;

3. Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Offer;
6. Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
7. FIIs and sub-accounts of FIIs registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
8. Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
9. Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the non-Institutional investor's category;
10. Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
11. Foreign Venture Capital Investors registered with the SEBI;
12. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
13. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
14. Insurance Companies registered with Insurance Regulatory and Development Authority, India;
15. Provident Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
16. Pension Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
17. National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
18. Insurance funds set up and managed by army, navy or air force of the Union of India;
19. Multilateral and bilateral development financial institution;
20. Eligible QFIs;
21. Insurance funds set up and managed by army, navy or air force of the Union of India;
22. Insurance funds set up and managed by the Department of Posts, India;
23. Any other person eligible to apply in this Offer, under the laws, rules, regulations, guidelines and policies applicable to them.
24. Applications not to be made by:
  - (a) Minors (except through their Guardians)
  - (b) Partnership firms or their nominations
  - (c) Foreign Nationals (except NRIs)
  - (d) Overseas Corporate Bodies

#### **MAXIMUM AND MINIMUM APPLICATION SIZE**

### **For Retail Individual Investors**

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed ₹2,00,000. In case of revision of Applications, the Retail Individual Investors have to ensure that the Application Price does not exceed ₹2,00,000.

### **For Other than Retail Individual Investors (Non-Institutional Investors and QIBs)**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹2,00,000 and in multiples of [●] Equity Shares thereafter. An application cannot be submitted for more than the Net Offer Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Offer Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Investors, who are individuals, have to ensure that the Application Amount is greater than ₹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 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.**

### **BASIS OF ALLOTMENT**

Allotment will be made in consultation with the 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). For applications where the proportionate allotment works out to less than [●] Equity shares the allotment will be made as follows:
  - (a) Each successful applicant shall be allotted [●] Equity shares; and
  - (b) The successful applicants out of the total applicants for that category shall be determined by the 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.
3. If the proportionate allotment to an applicant works out to a number that is not a multiple of [●] Equity shares, the applicant would be allotted Shares by rounding off to the nearest multiple of [●] Equity shares subject to a minimum allotment of [●] Equity shares.
4. 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 [●] 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.
5. The above proportionate allotment of shares in an Offer 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.
6. Retail Individual Investors' means an investor who applies for shares of value of not more than ₹2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with Stock Exchange. The Executive Director / Managing Director of Stock Exchange in addition to Lead Manager and Registrar to the Public Offer 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.

#### **PARTICIPATION BY ASSOCIATES/AFFILIATES OF LEAD MANAGER, PROMOTER, PROMOTER GROUP AND PERSONS RELATED TO PROMOTER/PROMOTER GROUP**

The Lead Manager shall not be entitled to subscribe to this Offer in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Offer, either in the QIB Portion and Non-Institutional Portion where the allotment is on a proportionate basis. The Promoter, Promoter Group, Lead Manager and any persons related to the Lead Manager (except Mutual Funds sponsored by entities related to the Lead Manager) cannot apply in the Offer.

#### **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 in consultation with Lead Manager, reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof. The Applications made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

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.

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid-up share capital carrying voting rights.

#### **APPLICATION BY HUFs**

Applications by HUFs Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs may be considered at par with Applications from individuals.

#### **APPLICATION BY ELIGIBLE NRIs**

Eligible NRIs may obtain copies of Application Form from the Designated Intermediaries. Only Applications accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Applicant applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB or should confirm/accept the UPI Mandate Request (in case of RIIs using the UPI Mechanism) to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") ASBA Accounts, and eligible NRI Applicant applying on a non-repatriation basis by using Resident Forms should authorize their SCSB or should confirm/accept the UPI Mandate Request (in case of RIIs applying using the UPI Mechanism) to block their Non-Resident Ordinary ("NRO") accounts for the full Application Amount, at the time of the submission of the Application Form. However, NRIs applying in the Offer

through the UPI Mechanism are advised to enquire with the relevant bank where their account is UPI linked prior to submitting their application.

Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for non-residents (blue in colour).

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents. (White in colour).

Participation by Eligible NRIs in the Offer shall be subject to the FEMA Non -Debt Instruments Rules. Only Applications accompanied by payment in Indian rupees or fully converted foreign exchange will be considered for Allotment.

In accordance with the FEMA Non-Debt Instruments Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

For further details, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 184 of this Draft Prospectus.

#### **APPLICATION BY FPIs AND FIIs**

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post- Offer Equity Share capital. Further, in terms of the FEMA Non-Debt Instruments Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid -up Equity Share capital of our Company and the total holdings of all FPIs put together with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%). In terms of the FEMA Non -Debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of a ll registered FPIs shall be included.

Additionally, the aggregate foreign portfolio investment up to 49% of the paid -up capital on a fully diluted basis or the sectoral / statutory cap, whichever is lower, does not require Government approval or compliance of sectoral conditions as the case may be, if such investment does not result in transfer of ownership and control of the resident Indian company from resident Indian citizens or transfer of ownership or control to persons resident outside India. Other investments by a person resident outside India will be subject to conditions of Government approval and compliance with sectoral conditions as laid down in these regulations.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for Offer procedure, as prescribed by SEBI from time to time.

A FPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognized stock exchange in India, and/ or may purchase or sell securities other than equity instruments 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 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms; and (iv) such other conditions as may be specified by SEBI from time to time.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be

issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to, inter alia, the following conditions:

- (a) each offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and
- (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

The FPIs who wish to participate in the Offer is advised to use the Application Form for non-residents.

Further, Bids received from FPIs bearing the same PAN will be treated as multiple Applications and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants which were issued in November 2019 to facilitate implementation of SEBI FPI Regulations (such structure “MIM Structure”) provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, were required to provide a confirmation along with each of their Application Forms that the relevant FPIs making multiple Applications utilize the MIM Structure and indicate the names of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Applications will be rejected.

#### **APPLICATION BY SEBI REGISTERED AIF, VCF AND FVCI**

The SEBI VCF Regulations, the SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF or FVCI registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

**Our Company or the Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.**

**All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.**

**There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.**

#### **APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS**

In case of applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing which, the Company in consultation with the LM, 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 in consultation with the Lead Manager reserves the right to reject any Application without assigning any reason thereof.

The exposure norms for insurers prescribed in Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 (“IRDAI Investment Regulations”) are set forth below:

Equity shares of a company: the lower of 10%<sup>(1)</sup> of the investee company’s outstanding equity shares (face value) or 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or a reinsurer;

The entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or a reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

The industry sector in which the investee company operates: not more than 15% of the respective fund of a life insurer or a reinsurer or health insurer or general insurance or 15% of the investment assets, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under points (i), (ii) or (iii) above, as the case may be.

*(1)The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of Rs.2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of Rs.500,000 million or more but less than Rs.2,500,000 million.*

Insurer companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars Issued by the IRDA from time to time to time including the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 (“IRDA Investment Regulations”).

#### **APPLICATION BY PROVIDENT FUNDS / PENSION FUNDS**

In case of applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of Rs25 Crores, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, the Company reserves the right to reject any application, without assigning any reason thereof.

#### **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 consultation with the LM, reserve the right to reject any Application without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (“Banking Regulation Act”), and the Reserve Bank of India (“Financial Services provided by Banks”) Directions, 2016, as amended is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks’ interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a non-financial services company in excess of 10% of such investee company’s paid up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the investee company’s paid-up share capital and reserves.

#### **APPLICATION BY SYSTEMICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES**

In case of Applications made by systemically important non-banking financial companies registered with RBI, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Application Form. Failing this, our Company in consultation with the LM, reserves the right to reject any Application, without assigning any reason thereof. Systemically Important Non-Banking Financial Companies participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

#### **APPLICATIONS BY SCSBS**

SCSBS participating in the Offer is required to comply with the terms of the SEBI circulars nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013 respectively. 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 offers and clear demarcated funds should be available in such account for such applications.

The information set out above is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes to 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 any single application from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulations, or as specified in this Draft Prospectus and the Prospectus.

#### **APPLICATION UNDER POWER OF ATTORNEY**

In case of Applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of Rs250 million (subject to applicable laws) and pension funds with a minimum corpus of Rs250 million (subject to applicable laws), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable, must be lodged along with the Application Form. Failing this, our Company in consultation with the LM, reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof. Our Company in consultation with the LM, in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form.

**In accordance with RBI regulations, OCBs cannot participate in the Offer.**

#### **OFFER PROCEDURE FOR APPLICATION SUPPORTED BY BLOCKED ACCOUNT (ASBA)**

**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 Lead Manager 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.**

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 <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link.

#### **METHOD AND PROCESS OF APPLICATIONS**

The Designated Intermediaries shall accept applications from the Applicants during the Offer Period.

The Offer Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Offer Period may be extended, if required, by an additional three Working Days, subject to the total Offer Period not exceeding 10 Working Days.

During the Offer Period, Applicants who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.

The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to the Designated Intermediaries. Submission of a second Application form to either the same or to another Designated

Intermediaries will be treated as multiple applications and is liable to rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this Offer.

Designated Intermediaries accepting the application forms shall be responsible for uploading the application along with other relevant details in application forms on the electronic bidding system of stock exchange and submitting the form to SCSBs for blocking of funds (except in case of SCSBs, where blocking of funds will be done by respective SCSBs only). All applications shall be stamped and thereby acknowledged by the Designated Intermediaries at the time of receipt.

The Designated Intermediaries will enter each application option into the electronic collecting system as a separate application and generate a TRS and give the same to the applicant.

Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Intermediaries shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such applications with the Stock Exchange.

If sufficient funds are not available in the ASBA Account, the Designated Intermediaries shall reject such applications and shall not upload such applications with the Stock Exchange.

If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the Applicant on request.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Offer Account, or until withdraw/ failure of the Offer or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Offer shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Offer Account. In case of withdrawal/ failure of the Offer, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Offer.

## **TERMS OF PAYMENT**

The entire Offer price of ₹ [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants. SCSBs will transfer the amount as per the instruction of the Registrar to the Public Offer Account, the balance amount after transfer will be unblocked by the SCSBs.

The applicants should note that the arrangement with Bankers to the Offer or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Offer and the Registrar to the Offer to facilitate collections from the Applicants.

## **PAYMENT MECHANISM**

The applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non-Retail Individual Investors shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Offer shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Offer and consequent transfer of the Application Amount to the Public Offer Account, or until withdrawal/ failure of the Offer or until rejection of the Application by the ASBA Applicant, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI ICDR Regulations, all the investors applying in a public offer shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public offer have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

## **ELECTRONIC REGISTRATION OF APPLICATIONS**

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Offer Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to, (i) the applications accepted by them, (ii) the applications uploaded by them (iii) the applications accepted but not uploaded by them or (iv) with respect to applications by Applicants, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Application form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Lead Manager nor our Company nor the Registrar to the Offer, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) The applications accepted by any Designated Intermediaries (ii) The applications uploaded by any Designated Intermediaries or (iii) The applications accepted but not uploaded by any Designated Intermediaries.
5. The Stock Exchange will offer an electronic facility for registering applications for the Offer. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Offer Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Offer Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Manager on a regular basis.
6. With respect to applications by Applicants, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given along with the Application Forms to Designated Branches of the SCSBs for blocking of funds.
7. With respect to applications by Applicants, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Applicants into the on-line system:
  - (a) Name of the Applicant;
  - (b) IPO Name;
  - (c) Application Form Number;
  - (d) Investor Category;
  - (e) PAN (of First Applicant, if more than one Applicant);
  - (f) DP ID of the demat account of the Applicant;
  - (g) Client Identification Number of the demat account of the Applicant;
  - (h) Number of Equity Shares Applied for;
  - (i) Bank Account details;
  - (j) Locations of the Banker to the Offer or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  - (k) Bank account number
8. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Application Form number which shall be system generated.
9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the 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 as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non-Retail Individual Investors and Retail Individual Investors, applications would not be rejected except on the technical grounds as mentioned in the Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.

12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Offer Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Offer Period, after which the Registrar to the Offer will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
14. The SCSBs shall be given one day after the Offer Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Offer.
15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

#### **SIGNING OF UNDERWRITING AGREEMENT AND FILING OF PROSPECTUS WITH ROC**

Our company has entered into an Underwriting Agreement dated [●].

A copy of Prospectus will be filed with the ROC in terms of Section 26 of Companies Act, 2013.

#### **ISSUANCE OF ALLOTMENT ADVICE IN THE OFFER**

Upon approval of the basis of allotment by the Designated Stock Exchange, the Lead Manager or Registrar to the Offer shall send to the SCSBs a list of their Applicants who have been allocated Equity Shares in the Offer.

On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the Offer. The Lead Manager or the Registrar to the Offer will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the Offer. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Applicant.

Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful applicants Depository Account within 4 working days of the Offer Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Offer Account to Public Offer account of the issuer.

#### **DESIGNATED DATE**

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Offer Account with the Bankers to the Offer. The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Offer Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any.

#### **GENERAL INSTRUCTIONS**

##### **Do's:**

1. Check if you are eligible to apply as per the terms of this Draft Prospectus and under applicable law, rules, regulations, guidelines and approvals; All Applicants should submit their bids through the ASBA process only;
2. Ensure that you have apply within the Price Band

3. Read all the instructions carefully and complete the Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID, Client ID and Bank Account Number (UPI ID, as applicable) are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
5. Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre (except in case of electronic Bids) within the prescribed time. Retail Individual Investors using UPI Mechanism, may submit their ASBA Forms with Syndicate Members, Registered Brokers, RTA or Depository Participants;
6. Ensure that you (other than Anchor Investors) have mentioned the correct ASBA Account number and such ASBA account belongs to you and no one else if you are not an RIB bidding using the UPI Mechanism in the Application Form (with maximum length of 45 characters) and if you are an RIB using the UPI Mechanism ensure that you have mentioned the correct UPI ID in the Application Form;
7. Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries. Ensure that you use only your own bank account linked UPI ID (only for Retail Individual Investors using the UPI Mechanism) to make an application in the Offer. Retail Individual Investors using the UPI Mechanism shall ensure that the bank with which they have their bank account where the funds equivalent to the Application Amount are available for blocking, is UPI 2.0 certified by NPCI;
8. If the first applicant is not the bank account holder, ensure that the Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Application Form (for all Applicants other than Retail Individual Investors, bidding using the UPI Mechanism);
9. All Applicants should submit their Applications through the ASBA process only;
10. Ensure that the signature of the First Applicant in case of joint Applications, is included in the Application Forms;
11. Retail Individual Investors submitting an Application Form using the UPI Mechanism, should ensure that: (a) the bank where the bank account linked to their UPI ID is maintained; and (b) the Mobile App and UPI handle being used for making the Application is listed on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in);
12. Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Applications, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names;
13. Ensure that you request for and receive a stamped acknowledgement of your Application;
14. Retail Individual Investors using the UPI mechanism should ensure that the correct UPI ID (with maximum length of 45 characters including the handle) is mentioned in the Application Form;
15. Instruct your respective banks to release the funds blocked in accordance with the ASBA process;
16. Submit revised Applications to the same Designated Intermediary, through whom the original Application was placed and obtain a revised acknowledgment;
17. Except for Applications (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining / specifying their PAN for transacting in the securities market including without limitation, multilateral/ bilateral institutions, and (iii) Applications by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Applicants should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

18. Ensure that the Demographic Details are updated, true and correct in all respects;
19. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
20. Ensure that the correct investor category and the investor status is indicated in the Application Form;
21. Ensure that in case of Applications under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
22. Ensure that Applications submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
23. Ensure that you use only your own bank account linked UPI ID (only for Retail Individual Investors using the UPI Mechanism) to make an application in the Offer;
24. Applicants should note that in case the DP ID, Client ID and the PAN mentioned in their Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Applications are liable to be rejected. Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;
25. Applicants, other than Retail Individual Investors using the UPI Mechanism, shall ensure that they have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the Application Form to the relevant Designated Intermediaries;
26. Ensure that the depository account is active, the correct DP ID, Client ID and the PAN are mentioned in their Application Form and that the name of the Applicant, the DP ID, Client ID and the PAN entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID and PAN available in the Depository database;
27. In case of ASBA Applicants (other than Retail Individual Investors using UPI Mechanism), ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>);
28. Once the Sponsor Bank Issues the UPI Mandate Request, the Retail Individual Investors would be required to proceed to authorise the blocking of funds by confirming or accepting the UPI Mandate Request;
29. Ensure that you have correctly signed the authorisation/undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB or the Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form at the time of submission of the Application;
30. Retail Individual Investors who wish to revise their applications using the UPI Mechanism, should submit the revised Application with the Designated Intermediaries, pursuant to which Retail Individual Investors should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorise blocking of funds equivalent to the revised Application Amount in the Retail Individual Investors ASBA Account.
31. Retail Individual Investors using the UPI Mechanism shall ensure that details of the Application are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, a Retail Individual Investor shall be deemed to have verified the attachment containing the application details of the Retail Individual Investor in the UPI Mandate Request and have agreed to block the entire Application Amount and authorized the Sponsor Bank to block the Application Amount specified in the Application Form;
32. Retail Individual Investors applied using the UPI Mechanism should mention valid UPI ID of only the applicant (in case of single account) and of the first applicant (in case of joint account) in the Application Form;

33. Retail Individual Investors using the UPI Mechanism who have revised their applications subsequent to making the initial Application should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorize blocking of funds equivalent to the revised Application Amount and subsequent debit of funds in case of Allotment in a timely manner;
34. Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;
35. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form;
36. Retail Individual Investors shall ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Offer Closing Date.
37. The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Don'ts:**

1. Do not apply for lower than the minimum Application size;
2. Do not apply at a Price different from the Price mentioned herein or in the Application Form;
3. Do not apply by another Application Form after submission of Application to the Designated Intermediary.
4. Do not pay the Application Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest or any mode other than blocked amounts in the bank account maintained with SCSB;
5. Do not send Application Forms by post; instead submit the same to the Designated Intermediary only;
6. Do not submit the Application Forms to any non-SCSB bank or our Company;
7. Do not apply on a physical Application Form that does not have the stamp of the relevant Designated Intermediary;
8. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
9. Do not submit more than one Application Forms per ASBA Account;
10. Do not submit the Application Forms to any Designated Intermediary that is not authorised to collect the relevant Application Forms or to our Company;
11. Do not apply for an Application Amount exceeding Rs. 200,000 (for Applications by Retail Individual Investors);
12. Do not fill up the Application Form such that the Equity Shares applied for exceeds the Offer size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of this Draft Prospectus;
13. Do not submit the General Index Register number instead of the PAN;
14. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
15. Do not submit the Application without ensuring that funds equivalent to the entire Application Amount are blocked in the relevant ASBA Account;
16. If you are a Retail Individual Investor and are using UPI Mechanism, do not submit more than one Application Form for each UPI ID;
17. If you are a Retail Individual Investor and are using UPI Mechanism, do not make the ASBA application using third party bank account or using third party linked bank account UPI ID;
18. Do not submit Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;

19. Do not submit an application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
20. Do not apply if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
21. Do not withdraw your application or lower the size of your application (in terms of quantity of the Equity Shares or the Application Amount) at any stage, if you are a QIB or a Non-Institutional Investor. Retail Individual Investors can revise their applications during the Offer Period and withdraw their Applicants on or before the Offer Closing Date;
22. Do not apply for shares more than specified by respective Stock Exchanges for each category;
23. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Applications submitted by Retail Individual Investor using the UPI mechanism;
24. Do not submit incorrect UPI ID details, if you are a Retail Individual Investors applying through UPI Mechanism;
25. If you are a Non-Institutional Investor or Retail Individual Investor, do not submit your application after 3.00 p.m. on the Offer Closing Date;
26. Do not apply if you are an OCB.

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

#### **GROUND FOR TECHNICAL REJECTIONS**

In addition to the grounds for rejection of Application on technical grounds as provided in the “*General Information Document*” Applicants are requested to note that Applications may be rejected on the following additional technical grounds.

1. Applications submitted without instruction to the SCSBs to block the entire Application Amount;
2. Applications submitted by Applicants which do not contain details of the Application Amount and the bank account details / UPI ID in the Application Form;
3. Applications submitted on a plain paper;
4. Applications submitted by Retail Individual Investors using the UPI Mechanism through an SCSB and/or using a Mobile App or UPI handle, not listed on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>;
5. Applications submitted by Retail Individual Investors using third party bank accounts or using a third party linked bank account UPI ID;
6. Applications by HUFs not mentioned correctly as given in the sub-section “Who can Apply?” on page 167 of this Draft Prospectus;
7. Application Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
8. Application submitted without the signature of the First Applicant or sole Applicants;
9. Applications by person for whom PAN details have not been verified and whose beneficiary accounts are ‘suspended for credit’ in terms of SEBI circular (reference number: CIR/MRD/DP/ 22 /2010) dated July 29, 2010;
10. GIR number furnished instead of PAN;
11. Application by Retail Individual Investors with Application Amount for a value of more than Rs. 200,000;
12. Applications by person who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;

13. Applications by Applicants (who are not Anchor Investors) accompanied by cheques or demand drafts;
14. Applications accompanied by stock invest, money order, postal order or cash;
15. Application by OCB.

For further details of grounds for technical rejections of Application Form, please refer to the General Information Document and UPI Circulars.

For details of instruction in relation to the Application Form, please refer to the General Information Document and UPI Circulars.

## **INVESTOR GRIEVANCE**

In case of any pre- Offer or post- Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, please refer to the chapter titled “*General Information*” on page 43 of this Draft Prospectus.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Offer Closing Date, the Applicant shall be compensated at a uniform rate of ₹100/- per day for the entire duration of delay exceeding four Working Days from the Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The LM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

## **IMPERSONATION**

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

*“Any person who:*

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least Rs 1 million or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than Rs 1 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to Rs 5 million or with both.

## **DEPOSITORY ARRANGEMENTS**

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed among our Company, the respective Depositories and the Registrar to the Offer:

1. Agreement dated [●] among NSDL, our Company and the Registrar to the Offer.
2. Agreement dated [●] among CDSL, our Company and Registrar to the Offer.

## **UNDERTAKINGS BY OUR COMPANY**

Our Company undertakes the following:

1. the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;

2. all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six working days of the Offer Closing Date or within such other time period prescribed by SEBI will be taken;
3. the funds required for making refunds/unblocking (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
4. if Allotment is not made within six working days from the Offer Closing Date or such other prescribed timelines under applicable laws, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable laws. If there is a delay beyond such prescribed time, our Company shall pay interest prescribed under the Companies Act, the SEBI ICDR Regulations and other applicable laws for the delayed period;
5. where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within time prescribed under applicable laws, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
6. that if our Company do not proceed with the Offer after the Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Offer Closing Date. The public notice shall be issued in the same newspapers where the pre- Offer advertisements were published. The Stock Exchanges shall be informed promptly;
7. that if our Company withdraw the Offer after the Offer Closing Date, our Company shall be required to file a fresh offer document with SEBI, in the event our Company or subsequently decide to proceed with the Offer;
8. adequate arrangements shall be made to collect all Application Forms from Applicants.
9. the Promoters' contribution in full, wherever required, shall be brought in advance before the Offer opens for public subscription and the balance, if any, shall be brought on a pro rata basis before the calls are made on public.

#### **UTILISATION OF NET PROCEEDS**

Our Board certifies that:

1. all monies received out of the Fresh offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub-Section (3) of Section 40 of the Companies Act, 2013;
2. details of all monies utilised out of the Fresh offer shall be disclosed, and continue to be disclosed till the time any part of the Fresh offer proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;
3. details of all unutilised monies out of the Fresh offer, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested.
4. the utilisation of monies received under the Promoters' contribution shall be disclosed, and continue to be disclosed till the time any part of the Offer Proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
5. the details of all unutilised monies out of the funds received under the Promoters' contribution shall be disclosed under a separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The DPIIT issued, issued the Consolidated FDI Policy Circular of 2020 (“FDI Policy”), which, with effect from October 15, 2020, subsumes and supersedes all press notes, press releases, clarifications, circulars issued by the DPIIT, which were in force as on October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that: (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the SEBI SAST Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

On October 17, 2019, Ministry of Finance, Department of Economic Affairs, had notified the FEMA Rules, which had replaced the Foreign Exchange Management (Transfer and Issue of Security by a Person Resident Outside India) Regulations 2017. Foreign investment in this Offer shall be on the basis of the FEMA Rules. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Nondebt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020 issued on December 8, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India.

As per the FDI policy, FDI in companies engaged in the retail trading sector, which is the sector in which our Company operates, is permitted up to 100% of the paid-up share capital of such company under the automatic route.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer. For further details, see “*Offer Procedure*” on page 175 of this Prospectus. Each Applicant should seek independent legal advice about its ability to participate in the offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Applicant shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the Offer Period.

**The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws of the United States. Accordingly, the Equity Shares are only being offered and sold only outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions 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.**

The above information is given for the benefit of the Applicants. Our Company, Selling Shareholders and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations, seek independent legal advice about its ability to participate in the offer and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

**SECTION X – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION**

**COMPANIES ACT, 2013  
(COMPANY LIMITED BY SHARES)  
ARTICLES OF ASSOCIATION  
OF  
SKP BEARING INDUSTRIES LIMITED  
(COMPANY LIMITED BY SHARES)**

<b>Sr. No</b>	<b>Particulars</b>	
1.	No regulation contained in Table “F” in the First Schedule to Companies Act, 2013 shall apply to this Company but the regulations for the Management of the Company and for the observance of the Members thereof and their representatives shall be as set out in the relevant provisions of the Companies Act, 2013 and subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to its regulations by Special Resolution as prescribed by the said Companies Act, 2013 be such as are contained in these Articles unless the same are repugnant or contrary to the provisions of the Companies Act, 2013 or any amendment thereto.	<b>Table F Not Applicable.</b>
	<b>INTERPRETATION CLAUSE</b>	
2.	In the interpretation of these Articles the following expressions shall have the following meanings unless repugnant to the subject or context:	
	(a) "The Act" means the Companies Act, 2013 and includes any statutory modification or re-enactment thereof for the time being in force.	<b>Act</b>
	(b) "These Articles" means Articles of Association for the time being in force or as may be altered from time to time vide Special Resolution.	<b>Articles</b>
	(c) "Auditors" means and includes those persons appointed as such for the time being of the Company.	<b>Auditors</b>
	(d) "Capital" means the share capital for the time being raised or authorized to be raised for the purpose of the Company.	<b>Capital</b>
	(e) *"The Company" shall mean SKP Bearing Industries Limited	
	(f) "Executor" or "Administrator" means a person who has obtained a probate or letter of administration, as the case may be from a Court of competent jurisdiction and shall include a holder of a Succession Certificate authorizing the holder thereof to negotiate or transfer the Share or Shares of the deceased Member and shall also include the holder of a Certificate granted by the Administrator General under section 31 of the Administrator General Act, 1963.	<b>Executor or Administrator</b>
	(g) "Legal Representative" means a person who in law represents the estate of a deceased Member.	<b>Legal Representative</b>
	(h) Words importing the masculine gender also include the feminine gender.	<b>Gender</b>
	(i) "In Writing" and "Written" includes printing lithography and other modes of representing or reproducing words in a visible form.	<b>In Writing and Written</b>
	(j) The marginal notes hereto shall not affect the construction thereof.	<b>Marginal notes</b>
	(k) "Meeting" or "General Meeting" means a meeting of members.	<b>Meeting or General Meeting</b>
	(l) "Month" means a calendar month.	<b>Month</b>
	(m) "Annual General Meeting" means a General Meeting of the Members held in accordance with the provision of section 96 of the Act.	<b>Annual General Meeting</b>
	(n) "Extra-Ordinary General Meeting" means an Extraordinary General Meeting of the Members duly called and constituted and any adjourned holding thereof.	<b>Extra-Ordinary General Meeting</b>

<b>Sr. No</b>	<b>Particulars</b>	
	(o) "National Holiday" means and includes a day declared as National Holiday by the Central Government.	<b>National Holiday</b>
	(p) "Non-retiring Directors" means a director not subject to retirement by rotation.	<b>Non-retiring Directors</b>
	(q) "Office" means the registered Office for the time being of the Company.	<b>Office</b>
	(r) "Ordinary Resolution" and "Special Resolution" shall have the meanings assigned thereto by Section 114 of the Act.	<b>Ordinary and Special Resolution</b>
	(s) "Person" shall be deemed to include corporations and firms as well as individuals.	<b>Person</b>
	(t) "Proxy" means an instrument whereby any person is authorized to vote for a member at General Meeting or Poll and includes attorney duly constituted under the power of attorney.	<b>Proxy</b>
	(u) "The Register of Members" means the Register of Members to be kept pursuant to Section 88(1) (a) of the Act.	<b>Register of Members</b>
	(v) "Seal" means the common seal for the time being of the Company.	<b>Seal</b>
	(w) "Special Resolution" shall have the meanings assigned to it by Section 114 of the Act.	<b>Special Resolution</b>
	(x) Words importing the Singular number include where the context admits or requires the plural number and vice versa.	<b>Singular number</b>
	(y) "The Statutes" means the Companies Act, 2013 and every other Act for the time being in force affecting the Company.	<b>Statutes</b>
	(z) "These presents" means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time.	<b>These presents</b>
	(aa) "Variation" shall include abrogation; and "vary" shall include abrogate.	<b>Variation</b>
	(bb) "Year" means the calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2(41) of the Act.	<b>Year and Financial Year</b>
	Save as aforesaid any words and expressions contained in these Articles shall bear the same meanings as in the Act or any statutory modifications thereof for the time being in force.	<b>Expressions in the Act to bear the same meaning in Articles</b>
	<b>CAPITAL</b>	
<b>3.</b>	a) The Authorized Share Capital of the Company shall be such amount as may be mentioned in Clause V of Memorandum of Association of the Company from time to time.	<b>Authorized Capital.</b>
	b) The minimum paid up Share capital of the Company shall be Rs.5,00,000/- or such other higher sum as may be prescribed in the Act from time to time.	
<b>4.</b>	The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Act.	<b>Increase of capital by the Company how carried into effect</b>
<b>5.</b>	Except so far as otherwise provided by the conditions of issue or by these Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.	<b>New Capital same as existing capital</b>

Sr. No	Particulars	
6.	The Board shall have the power to issue a part of authorized capital by way of non-voting Shares at price(s) premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.	<b>Non Voting Shares</b>
7.	Subject to the provisions of the Act and these Articles, the Board of Directors may issue redeemable preference shares to such persons, on such terms and conditions and at such times as Directors think fit either at premium or at par, and with full power to give any person the option to call for or be allotted shares of the company either at premium or at par, such option being exercisable at such times and for such consideration as the Board thinks fit.	<b>Redeemable Preference Shares</b>
8.	The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares.	<b>Voting rights of preference shares</b>
9.	<p>On the issue of redeemable preference shares under the provisions of Article 7 hereof, the following provisions shall take effect:</p> <p>(a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption;</p> <p>(b) No such Shares shall be redeemed unless they are fully paid;</p> <p>(c) Subject to section 55(2)(d)(i) the premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed;</p> <p>(d) Where any such Shares are redeemed otherwise then out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 55 of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company; and</p> <p>(e) Subject to the provisions of Section 55 of the Act, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit. The reduction of Preference Shares under the provisions by the Company shall not be taken as reducing the amount of its Authorized Share Capital</p>	<b>Provisions to apply on issue of Redeemable Preference Shares</b>
10.	<p>The Company may (subject to the provisions of sections 52, 55, 56, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce</p> <p>(a) the share capital;</p> <p>(b) any capital redemption reserve account; or</p> <p>(c) any security premium account</p> <p>In any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.</p>	<b>Reduction of capital</b>
11.	Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.	<b>Debentures</b>

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12.	The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in that sections and rules framed thereunder.	<b>Issue of Sweat Equity Shares</b>
13.	The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorized by a Special Resolution of the Company in general meeting subject to the provisions of the Act, the Rules and applicable guidelines made there under, by whatever name called.	<b>ESOP</b>
14.	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.	<b>Buy Back of shares</b>
15.	Subject to the provisions of Section 61of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate all or any of the share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; subject nevertheless, to the provisions of clause (d) of sub-section (1) of Section 61; Subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.	<b>Consolidation, Sub-Division And Cancellation</b>
16.	Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue depository receipts in any foreign country.	<b>Issue of Depository Receipts</b>
17.	Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed thereunder.	<b>Issue of Securities</b>
<b>MODIFICATION OF CLASS RIGHTS</b>		
18.	(a) If at any time the share capital, by reason of the issue of Preference Shares or otherwise is divided into different classes of shares, all or any of the rights privileges attached to any class (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 48 of the Act and whether or not the Company is being wound-up, be varied, modified or dealt, with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate class of meeting. Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this section shall apply to such variation.	<b>Modification of rights</b>
	(b) The rights conferred upon the holders of the Shares including Preference Share, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking pari passu therewith.	<b>New Issue of Shares not to affect rights attached to existing shares of that class.</b>
19.	Subject to the provisions of Section 62 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person	<b>Shares at the disposal of the Directors.</b>

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	or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.	
20.	The Company may issue shares or other securities in any manner whatsoever including by way of a preferential offer, to any persons whether or not those persons include the persons referred to in clause (a) or clause (b) of sub-section (1) of section 62 subject to compliance with section 42 and 62 of the Act and rules framed thereunder.	<b>Power to issue shares on preferential basis.</b>
21.	The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.	<b>Shares should be Numbered progressively and no share to be subdivided.</b>
22.	An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purposes of these Articles, be a Member.	<b>Acceptance of Shares.</b>
23.	Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property (including goodwill of any business) sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares as aforesaid.	<b>Directors may allot shares as full paid-up</b>
24.	The money (if any) which the Board shall on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them shall become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him, accordingly.	<b>Deposit and call etc.to be a debt payable immediately.</b>
25.	Every Member, or his heirs, executors, administrators, or legal representatives, shall pay to the Company the portion of the Capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require on date fixed for the payment thereof.	<b>Liability of Members.</b>
26.	Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind.	<b>Registration of Shares.</b>
<b>RETURN ON ALLOTMENTS TO BE MADE OR RESTRICTIONS ON ALLOTMENT</b>		
27.	The Board shall observe the restrictions as regards allotment of shares to the public, and as regards return on allotments contained in Sections 39 of the Act	
<b>CERTIFICATES</b>		
28.	(a) Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as provided in the relevant laws) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of	<b>Share Certificates.</b>

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	<p>application for registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holder. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue.</p> <p>(b) Any two or more joint allottees of shares shall, for the purpose of this Article, be treated as a single member, and the certificate of any shares which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupees Fifty. The Company shall comply with the provisions of Section 39 of the Act.</p> <p>(c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.</p>	
29.	<p>If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.50/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.</p> <p>Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, or any other Act, or rules applicable in this behalf.</p> <p>The provisions of this Article shall mutatis mutandis apply to debentures of the Company.</p>	<p><b>Issue of new certificates in place of those defaced, lost or destroyed.</b></p>

<b>Sr. No</b>	<b>Particulars</b>	
<b>30.</b>	(a) If any share stands in the names of two or more persons, the person first named in the Register shall as regard receipts of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings, and the transfer of the shares, be deemed sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to the Company's regulations.	<b>The first named joint holder deemed Sole holder.</b>
	(b) The Company shall not be bound to register more than three persons as the joint holders of any share.	<b>Maximum number of joint holders.</b>
<b>31.</b>	Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof but the Board shall be at liberty at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.	<b>Company not bound to recognise any interest in share other than that of registered holders.</b>
<b>32.</b>	If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by installment, every such installment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.	<b>Installment on shares to be duly paid.</b>
	<b>UNDERWRITING AND BROKERAGE</b>	
<b>33.</b>	Subject to the provisions of Section 40 (6) of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing, to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares or debentures in the Company but so that the commission shall not exceed the maximum rates laid down by the Act and the rules made in that regard. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.	<b>Commission</b>
<b>34.</b>	The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful.	<b>Brokerage</b>
	<b>CALLS</b>	
<b>35.</b>	(1) The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board and not by a circular resolution, make such calls as it thinks fit, upon the Members in respect of all the moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board. (2) A call may be revoked or postponed at the discretion of the Board. (3) A call may be made payable by installments.	<b>Directors may make calls</b>
<b>36.</b>	Fifteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.	<b>Notice of Calls</b>
<b>37.</b>	A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as may be fixed by Directors.	<b>Calls to date from resolution.</b>
<b>38.</b>	Whenever any calls for further share capital are made on shares, such calls shall be made on uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal	<b>Calls on uniform basis.</b>

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	value of which different amounts have been paid up shall not be deemed to fall under the same class.	
39.	The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the members who on account of the residence at a distance or other cause, which the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.	<b>Directors may extend time.</b>
40.	If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 21% per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.	<b>Calls to carry interest.</b>
41.	If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.	<b>Sums deemed to be calls.</b>
42.	On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered is alleged to have become due on the share in respect of which such money is sought to be recovered in the Minute Books: and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles: and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.	<b>Proof on trial of suit for money due on shares.</b>
43.	Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.	<b>Judgment, decree, partial payment motto proceed for forfeiture.</b>
44.	(a) The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing: provided that moneys paid in advance of calls on shares may carry interest but shall not confer a right to dividend or to participate in profits.	<b>Payments in Anticipation of calls may carry interest</b>

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	(b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable. The provisions of this Article shall mutatis mutandis apply to calls on debentures issued by the Company.	
	<b>LIEN</b>	
45.	The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.	<b>Company to have Lien on shares.</b>
46.	For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfillment of discharge of such debts, liabilities or engagements for seven days after such notice. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof and purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as the Certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new Certificate or Certificates in lieu thereof to the purchaser or purchasers concerned.	<b>As to enforcing lien by sale.</b>
47.	The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.	<b>Application of proceeds of sale.</b>
	<b>FORFEITURE AND SURRENDER OF SHARES</b>	
48.	If any Member fails to pay the whole or any part of any call or installment or any moneys due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or installment or any part thereof or other moneys as aforesaid remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or installment of such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been accrued by the Company by reason of such non-payment. Provided that no such shares shall be forfeited if any moneys shall remain unpaid in respect of any call or installment or any part thereof as aforesaid by reason of the delay occasioned in payment due to the necessity of complying with the provisions contained in the relevant exchange control laws or other applicable laws of India, for the time being in force.	<b>If call or installment not paid, notice maybe given.</b>

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49.	<p>The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or installment and such interest thereon as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid.</p> <p>The notice shall also state that, in the event of the non-payment at or before the time and at the place or places appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.</p>	<b>Terms of notice.</b>
50.	<p>If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter but before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.</p>	<b>On default of payment, shares to be forfeited.</b>
51.	<p>When any shares have been forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof shall forthwith be made in the Register of Members.</p>	<b>Notice of forfeiture to a Member</b>
52.	<p>Any shares so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board in their absolute discretion shall think fit.</p>	<b>Forfeited shares to be property of the Company and may be sold etc.</b>
53.	<p>Any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture, but shall not be under any obligation to do so.</p>	<b>Members still liable to pay money owing at time of forfeiture and interest.</b>
54.	<p>The forfeiture shares shall involve extinction at the time of the forfeiture, of all interest in all claims and demand against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.</p>	<b>Effect of forfeiture.</b>
55.	<p>A declaration in writing that the declarant is a Director or Secretary of the Company and that shares in the Company have been duly forfeited in accordance with these articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.</p>	<b>Evidence of Forfeiture.</b>
56.	<p>The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration: if any, nor shall his title to the share be affected by any irregularly or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the shares.</p>	<b>Title of purchaser and allottee of Forfeited shares.</b>
57.	<p>Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.</p>	<b>Cancellation of share certificate in respect of forfeited shares.</b>

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58.	In the meantime and until any share so forfeited shall be sold, re-allotted, or otherwise dealt with as aforesaid, the forfeiture thereof may, at the discretion and by a resolution of the Directors, be remitted as a matter of grace and favour, and not as was owing thereon to the Company at the time of forfeiture being declared with interest for the same unto the time of the actual payment thereof if the Directors shall think fit to receive the same, or on any other terms which the Director may deem reasonable.	<b>Forfeiture may be remitted.</b>
59.	Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.	<b>Validity of sale</b>
60.	The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit.	<b>Surrender of shares.</b>
<b>TRANSFER AND TRANSMISSION OF SHARES</b>		
61.	(a) Subject to provisions of Article 82, the instrument of transfer of any share in or debenture of the Company shall be executed by or on behalf of both the transferor and transferee. (b) The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect thereof.	<b>Execution of the instrument of shares.</b>
62.	Subject to provisions of Article 82, the instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 and statutory modification thereof including other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debenture and registration thereof. The instrument of transfer shall be in a common form approved by the Exchange;	<b>Transfer Form.</b>
63.	The Company shall not register a transfer in the Company other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository and shares under transfer are in dematerialized form and a proper instrument of transfer is delivered through depository participant. provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.	<b>Transfer not to be registered except in dematerialized form and on production of instrument of transfer.</b>
64.	Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, decline to register— (a) any transfer of shares on which the company has a lien. That registration of transfer shall however 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;	<b>Directors may refuse to register transfer.</b>
65.	If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and there upon the provisions of Section 56 of the Act or any statutory modification thereof for the time being in force shall apply.	<b>Notice of refusal to be given to transferor and transferee.</b>

Sr. No	Particulars	
66.	No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and letter of administration, Certificate of Death or Marriage, Power of Attorney or similar other document with the Company.	<b>No fee on transfer.</b>
67.	The Board of Directors shall have power on giving not less than seven days previous notice in accordance with section 91 and rules made thereunder close the Register of Members and/or the Register of debentures holders and/or other security holders at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.	<b>Closure of Register of Members or debenture holder or other security holders.</b>
68.	The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine.	<b>Custody of transfer Deeds.</b>
69.	Where an application of transfer relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.	<b>Application for transfer of partly paid shares.</b>
70.	For this purpose the notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post/speed post/ courier to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.	<b>Notice to transferee.</b>
71.	<p>(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 person recognized by the Company as having any title to his interest in the shares.</p> <p>(b) Before recognising any executor or administrator or legal representative, the Board may require him to obtain a Grant of Probate or Letters Administration or other legal representation as the case may be, from some competent court in India.</p> <p>Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of Probate or letter of Administration or such other legal representation upon such terms as to indemnity or otherwise, as the Board in its absolute discretion, may consider adequate</p> <p>(c) Nothing in clause (a) above shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p>	<b>Recognition of legal representative.</b>
72.	The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing	<b>Titles of Shares of deceased Member</b>

Sr. No	Particulars	
	in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 72 of the Companies Act.	
73.	Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.	<b>Notice of application when to be given</b>
74.	Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy, insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of this title as the Director shall require either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as Member in respect of such shares; provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance so he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the 'Transmission Clause'.	<b>Registration of persons entitled to share otherwise than by transfer (transmission clause).</b>
75.	Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse or suspend register a person entitled by the transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.	<b>Refusal to register nominee.</b>
76.	Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.	<b>Board may require evidence of transmission.</b>
77.	The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made, or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register or Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to them of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.	<b>Company not liable for disregard of a notice prohibiting registration of transfer.</b>
78.	In the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognized by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed in Form no. SH-4 hereof as circumstances permit.	<b>Form of transfer Outside India.</b>
79.	No transfer shall be made to any minor, insolvent or person of unsound mind.	<b>No transfer to insolvent etc.</b>
	<b>NOMINATION</b>	
80.	i) Notwithstanding anything contained in the articles, every holder of securities of the Company may, at any time, nominate a person in whom his/her securities shall vest in the event of his/her death and the	<b>Nomination</b>

Sr. No	Particulars	
	<p>provisions of Section 72 of the Companies Act, 2013 shall apply in respect of such nomination.</p> <p>ii) No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the securities of the Company in the manner specified under Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014</p> <p>iii) The Company shall not be in any way responsible for transferring the securities consequent upon such nomination.</p> <p>iv) If the holder(s) of the securities survive(s) nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.</p>	
81.	<p>A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-</p> <p>(i) to be registered himself as holder of the security, as the case may be; or</p> <p>(ii) to make such transfer of the security, as the case may be, as the deceased security holder, could have made;</p> <p>(iii) if the nominee elects to be registered as holder of the security, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased security holder as the case may be;</p> <p>(iv) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the security except that he shall not, before being registered as a member in respect of his security, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.</p> <p>Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with.</p>	<b>Transmission of Securities by nominee</b>
	<b>DEMATERIALIZATION OF SHARES</b>	
82.	<p>Subject to the provisions of the Act and Rules made thereunder the Company will offer its members facility to hold securities issued by it in dematerialized form.</p> <p>All the fresh securities to be issued by the company will be in dematerialized form.</p> <p>Any person seeking transfer of shares, shall first get his / her shares dematerialized before execution of instrument of transfer.</p>	<b>Dematerialisation of Securities</b>
	<b>JOINT HOLDER</b>	
83.	<p>Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint Shareholders with benefits of survivorship subject to the following and other provisions contained in these Articles.</p>	<b>Joint Holders</b>
84.	<p>(a) The Joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.</p>	<b>Joint and several liabilities for all payments in respect of shares.</b>
	<p>(b) on the death of any such joint holders the survivor or survivors shall be the only person recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability of shares held by them jointly with any other person;</p>	<b>Title of survivors.</b>

Sr. No	Particulars	
	(c) Any one of two or more joint holders of a share may give effectual receipts of any dividends or other moneys payable in respect of share; and	<b>Receipts of one sufficient.</b>
	(d) only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive documents from the Company and any such document served on or sent to such person shall deemed to be service on all the holders.	<b>Delivery of certificate and giving of notices to first named holders.</b>
	<b>SHARE WARRANTS</b>	
85.	The Company may issue warrants subject to and in accordance with provisions of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence(if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.	<b>Power to issue share warrants</b>
86.	(a) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant. (b) Not more than one person shall be recognized as depositor of the Share warrant. (c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor.	<b>Deposit of share warrants</b>
87.	(a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company. (b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant, and he shall be a Member of the Company.	<b>Privileges and disabilities of the holders of share warrant</b>
88.	The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.	<b>Issue of new share warrant coupons</b>
	<b>CONVERSION OF SHARES INTO STOCK</b>	
89.	The Company may, by ordinary resolution in General Meeting. a) convert any fully paid-up shares into stock; and b) re-convert any stock into fully paid-up shares of any denomination.	<b>Conversion of shares into stock or reconversion.</b>
90.	The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulation under which the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit, provided that, the Board may, from time to time, fix the minimum amount of stock transferable so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose.	<b>Transfer of stock.</b>
91.	The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company, and other matters, as if they hold the shares for which the stock arose but no such privilege or advantage shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.	<b>Rights of stockholders.</b>

Sr. No	Particulars	
92.	Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid up share shall apply to stock and the words “share” and “shareholders” in those regulations shall include “stock” and “stockholders” respectively.	<b>Regulations.</b>
<b>BORROWING POWERS</b>		
93.	Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits, loans, overdrafts, cash credit or by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, any body corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specified purpose.	<b>Power to borrow.</b>
94.	Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, allotment of shares, appointment of Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.	<b>Issue of discount etc. or with special privileges.</b>
95.	The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage, charter, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or company of any obligation undertaken by the Company or any person or Company as the case may be.	<b>Securing payment or repayment of Moneys borrowed.</b>
96.	Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider to be for the benefit of the Company.	<b>Bonds, Debentures etc. to be under the control of the Directors.</b>
97.	If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.	<b>Mortgage of uncalled Capital.</b>
98.	Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surety for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.	<b>Indemnity may be given.</b>

<b>Sr. No</b>	<b>Particulars</b>	
	<b>MEETINGS OF MEMBERS</b>	
<b>99.</b>	All the General Meetings of the Company other than Annual General Meetings shall be called Extra-ordinary General Meetings.	<b>Distinction between AGM &amp; EGM.</b>
<b>100.</b>	(a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of requisition of Members made in compliance with Section 100 of the Act, forthwith proceed to convene Extra-Ordinary General Meeting of the members	<b>Extra-Ordinary General Meeting by Board and by requisition</b>
	(b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.	<b>When a Director or any two Members may call an Extra Ordinary General Meeting</b>
<b>101.</b>	No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transfer any business which has not been mentioned in the notice or notices upon which it was convened.	<b>Meeting not to transact business not mentioned in notice.</b>
<b>102.</b>	The Chairman (if any) of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board of Directors, or if at any meeting he is not present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the chair, then the Members present shall elect another Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair then the Members present shall elect one of the members to be the Chairman of the meeting.	<b>Chairman of General Meeting</b>
<b>103.</b>	No business, except the election of a Chairman, shall be discussed at any General Meeting whilst the Chair is vacant.	<b>Business confined to election of Chairman whilst chair is vacant.</b>
<b>104.</b>	a) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place. b) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. c) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. d) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.	<b>Chairman with consent may adjourn meeting.</b>
<b>105.</b>	In the case of an equality of votes the Chairman shall both on a show of hands, on a poll (if any) and e-voting, have casting vote in addition to the vote or votes to which he may be entitled as a Member.	<b>Chairman's casting vote.</b>
<b>106.</b>	Any poll duly demanded on the election of Chairman of the meeting or any question of adjournment shall be taken at the meeting forthwith.	<b>In what case poll taken without adjournment.</b>
<b>107.</b>	The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.	<b>Demand for poll notto prevent transaction of other business.</b>
	<b>VOTES OF MEMBERS</b>	
<b>108.</b>	No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands, upon a poll or electronically, or be reckoned in a quorum in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised, any right or lien.	<b>Members in arrears not to vote.</b>

Sr. No	Particulars	
109.	Subject to the provision of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the company, every Member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and to vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company, Provided, however, if any preference shareholder is present at any meeting of the Company, save as provided in sub-section (2) of Section 47 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.	<b>Number of votes each member entitled.</b>
110.	On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.	<b>Casting of votes by a member entitled to more than one vote.</b>
111.	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, or a minor may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.	<b>Vote of member of unsound mind and of minor</b>
112.	Notwithstanding anything contained in the provisions of the Companies Act, 2013, and the Rules made there under, the Company may, and in the case of resolutions relating to such business as may be prescribed by such authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business/resolutions passed by means of postal ballot, instead of transacting the business in the General Meeting of the Company.	<b>Postal Ballot</b>
113.	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.	<b>E-Voting</b>
114.	<p>a) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. If more than one of the said persons remain present than the senior shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name share stands shall for the purpose of these Articles be deemed joints holders thereof.</p> <p>b) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</p>	<b>Votes of joint members.</b>
115.	Votes may be given either personally or by attorney or by proxy or in case of a company, by a representative duly Authorised as mentioned in Articles	<b>Votes may be given by proxy or by representative</b>
116.	A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditor of the Company (including being a holder of debentures) authorise such person by resolution of its Board of Directors, as it thinks fit, in accordance with the provisions of Section 113 of the Act to act as its representative at any Meeting of the members or creditors of the Company or debentures holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual member, creditor or holder of debentures of the Company.	<b>Representation of a body corporate.</b>
117.	(a) A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of	<b>Members paying money in advance.</b>

Sr. No	Particulars	
	the moneys paid until the same would, but for this payment, become presently payable.	
	(b) A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote was taken.	<b>Members not prohibited if share not held for any specified period.</b>
<b>118.</b>	Any person entitled under Article 73 (transmission clause) to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnify (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof.	<b>Votes in respect of shares of deceased or insolvent members.</b>
<b>119.</b>	No Member shall be entitled to vote on a show of hands unless such member is present personally or by attorney or is a body Corporate present by a representative duly Authorised under the provisions of the Act in which case such members, attorney or representative may vote on a show of hands as if he were a Member of the Company. In the case of a Body Corporate the production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such Body Corporate and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment.	<b>No votes by proxy on show of hands.</b>
<b>120.</b>	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.	<b>Appointment of a Proxy.</b>
<b>121.</b>	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.	<b>Form of proxy.</b>
<b>122.</b>	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation of the proxy or of any power of attorney which such proxy signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting or adjourned meeting at which the proxy is used.	<b>Validity of votes given by proxy notwithstanding death of a member.</b>
<b>123.</b>	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.	<b>Time for objections to votes.</b>
<b>124.</b>	Any such objection raised to the qualification of any voter in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.	<b>Chairperson of the Meeting to be the judge of validity of any vote.</b>
	<b>DIRECTORS</b>	
<b>125.</b>	Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors (including Debenture and Alternate Directors) shall not be less than three and not more than fifteen. Provided that a company may appoint more than fifteen directors after passing a special resolution	<b>Number of Directors</b>
<b>126.</b>	A Director of the Company shall not be bound to hold any Qualification Shares in the Company.	<b>Qualification shares.</b>
<b>127.</b>	(a) Subject to the provisions of the Companies Act, 2013 and notwithstanding anything to the contrary contained in these Articles, the Board may appoint any person as a director nominated by any	<b>Nominee Directors.</b>

Sr. No	Particulars	
	<p>institution in pursuance of the provisions of any law for the time being in force or of any agreement</p> <p>(b) The Nominee Director/s so appointed shall not be required to hold any qualification shares in the Company nor shall be liable to retire by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s so appointed. The said Nominee Director/s shall be entitled to the same rights and privileges including receiving of notices, copies of the minutes, sitting fees, etc. as any other Director of the Company is entitled.</p> <p>(c) If the Nominee Director/s is an officer of any of the financial institution the sitting fees in relation to such nominee Directors shall accrue to such financial institution and the same accordingly be paid by the Company to them. The Financial Institution shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board.</p> <p>(d) The Nominee Director/s shall, notwithstanding anything to the Contrary contained in these Articles, be at liberty to disclose any information obtained by him/them to the Financial Institution appointing him/them as such Director/s.</p>	
128.	The Board may appoint an Alternate Director to act for a Director (hereinafter called "The Original Director") during his absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of Office of the Original Director is determined before he so returns to India, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.	<b>Appointment of alternate Director.</b>
129.	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint any other person to be an Additional Director. Any such Additional Director shall hold office only upto the date of the next Annual General Meeting.	<b>Additional Director</b>
130.	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint a Director, if the office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course, who shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated by him.	<b>Directors power to fill casual vacancies.</b>
131.	Until otherwise determined by the Company in General Meeting, each Director other than the Managing/Whole-time Director (unless otherwise specifically provided for) shall be entitled to sitting fees not exceeding a sum prescribed in the Act (as may be amended from time to time) for attending meetings of the Board or Committees thereof.	<b>Sitting Fees.</b>
132.	The Board of Directors may subject to the limitations provided in the Act allow and pay to any Director who attends a meeting at a place other than his usual place of residence for the purpose of attending a meeting, such sum as the Board may consider fair, compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.	<b>Travelling expenses Incurred by Director on Company's business.</b>
	<b>PROCEEDING OF THE BOARD OF DIRECTORS</b>	
133.	<p>(a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit.</p> <p>(b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.</p>	<b>Meetings of Directors.</b>
134.	a) The Directors may from time to time elect from among their members a Chairperson of the Board and determine the period for which he is to hold office. If at any meeting of the Board, the	<b>Chairperson</b>

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	<p>Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of the Directors then present to preside at the meeting.</p> <p>b) Subject to Section 203 of the Act and rules made there under, one person can act as the Chairman as well as the Managing Director or Chief Executive Officer at the same time.</p>	
135.	Questions arising at any meeting of the Board of Directors shall be decided by a majority of votes and in the case of an equality of votes, the Chairman will have a second or casting vote.	<b>Questions at Board meeting how decided.</b>
136.	The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.	<b>Continuing directors may act notwithstanding any vacancy in the Board</b>
137.	Subject to the provisions of the Act, the Board may delegate any of their powers to a Committee consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such committee either wholly or in part and either as to person, or purposes, but every Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.	<b>Directors may appoint committee.</b>
138.	The Meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.	<b>Committee Meeting show to be governed.</b>
139.	<p>a) A committee may elect a Chairperson of its meetings.</p> <p>b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.</p>	<b>Chairperson of Committee Meetings</b>
140.	<p>a) A committee may meet and adjourn as it thinks fit.</p> <p>b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.</p>	<b>Meetings of the Committee</b>
141.	Subject to the provisions of the Act, all acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director.	<b>Acts of Board or Committee shall be valid notwithstanding defect in appointment.</b>
	<b>RETIREMENT AND ROTATION OF DIRECTORS</b>	
142.	Subject to the provisions of Section 161 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.	<b>Power to fill casual vacancy</b>
	<b>POWERS OF THE BOARD</b>	

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143.	The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as may be necessary, unless otherwise restricted by the Act, or by any other law or by the Memorandum or by the Articles required to be exercised by the Company in General Meeting. However no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.	<b>Powers of the Board</b>
144.	Without prejudice to the general powers conferred by the Articles and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the Articles, it is hereby, declared that the Directors shall have the following powers, that is to say	<b>Certain powers of the Board</b>
	(1) Subject to the provisions of the Act, to purchase or otherwise acquire any lands, buildings, machinery, premises, property, effects, assets, rights, creditors, royalties, business and goodwill of any person firm or company carrying on the business which this Company is authorised to carry on, in any part of India.	<b>To acquire any property , rights etc.</b>
	(2) Subject to the provisions of the Act to purchase, take on lease for any term or terms of years, or otherwise acquire any land or lands, with or without buildings and out-houses thereon, situate in any part of India, at such conditions as the Directors may think fit, and in any such purchase, lease or acquisition to accept such title as the Directors may believe, or may be advised to be reasonably satisfy.	<b>To take on Lease.</b>
	(3) To erect and construct, on the said land or lands, buildings, houses, warehouses and sheds and to alter, extend and improve the same, to let or lease the property of the company, in part or in whole for such rent and subject to such conditions, as may be thought advisable; to sell such portions of the land or buildings of the Company as may not be required for the company; to mortgage the whole or any portion of the property of the company for the purposes of the Company; to sell all or any portion of the machinery or stores belonging to the Company.	<b>To erect &amp; construct.</b>
	(4) At their discretion and subject to the provisions of the Act, the Directors may pay property rights or privileges acquired by, or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such share may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.	<b>To pay for property.</b>
	(5) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.	<b>To insure properties of the Company.</b>
	(6) To open accounts with any Bank or Bankers and to pay money into and draw money from any such account from time to time as the Directors may think fit.	<b>To open Bank accounts.</b>
	(7) To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge on all or any of the property of the Company including its whole or part of its	<b>To secure contracts by way of mortgage.</b>

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	undertaking as a going concern and its uncalled capital for the time being or in such manner as they think fit.	
	(8) To accept from any member, so far as may be permissible by law, a surrender of the shares or any part thereof, on such terms and conditions as shall be agreed upon.	<b>To accept surrender of shares.</b>
	(9) To appoint any person to accept and hold in trust, for the Company property belonging to the Company, or in which it is interested or for any other purposes and to execute and to do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.	<b>To appoint trustees for the Company.</b>
	(10) To institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its Officer, or otherwise concerning the affairs and also to compound and allow time for payment or satisfaction of any debts, due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian or Foreign law and either in India or abroad and observe and perform or challenge any award thereon.	<b>To conduct legal proceedings.</b>
	(11) To act on behalf of the Company in all matters relating to bankruptcy insolvency.	<b>Bankruptcy &amp; Insolvency</b>
	(12) To make and give receipts, release and give discharge for moneys payable to the Company and for the claims and demands of the Company.	<b>To issue receipts &amp; give discharge.</b>
	(13) Subject to the provisions of the Act, and these Articles to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such authority (not being the shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realise such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name.	<b>To invest and deal with money of the Company.</b>
	(14) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or as surety, for the benefit of the Company, such mortgage of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon;	<b>To give Security byway of indemnity.</b>
	(15) To determine from time to time persons who shall be entitled to sign on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose, whether by way of a resolution of the Board or by way of a power of attorney or otherwise.	<b>To determine signing powers.</b>
	(16) To give to any Director, Officer, or other persons employed by the Company, a commission on the profits of any particular business or transaction, or a share in the general profits of the company; and such commission or share of profits shall be treated as part of the working expenses of the Company.	<b>Commission or share in profits.</b>
	(17) To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company, or his widow, children, dependents, that may appear just or proper, whether such employee, his widow, children or dependents have or have not a legal claim on the Company.	<b>Bonus etc. to employees.</b>
	(18) To set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation funds or to insurance fund or to an export fund, or to a Reserve Fund, or Sinking Fund or any special fund to meet contingencies or repay debentures or debenture-stock or for equalizing dividends or for	<b>Transfer to Reserve Funds.</b>

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	<p>repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including the purpose referred to in the preceding clause) as the Board may, in the absolute discretion think conducive to the interests of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as may be required to be invested, upon such investments (other than shares of this Company) as they may think fit and from time to time deal with and vary such investments and dispose of and apply and extend all or any part thereof for the benefit of the Company notwithstanding the matters to which the Board apply or upon which the capital moneys of the Company might rightly be applied or expended and divide the reserve fund into such special funds as the Board may think fit; with full powers to transfer the whole or any portion of a reserve fund or division of a reserve fund to another fund and with the full power to employ the assets constituting all or any of the above funds, including the deprecation fund, in the business of the company or in the purchase or repayment of debentures or debenture-stocks and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with the power to the Board at their discretion to pay or allow to the credit of such funds, interest at such rate as the Board may think proper.</p>	
	<p>(19) To appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, labourers, clerks, agents and servants, for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and to fix their salaries or emoluments or remuneration and to require security in such instances and for such amounts they may think fit and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in the next following clauses shall be without prejudice to the general powers conferred by this clause.</p>	<p><b>To appoint and remove officers and other employees.</b></p>
	<p>(20) At any time and from time to time by power of attorney under the seal of the Company, to appoint any person or persons to be the Attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and such appointments may (if the Board think fit) be made in favour of the members or any of the members of any local Board established as aforesaid or in favour of any Company, or the shareholders, directors, nominees or manager of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of attorney may contain such powers for the protection or convenience for dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegated Attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.</p>	<p><b>To appoint Attorneys.</b></p>

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	(21) Subject to Sections 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.	<b>To enter into contracts.</b>
	(22) From time to time to make, vary and repeal rules for the regulations of the business of the Company its Officers and employees.	<b>To make rules.</b>
	(23) To effect, make and enter into on behalf of the Company all transactions, agreements and other contracts within the scope of the business of the Company.	<b>To effect contracts etc.</b>
	(24) To apply for, promote and obtain any act, charter, privilege, concession, license, authorization, if any, Government, State or municipality, provisional order or license of any authority for enabling the Company to carry any of this objects into effect, or for extending and any of the powers of the Company or for effecting any modification of the Company's constitution, or for any other purpose, which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests.	<b>To apply &amp; obtain concessions licenses etc.</b>
	(25) To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of Sections 40 of the Act and of the provisions contained in these presents.	<b>To pay commissions or interest.</b>
	(26) To redeem preference shares.	<b>To redeem preference shares.</b>
	(27) To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or subjects which shall have any moral or other claim to support or aid by the Company, either by reason of locality or operation or of public and general utility or otherwise.	<b>To assist charitable or benevolent institutions.</b>
	(28) To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company. (29) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 40 of the Act.	
	(30) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 181 of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise.	
	(31) To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how. (32) To sell from time to time any Articles, materials, machinery, plants, stores and other Articles and thing belonging to the	

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	<p>Company as the Board may think proper and to manufacture, prepare and sell waste and by-products.</p> <p>(33) From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient.</p> <p>(34) To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate.</p> <p>(35) To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.</p> <p>(36) To let, sell or otherwise dispose of subject to the provisions of Section 180 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.</p> <p>(37) Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid.</p> <p>(38) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.</p>	
	<b>MANAGING AND WHOLE-TIME DIRECTORS</b>	
145.	<p>a) Subject to the provisions of the Act and of these Articles, the Directors may from time to time in Board Meetings appoint one or more of their body to be a Managing Director or Managing Directors or whole-time Director or whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company, and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.</p> <p>b) The Managing Director or Managing Directors or whole-time Director or whole-time Directors so appointed shall be liable to retire by rotation. A Managing Director or Whole-time Director who is appointed as Director immediately on the retirement by rotation shall continue to hold his office as Managing Director or Whole-time Director and such re-appointment as such Director shall not be deemed to constitute a break in his appointment as Managing Director or Whole-time Director.</p>	<b>Powers to appoint Managing/Whole Time Directors.</b>
146.	The remuneration of a Managing Director or a Whole-time Director (subject to the provisions of the Act and of these Articles and of any contract between him and the Company) shall from time to time be fixed by the Directors, and may be, by way of fixed salary, or commission on profits of the Company, or by participation in any such profits, or by any, or all of these modes.	<b>Remuneration of Managing or Whole Time Director.</b>

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147.	<p>(1) Subject to control, direction and supervision of the Board of Directors, the day-to-day management of the company will be in the hands of the Managing Director or Whole-time Director appointed in accordance with regulations of these Articles of Association with powers to the Directors to distribute such day-to-day management functions among such Directors and in any manner as may be directed by the Board.</p> <p>(2) The Directors may from time to time entrust to and confer upon the Managing Director or Whole-time Director for the time being save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; and they may subject to the provisions of the Act and these Articles confer such powers, either collaterally with or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any such powers.</p> <p>(3) The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Wholetime Director or Wholetime Directors of the Company and may exercise all the powers referred to in these Articles.</p> <p>(4) The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.</p> <p>(5) Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.</p>	<p><b>Powers and duties of Managing Director or Whole-Time Director.</b></p>
	<p><b>CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER</b></p>	
148.	<p>a) Subject to the provisions of the Act,—</p> <p>i. A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;</p> <p>ii. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.</p> <p>b) A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.</p>	<p><b>Board to appoint Chief Executive Officer/ Manager/ Company Secretary/ Chief Financial Officer</b></p>
	<p><b>THE SEAL</b></p>	
149.	<p>(a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.</p>	<p><b>The seal, its custody and use.</b></p>

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	(b) The Company shall also be at liberty to have an Official Seal in accordance with of the Act, for use in any territory, district or place outside India.	
150.	The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.	<b>Deeds how executed.</b>
	<b>DIVIDEND AND RESERVES</b>	
151.	(1) 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. (2) 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. (3) 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.	<b>Division of profits.</b>
152.	The Company in General Meeting may declare dividends, to be paid to members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in general meeting.	<b>The company in General Meeting may declare Dividends.</b>
153.	a) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit. b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.	<b>Transfer to reserves</b>
154.	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.	<b>Interim Dividend.</b>
155.	The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.	<b>Debts may be deducted.</b>
156.	No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this articles as paid on the share.	<b>Capital paid up in advance not to earn dividend.</b>
157.	All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly.	<b>Dividends in proportion to amount paid-up.</b>
158.	The Board of Directors may retain the dividend payable upon shares in respect of which any person under Articles has become entitled to be a member, or any person under that Article is entitled to transfer,	<b>Retention of dividends until completion of transfer under Articles.</b>

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	until such person becomes a member, in respect of such shares or shall duly transfer the same.	
159.	No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however, either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend payable to any member all such sums of money so due from him to the Company.	<b>No Member to receive dividend whilst indebted to the company and the Company's right of reimbursement thereof.</b>
160.	A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.	<b>Effect of transfer of shares.</b>
161.	Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such share.	<b>Dividend to joint holders.</b>
162.	<p>a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.</p> <p>b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p>	<b>Dividends how remitted.</b>
163.	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.	<b>Notice of dividend.</b>
164.	No unclaimed dividend shall be forfeited before the claim becomes barred by law and no unpaid dividend shall bear interest as against the Company.	<b>No interest on Dividends.</b>
<b>CAPITALIZATION</b>		
165.	<p>(1) The Company in General Meeting may, upon the recommendation of the Board, resolve:</p> <p>(a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the Profit and Loss account, or otherwise available for distribution; and</p> <p>(b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p> <p>(2) The sums aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards:</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 specified in sub-clause (ii).</p> <p>(3) A Securities Premium Account and Capital Redemption Reserve Account may, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company and fully paid bonus shares.</p> <p>(4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.</p>	<b>Capitalization.</b>
166.	<p>(1) Whenever such a 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 capitalized thereby and all allotments and issues of fully paid shares, if any, and</p>	<b>Fractional Certificates.</b>

Sr. No	Particulars	
	<p>(b) generally to 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 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 capitalization, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions, of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares.</p> <p>(3) Any agreement made under such authority shall be effective and binding on all such members.</p> <p>(4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.</p>	
167.	<p>(1) The books containing the minutes of the proceedings of any General Meetings of the Company shall be open to inspection of members without charge on such days and during such business hours as may consistently with the provisions of Section 119 of the Act be determined by the Company in General Meeting and the members will also be entitled to be furnished with copies thereof on payment of regulated charges.</p> <p>(2) Any member of the Company shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to in sub-clause (1) hereof on payment of Rs. 10 per page or any part thereof.</p>	<b>Inspection of Minutes Books of General Meetings.</b>
168.	<p>a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.</p> <p>b) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.</p>	<b>Inspection of Accounts</b>
<b>FOREIGN REGISTER</b>		
169.	The Company may exercise the powers conferred on it by the provisions of the Act with regard to the keeping of Foreign Register of its Members or Debenture holders, and the Board may, subject to the provisions of the Act, make and vary such regulations as it may think fit in regard to the keeping of any such Registers.	<b>Foreign Register.</b>
<b>DOCUMENTS AND SERVICE OF NOTICES</b>		
170.	Any document or notice to be served or given by the Company be signed by a Director or such person duly authorised by the Board for such purpose and the signature may be written or printed or lithographed.	<b>Signing of documents &amp; notices to be served or given.</b>
171.	Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the company may be signed by a Director, the Manager, or Secretary or other Authorised Officer of the Company and need not be under the Common Seal of the Company.	<b>Authentication of documents and proceedings.</b>
<b>WINDING UP</b>		
172.	Subject to the provisions of Chapter XX of the Act and rules made thereunder—	

Sr. No	Particulars	
	<p>(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.</p> <p>(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.</p> <p>(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.</p>	
	<b>INDEMNITY</b>	
173.	<p>Subject to provisions of the Act, every Director, or Officer or Servant of the Company or any person (whether an Officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors to pay, out of the funds of the Company, all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Officer or Auditor or other officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favor, or in which he is acquitted or in connection with any application under Section 463 of the Act on which relief is granted to him by the Court.</p>	<b>Directors' and others right to indemnity.</b>
174.	<p>Subject to the provisions of the Act, no Director, Managing Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Directors or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.</p>	<b>Not responsible for acts of others</b>
	<b>SECRECY</b>	
175.	<p>(a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.</p>	<b>Secrecy</b>

Sr. No	Particulars	
	(b) No member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or to communicate.	<b>Access to property information etc.</b>

## SECTION XI – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Prospectus) which are or may be deemed material will be attached to the copy of the Prospectus which will be delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days (Monday to Friday) from the date of the Draft Prospectus until the Offer Closing Date.

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time, if so required, in the interest of our Company or if required by the other parties, without reference to the Equity Shareholders, subject to compliance with applicable law.

#### MATERIAL CONTRACTS

1. Offer Agreement dated March 07, 2022 between our Company, Selling Shareholders and the Lead Manager.
2. Registrar Agreement dated March 07, 2022 between our Company, Selling Shareholders and the Registrar to the Offer.
3. Banker(s) to the Offer Agreement dated [●] between our Company, Selling Shareholders, the Lead Manager, Banker(s) to the Offer Agreement and the Registrar to the Offer.
4. Market Making Agreement dated [●] between our Company, Selling Shareholders, the Lead Manager and Market Maker.
5. Underwriting Agreement dated [●] between our Company, Selling Shareholders, the Lead Manager and the Underwriter.
6. Tripartite agreement between the CDSL, our Company and the Registrar to the Offer dated [●].
7. Tripartite agreement between the NSDL, our Company and the Registrar to the Offer dated [●].

#### MATERIAL DOCUMENTS

1. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.
2. Copy of Certificate of Incorporation dated January 06, 2022 issued under the name SKP Bearing Industries Private Limited.
3. Copy of Fresh Certificate of Incorporation dated February 15, 2022 issued by Registrar of Companies, Ahmedabad consequent to name change from SKP Bearing Industries Private Limited to SKP Bearing Industries Limited pursuant to the conversion of our Company into a Public Limited Company.
4. Resolution of the Board of Directors dated February 15, 2022 in relation to the Offer.
5. Resolution of the Shareholders of our Company, passed at the Extra-Ordinary General Meeting held on February 17, 2022 in relation to the Offer.
6. Auditor's report for Restated Financial Statements dated March 08, 2022 included in this Draft Prospectus.
7. The Statement of Possible Tax Benefits dated March 08, 2022 from our Statutory Auditors included in this Draft Prospectus.
8. Consents of our Directors, Promoters, Selling Shareholders, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, Banker(s) to the Company, Lead Manager, Legal Advisor to the Offer, Registrar to the Offer, Banker to the Offer, Underwriter and Market Maker to act in their respective capacities.
9. Due Diligence Certificate(s) dated March 11, 2022 to SEBI by the Lead Manager.

10. Application dated February 15, 2022 by our Company seeking exemption under Regulation 300(1) of the SEBI ICDR Regulations.
11. Approval from NSE vide letter dated [●] to use the name of NSE in this Offer Document for listing of Equity Shares on the NSE Emerge.
12. SEBI observation letter no. [●] dated [●] approving the exemption under Regulation 300(1) of the SEBI ICDR Regulations.

Any of the contracts or documents mentioned in the Draft Prospectus may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without the consent of shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government and / or the guidelines or regulations issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, each as Amended, or the rules made thereunder or Guidelines / Regulations issued, as the case may be. We further certify that all statements and disclosures made in this Draft Prospectus are true and correct.

### SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/- <b>Mr. Shrinand Kamlakar Palshikar</b> Chairman & Managing Director DIN: 08992832	Sd/- <b>Ms. Sangita Shrinand Palshikar</b> Non-Executive Non-Independent Director DIN: 09054303
Sd/- <b>Mr. Rajeev Vinayak Lokare</b> Non-Executive Independent Director DIN: 07463201	Sd/- <b>Mr. Kishorbhai Chhanalal Parikh</b> Non-Executive Independent Director DIN: 09478557

### SIGNED BY THE CFO AND CS OF OUR COMPANY

Sd/- <b>Ms. Shripada Shrinand Palshikar</b> Chief Financial Officer	Sd/- <b>Ms. Pooja Kamleshkumar Sharma</b> Company Secretary and Compliance Officer
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**Date:** March 11, 2022

**Place:** Wadhwan, Surendranagar